

Recording Requested by and
when recorded return to:

ARCH Community Housing Trust
P.O. Box 3569
Hailey, ID 83333

GROUND LEASE

This GROUND LEASE (this “Ground Lease”) dated as of [_____], 2025, and effective as of the first day of its recording in the records of [_____] County, Idaho (the “Effective Date”), by and between [_____] (“Homeowner”) and ARCH Community Housing Trust, an Idaho nonprofit corporation (herein “ARCH,” “Community Housing Trust,” or “Housing Trust”).

The provisions provided in this Ground Lease provide specific requirements between ARCH Community Housing Trust and the Homeowner. Related to the Ground Lease, Homeowner, ARCH Community Housing Trust, and Idaho Housing and Finance Association (“IHFA”) will concurrently enter an Addendum to Ground Lease (the “Addendum”) to memorialize the requirements and conditions for funding down payment assistance to the Homeowner (“DPA” or “HOME Down Payment Assistance”) through the IHFA HOME Investment Partnerships Program (HOME) (the “HOME Program”). At the conclusion of the HOME Period of Affordability described in the Addendum (the “HOME POA”), the Addendum and the obligations thereunder will be released by IHFA and this Ground Lease will continue as mutually agreed upon between ARCH Community Housing Trust and the Homeowner.

1.0 BACKGROUND

1.1 For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Homeowner and ARCH Community Housing Trust are entering this Ground Lease, the purpose of which is to ensure that the Property described in “Exhibit A” shall be and remain affordable community housing in perpetuity, dedicated for use and occupancy by a Qualified Person as defined herein;

1.2 Pursuant to the terms and conditions of this Ground Lease and the Real Estate Purchase and Sale Agreement defined below and entered into between Homeowner and ARCH Community Housing Trust, Homeowner grants to ARCH Community Housing Trust a certain interest in the Improvement, further described in “Exhibit A”. This interest shall allow ARCH Community Housing Trust to administer the terms and conditions of this Ground Lease, but shall not be construed to impair the ability of a mortgagee to remedy a default or foreclose under the terms of a mortgage and/or deed of trust.

2.0 DEFINITIONS

2.1 Appraisal Based Valuation. An appraisal completed by a licensed appraiser chosen by IHFA, is familiar with the local market conditions. This includes establishing a value for similar sized non- ARCH Community Housing Trust houses, and including a separate valuation for the land only. IHFA will pay for an appraisal at the acquisition of the original buyer and at each resale through the HOME POA to ensure the methodology is applied consistently. This will not replace any appraisal required by a lender. The results of this appraisal may differ from a lender’s appraisal due to differences in requirements. IHFA may allow reasonable price adjustments to meet lending requirements when necessary, at their sole discretion.

- 2.2 Capital Improvements. As approved by writing in advance by the ARCH Community Housing Trust, capital improvements are permissible including new or replacement structural components or systems as follows: (a) structural: addition of a bedroom, bathroom, or additional square footage; (b) system: roof, shingles, HVAC, electrical, energy efficient windows, doors, and insulation; paving, roadway(s), fencing, irrigation system, gas lines, landscaping, and earthwork. General repairs, updates, or replacement of interior materials such as flooring, cabinets, countertops, paint or hardware are not classified as Capital Improvements.
- 2.3 ARCH, Community Housing Trust, or Housing Trust. [LEGAL NAME], a nonprofit corporation that develops and stewards affordable housing on behalf of a community to ensure the housing remains safe, decent and affordable for the long-term and is the owner of the Land on which the Improvement is situated.
- 2.4 Event of Default. Default by Homeowner, as defined in Section 21 below.
- 2.5 Fair Return on Investment. The Homeowner is entitled to a fair return on their investment, if available from the net proceeds of the sale of the Improvement as defined herein, at the time the Improvement is sold to a subsequent Qualified Person or the ARCH Community Housing Trust.

The resale formula used by ARCH Community Housing Trust provides a fair return to the Homeowner at resale, based on an objective standard that is publicly accessible and can be easily measured, both at the time of initial purchase and at resale.

ARCH Community Housing Trust uses an appraisal-based resale formula to achieve its dual goals of providing a fair return to the original homeowner/seller at resale and ensuring an affordable price to the incoming, low-income homebuyer.

The resale formula stipulates the Homeowner, should they choose to sell, will be able to sell the Improvement for the value of the original price paid plus 25% of any increase in value since initial purchase, as determined by an appraisal completed by ARCH Community Housing Trust at the time of purchase and a new appraisal at the time of sale. Capital improvements are included in the Improvement's value determined by the resale appraisal; therefore, no additional credit for capital improvements is calculated or allowable.

The Homeowner receives the original purchase price, less any HOME Program down payment assistance (DPA must be assumed by the next buyer, if applicable), plus 25% of the increase in value. This results in the Homeowner retaining their mortgage equity, plus their share of any increase allowed, if the market permits. If appraised value has not increased, or value has decreased, no increase in value is added to the fair return in investment. Homeowner's fair return on investment will be limited to total equity between original mortgage loan amount and their current mortgage payoff only, if any.

- 2.6 Good Cause. Credible evidence or indication the Homeowner is using or occupying the Improvement in a manner that is not in accordance with the terms of this Ground Lease and covenants. Some examples of "Good Cause" would be if Homeowner stops paying lease fees; indications that a business is being run out of the home without prior ARCH Community Housing Trust permission; health/safety concerns, etc.
- 2.7 Ground Lease. This Ground Lease executed agreement between the ARCH Community Housing Trust and the Homeowner preserving the long-term affordability and other conditions and covenants of the Improvement and Land, but not less than ninety-nine (99)

years.

- 2.8 Homeowner. The owner of the Improvement and a leaseholder of the Land owned by the ARCH Community Housing Trust.
- 2.9 Homeowner Investment. Current mortgage equity; defined as principal amount paid down by the Homeowner from original mortgage loan amount secured by the Improvement, plus down payment contributions from the Homeowners own funds (must provide copy of signed closing statement from original transaction). Does not include any HOME Program down payment assistance, or other down payment assistance provided to the household.
- 2.10 HOME Program. The HOME Investment Partnership Program, a federally funded affordable housing development program, administered for the State of Idaho by IHFA. The Homeowner has received HOME funds to assist in the purchase of the Improvement.
- 2.11 IHFA. Idaho Housing and Finance Association, and its successors and assigns.
- 2.15 Improvement. The residential living structure and other structures situated on land owned by the homeowner as identified in the Homeowner's Deed of Trust, as described in Exhibit "A".
- 2.16 Intent to Sell. Written notification to ARCH Community Housing Trust, from the Homeowner or their Agent, notifying ARCH Community Housing Trust the Homeowner intends to make the Improvement available for purchase in 30 days. The 30 days begins the date the ARCH Community Housing Trust receives this notification.
- 2.17 Land. The Property, not including the Improvement(s), owned by ARCH Community Housing Trust and leased to the Homeowner pursuant to this Ground Lease, and identified in "Exhibit A".
- 2.18 Maximum Subsequent Sales Price. After the initial sale of the Improvement (from the ARCH Community Housing Trust to the first Qualified Person), the Improvement can be sold to a subsequent Qualified Person for an amount not to exceed the current Homeowner's original purchase price, and the Homeowner's Fair Return on Investment, if appraised value at the time of sale supports a return to the homeowner (see Section 2.4).
- 2.19 Mortgage Equity. The principal amount the Homeowner has paid down on their primary mortgage and subordinate liens on the Improvement.
- 2.20 Net Proceeds Retained By Homeowner. The amount remaining from the calculated sales price after the following costs are deducted: (a) Homeowner's primary mortgage payoff, (b) subsequent lien payoffs on the Improvement (if applicable), (c) HOME Down Payment Assistance (must be assumed by new qualified buyer), (d) seller's closing costs – includes realtor fees or other payment for services selected by selling Homeowner.
- 2.21 Party or Parties. ARCH Community Housing Trust, the Homeowner, and/or IHFA as the context of this Ground Lease dictates.
- 2.22 Permitted Mortgage. A mortgage approved in writing by ARCH Community Housing Trust and/or IHFA, as defined in Section 13 below.
- 2.23 Permitted Mortgagee. The holder of a Permitted Mortgage.
- 2.24 Permitted Capital Improvements. The addition, alteration, or replacement of major systems or structures made in accordance with Section 5 below, to increase or maintain the value of

the Improvement, or to add or extends the useful life of the system or structure.

- 2.25 Property. Improvement and Land, more particularly described in “Exhibit A”.
- 2.26 Qualified Person. A person or household that meets HOME and ARCH Community Housing Trust’s ownership criteria, which includes an annual gross household income that does not exceed eighty percent (80%) of the median household income for the applicable Standard Metropolitan Statistical Area or _____ County, Idaho, at the time the sales contract is signed, as required by the HOME Program, and published from time to time by U.S. Department of Housing and Urban Development- Division of Community Planning and Development or any successor agency.
- 2.27 Real Estate Purchase and Sale Agreement. An agreement that conveys the Improvement from the Seller to the Buyer.
- 2.28 Sale, Sale of or to Sell. Includes, with limitation, any transfer, purchase, sale, conveyance, grant, gift, bequest or devise, by merger, consolidation, dissolution, operation of law or otherwise, of the Property, Land or Improvement, or any interest therein, in whole or in part.

3.0 HOMEOWNER’S USE OF PROPERTY

3.1 Use as Primary Residence. Homeowner shall occupy the Improvement as their primary residence. The Improvement shall be deemed the Homeowner’s primary place of residence if the Homeowner meets one of the following conditions:

(A) is physically present on and residing in the Improvement as their primary residence;
OR

(B) has received a temporary occupancy exemption from ARCH Community Housing Trust and IHFA (during POA) because of one of the following conditions: (i) Military transfer or deployment, or (ii) Full-time attendance at a Post-Secondary Education Institution located more than 50 miles from the residence (iii) has Seasonal employment which requires the Homeowner to be absent from the residence as a condition of employment, and Homeowner maintains Improvement as their primary residence, as verified and approved by ARCH Community Housing Trust.

3.2 No Commercial Structures or Businesses. No commercial structures may be erected on the Land nor shall Homeowner use or allow the Property to be used for any business or commercial operation if precluded by zoning regulations. If such business or commercial use is allowed by ARCH Community Housing Trust, Homeowner shall first obtain a permit, should one be required, and comply with all laws, rules, regulations permits, and any covenants, conditions and restrictions pertaining to such activities. Homeowner shall not apply for or consent to a change in the zoning designation of the Property without the prior written consent of ARCH Community Housing Trust, which consent may be granted, conditioned or withheld in ARCH Community Housing Trust’s sole and absolute discretion. Furthermore, no business or commercial operation shall be conducted on the Property which materially interferes with or precludes the Property’s use and occupancy as a residence.

3.3 Capital Improvements. Nothing in this section shall be construed to prevent Homeowner from making Capital Improvements to the Property as long as they comply with the provisions of Section 5 below.

3.4 Responsible Use. Homeowner shall use the Property in a manner reasonably related to its use as a primary residence. Such use shall not cause actual harm or create any nuisances, public or private. Homeowner shall use the Property in an environmentally sound manner, maintaining the productivity of the soil and the integrity of the landscape. Homeowner shall dispose of any and all waste in a safe and sanitary manner. Homeowner shall maintain the Property in good, safe and habitable condition in all respects.

3.5 Maintenance, Replacements and Repairs. Homeowner individually and as an occupant of ARCH Community Housing Trust home, shall at all times, at its own cost and expense, do the following: (a) maintain the Property (Improvement, Land and every part thereof) in good, clean and habitable condition, including, without limitation the roof, foundation, walls, siding, trim, floors, doors and windows, all electrical, plumbing, sewer, septic and HVAC components, lines and fixtures, all appliances, equipment and systems on the Property, all paved surfaces, all landscaped areas, and any sprinkler systems and water lines, reasonable wear and tear excepted; and (b) repair and/or replace damaged/worn/non-functional components and systems in a timely manner; and (c) maintain the landscaped areas of the Property in a neat, clean and healthy condition, replace all dead, dying or diseased plants, shrubs and trees, provide adequate watering for the landscaped areas, mow, trim and prune the landscaped areas as needed for a neat and presentable appearance; (d) otherwise keep the Property free of harmful pests, insects and noxious weeds and plants. Such repairs, replacements or maintenance must be performed in a good and workmanlike manner. If Homeowner refuses or neglects to maintain, repair, or replace components as necessary on the Property, or any part thereof, in accordance with this Section, the ARCH Community Housing Trust shall have the right, but not the obligation, to perform such maintenance, repair or replacement obligations on behalf of and for the account of Homeowner. In such event, any costs incurred by ARCH Community Housing Trust shall be due and payable as provided in Section 20 below. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

3.6 Inspection. In order to ensure compliance with the requirements of the HOME Program, IHFA and/or ARCH Community Housing Trust, by its authorized representative, may inspect the Property, including the Improvement, when "Good Cause" (defined in section 2.5 above) exists. IHFA and/or the ARCH Community Housing Trust will provide a minimum of seventy- two (72) hours written notice to the Homeowner. Inspections will be scheduled during daytime business hours, or at such other time as may be agreed upon by the Homeowner and IHFA and/or ARCH Community Housing Trust. If IHFA and/or ARCH Community Housing Trust believes immediate health or safety concerns exist, law enforcement may be notified, with or without notice to the Homeowner. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

3.7 Compliance. Homeowner shall comply with any rules, regulations, laws and ordinances encumbering and/or pertaining to the Property including the requirement to complete an annual compliance form. Homeowner shall also use, occupy, and maintain the Property in such condition as is required to maintain the insurance coverage required in Section 18 below.

4.0 GROUND LEASE FEE

4.1 Ground Lease Fee. In consideration of the possession, continued use, and occupancy of the Leased Premises, Homeowner shall pay to ARCH Community Housing Trust a monthly ground lease fee ("the ground lease fee") of _____ dollars (\$____). ARCH Community Housing Trust may place a lien on the Improvement for any unpaid Ground Lease Fees.

4.2 Payment of the Ground Lease Fee. The Ground Lease Fee shall be payable to ARCH Community Housing Trust at the address specified in this Covenant, or by other method permitted by ARCH Community Housing Trust on the ____ day of each month for as long as this Covenant remains in effect. If any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold, the amount of

the payable Ground Lease Fee shall be paid to ARCH Community Housing Trust out of any proceeds from the sale of the improvements, otherwise due to the Homeowner at the time of such sale.

4.3 Calculation of the Ground Lease Fee. The Ground Lease Fee specified in Section 4.1 above shall be determined to be less than fair market value for the lease and an amount which is affordable to the Homeowner.

4.4 Reduction, Delay or Waiver of the Ground Lease Fee. ARCH Community Housing Trust may reduce, delay or waive entirely the Ground Lease Fee at any time and from time to time for the purpose of ensuring affordable monthly housing costs for the Homeowners. Any such deduction, delay or waiver is at the sole discretion of ARCH Community Housing Trust, and must be approved in writing by ARCH Community Housing Trust before being effective.

4.5 Duration of the Ground Lease. This ground lease shall remain in full force and in effect for 99 years commencing on the date of recordation. The lease will be renewed for 99 years upon each sale of the Improvement to any future Qualified Person.

4.6 Increases to Ground Lease Fee. ARCH Community Housing Trust may not increase the Ground Lease Fee for at least three (3) years upon purchase of the qualified unit. After three years, increases may only occur once every twelve (12) months, and may not increase more than 5% in any twelve month period. Fees may not be increased above the top average rate for ARCH Community Housing Trust's in the Region 10 division. IHFA reserves the right to review and may require ARCH Community Housing Trust to adjust ground lease fees, should IHFA determine they exceed the average ARCH Community Housing Trust ground lease rate, or over-burden homeowners.

5.0 CAPITAL IMPROVEMENTS

5.1 Capital Improvements. Homeowner shall be entitled to make any capital improvements (see Definition 2.1) permitted by law and this Ground Lease. Capital Improvements as approved in advance by ARCH Community Housing Trust, are defined as new or replacement structural and systems: (a) addition of a bedroom, bathroom, or additional square footage; (b) roof, shingles, HVAC, electrical, energy efficient windows, doors, insulation as approved by the ARCH Community Housing Trust; (c) paving, roadways, fencing, irrigation system, gas lines, landscaping, and earthwork.

5.2 Permitted Capital Improvements. It is the intent of this Ground Lease the value of the Improvement be preserved for future Qualified Persons. Therefore, with respect to any post-purchase construction on, alteration of, or change to the Improvement, including the addition of a new structure, expansion of an existing structure, or the alteration of existing structures, the Homeowner must first obtain written permission for the modifications to the Improvement from ARCH Community Housing Trust. The following conditions shall apply to any change to the Improvement: (a) All costs shall be borne and paid for by the Homeowner; (b) All work shall be performed in a manner consistent with generally accepted construction standards and shall comply with all applicable state laws, regulations and codes, as well as any standards required by HOME, IHFA, or ARCH Community Housing Trust; (c) all work shall be consistent with the permitted uses set forth in this Ground Lease; (d) Homeowner shall furnish to ARCH Community Housing Trust a copy of the plans for such work and all building permits as required for such construction at least thirty (30) days prior to such work for review and approval; and (e) Upon completion, certificates of completion and evidence of lien free completion must be provided to ARCH Community Housing Trust. Consent for Capital Improvements may be reasonably withheld if ARCH Community Housing Trust determines the value will be negatively impacted by the proposed work, or the improvements could make the home unaffordable for another Qualified Person. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

6.0 TAXES AND ASSESSMENTS:

6.1 Taxes and Assessments. Homeowner shall be responsible for all taxes and governmental assessments that relate to the Improvements. Homeowner shall pay directly, when due, all other service bills, utility charges, or other governmental assessments charged against the Improvements.

6.2 Taxes on the Leased Premises. In the event the local taxing authority bills ARCH Community Housing Trust for the taxes to the Improvement, ARCH Community Housing Trust shall pass responsibility for this expense to the Homeowner who shall pay the bill promptly.

6.3 Homeowners Right to Contest. The Homeowner shall have the right to contest the amount or validity of any taxes relating to the Improvement with the Tax Assessor for the county in which the unit is located.

6.4 Delinquent Taxes or Assessments. If the Homeowner fails to pay the taxes or other assessments, ARCH Community Housing Trust is under no obligation to pay the taxes or assessment(s). If ARCH Community Housing Trust pays the taxes or assessment, it may bill the Homeowner directly, or may increase the Ground Lease fee by an amount equal to the amount of the taxes or assessment, and any other charges relating the event. Homeowner shall pay this amount in a timely manner as defined by ARCH Community Housing Trust.

7.0 ARCH COMMUNITY HOUSING TRUST'S OPTION TO PURCHASE

7.1 Notice of Intent to Sell. Homeowner shall notify ARCH Community Housing Trust in writing at least Thirty (30) days before the date upon which the Homeowner intends to offer the Improvement for sale or other disposition, which for purposes of this section shall be referred to as a sale ("Intent to Sell"). During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

7.2 Option to Purchase. ARCH Community Housing Trust shall have the right to exercise an Option to Purchase for 30 days, beginning on the date it receives a written notice of Intent to Sell. The ARCH Community Housing Trust shall notify the Homeowner in writing of its intent to exercise the option to purchase at a price and terms set forth under this Ground Lease or provide written instructions to the seller detailing the required process, if imposed by ARCH Community Housing Trust, to place the home for sale and identify an eligible buyer, should ARCH Community Housing Trust choose not to exercise its option to purchase. ARCH Community Housing Trust may be able to exercise its Option to Purchase after the first 30 days, should no eligible buyers receive approval to purchase the unit, if mutually agreed upon between ARCH Community Housing Trust and selling Homeowner. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

7.3 If Option To Purchase Is Not Exercised. If ARCH Community Housing Trust does not exercise its option to purchase the Improvement, ARCH Community Housing Trust shall provide written instructions to the seller on placing the home for sale, should ARCH Community Housing Trust impose a resale process after the POA. Homeowner shall have the right sell or otherwise dispose of the Improvement at a price and terms set form in this Ground Lease. Both ARCH Community Housing Trust and Homeowner shall approve any extension to a purchase option in writing. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

7.4 Expiration of ARCH Community Housing Trust's Option to Purchase. Upon expiration of ARCH Community Housing Trust's option to purchase the Improvement, Homeowner will follow any resale procedure imposed by ARCH Community Housing Trust. Homeowner may sell the Improvement for not more than the "Maximum Sales Price for Subsequent Sale" to any Qualified Person, subject to the

consent of ARCH Community Housing Trust. Homeowner shall provide ARCH Community Housing Trust with the contact information of the proposed purchaser together with such other information as ARCH Community Housing Trust may require in order to approve the purchase, which approval shall not be unreasonably withheld. The Buyer must be willing to sign any required Acknowledgement or Acceptance of the Terms and Restrictions required by ARCH Community Housing Trust prior to sale. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

7.5 Property Inspection Report. If ARCH Community Housing Trust chooses to exercise its option to purchase, or as otherwise required, shall order a Home Inspection Report within five (5) business days of receiving Homeowner's Notice of Intent to Sell. The inspection report shall include an assessment of all major systems, major structures, and land, including the current usability and remaining useful life, as well as an inspection of all interior and exterior areas. The Home Inspection Report shall identify any item in need of repair or replacement, as well as any safety and health concerns. Homeowner may obtain another Home Inspection by a certified third party Home Inspector at its expense. ARCH Community Housing Trust shall negotiate any item identified in the inspection report within the 30-day time limit as established at 7.2. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

7.6 Maximum Sales Price to Subsequent Qualified Person. The sales price of the Improvement cannot exceed the total of the following: Current Homeowner's original purchase price, and Homeowner's Fair Return on Investment. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

7.7 Fair Return on Investment. Whenever the Homeowner sells the Improvement to another Qualified Person, the Homeowner shall be entitled to a fair return on investment and the home will continue to be affordable to a specific range of incomes.

The resale formula used by IHFA provides a fair return to the Homeowner at resale, based on an objective standard that is publicly accessible and can be easily measured, both at the time of initial purchase and at resale.

IHFA uses an appraisal based resale formula to achieve its dual goals of providing a fair return to the original homeowner/seller at resale and ensuring an affordable price to the incoming, low-income homebuyer.

The resale formula stipulates the homeowner, should they choose to sell, will be able to sell the home for the value of the original price paid, plus 25% of any increase in value since initial purchase, as determined by an appraisal at the time of purchase and a new appraisal at the time of sale. Capital improvements are included in the home value determined by the resale appraisal; therefore, no additional credit for capital improvements is calculated or allowable. Homeowner's Fair Return on Investment will be equal to mortgage equity (amount paid down on original mortgage loan), down payment contributions from their own funds (must provide a copy of signed closing statement from purchase showing the funds paid by the household), plus 25% of the increase in value. HOME Down Payment Assistance (difference between initial sales price and initial mortgage loan amount) must be assumed by the new qualified household. Additional requirements applicable to the HOME POA may be found in the Addendum.

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7.8 Examples of Initial and Subsequent Sales Price Calculations:

Two Examples of Resale Calculations

Initial Sale- May 2017	
Appraised Value (land and unit) =	\$256,000
Value or cost of Land =	-\$51,000
Initial Sales Price to be shown on Purchase and Sales Agreement	\$205,000.00
Direct Down Payment Assistance to Buyer (EXAMPLE ONLY –NOT A GUARANTEE OF AVAILABLE DPA FUNDS)	-\$41,000.00
Mortgage Loan Amount Needed by Buyer (Does not include earnest money, or, buyer or other down payment contributions)	\$164,000.00
Subsequent Sale- March 2022	
Seller's Equity (mortgage paid down based on 3.99% average interest rate in 2017)	\$15,402.12
New appraised value March 2022	\$380,000.00
Change in value between initial and resale appraisal	\$124,000.00
25% of increased value between initial and resale appraisal (assuming value increases – if value decreases this will be zero)	\$31,000.00

APPRECIATING Housing Market		DEPRECIATING Housing Market	
Sold March 2022		Sold March 2022	
Appraised value (land and unit) at time of sale 2022	\$380,000.00	Appraised value (land and unit) at time of sale 2022	\$210,000.00
Change in value (Net Proceeds)		Change in value (Net Proceeds)	
THIS IS NOT THE BUYERS RETURN		THIS IS NOT THE BUYERS RETURN	
DETERMINES CHANGE IN VALUE ONLY	\$124,000.00	DETERMINES CHANGE IN VALUE ONLY	-\$46,000.00

Owner's Investment Purchase price paid by homeowner (captures owners initial investment)	\$205,000.00		Owner's Investment Purchase price paid by homeowner (captures owners initial investment)	\$205,000.00
Owner's Portion of Increased Value 25% of increase in value (if available from net proceeds)	\$31,000.00		Owner's Portion of Increased Value 25% of increase in value (if available from net proceeds)	No increase in value – Owners portion is \$0.00
Total Fair Return on Investment to Owner Owner's Investment plus 25% of increased value, as available from net proceeds (\$41,000.00 in DPA assumed by next buyer – this equals total paid down on owner's \$164,000.00 mortgage plus the 25% increase in value)	\$46,402.12		Total Fair Return on Investment to Owner Owner's Investment plus 25% of increased value, as available from net proceeds (owner cannot receive full amount of equity - current appraised value cannot be exceeded – reduced by \$10,402.12) <i>*\$5,000 is calculated by subtracting current appraised value from purchase price of current owner</i>	\$20,402.12
Maximum Sales Price to next Low-income Buyer – Owner's original sales price plus Fair Return on Investment, or current maximum HOME sales price limit, whichever is less.*	\$236,000.00		Maximum Sales Price to next Low-income Buyer – Owner's original sales price plus Fair Return on Investment, or current maximum HOME sales price limit, whichever is less.* Sales price to buyer may never exceed appraised value	\$210,000.00
DPA Assumed by New Buyer	\$41,000.00		DPA Assumed by new Buyer	\$41,000.00
Mortgage Loan to New Buyer (Does not include any other down payment resources or buyers contribution)	\$195,000.00		Mortgage Loan to New Buyer (Does not include any other down payment resources or buyers contribution)	\$169,000.00

The final sales price of any home unit can never exceed the home maximum sales price limit in effect of the time of sale, or appraised value of the unit. If the sales price produced by the sales price calculation exceeds one or both of these limits, the lesser of the HOME maximum sales price limit or the appraised value is the sales price of the unit.

- In the event the calculated price is above the maximum allowed by the HOME Program, the sales price must be reduced to the maximum sales price allowable for the County/metro area in which the unit is located. The Fair Return on Investment to the seller (if available from net proceeds) must be reduced accordingly to ensure the resale price does not exceed the HOME Maximum Sales Price Limit.
- If value has decreased, owner may receive a reduced return based on what proceeds are available. Owner will receive no return if there no available net proceeds after payoff of the primary mortgage loan.
- The maximum sales price for a new construction unit is higher than the maximum allowed for an existing unit. Make sure to utilize the limits for existing homes before completing the sales price calculation for any resale.

During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

8.0 TRANSFER TO QUALIFIED HEIR

8.1 Qualified Heir. Notwithstanding the provisions of Section 3, upon receipt of a written request from Homeowner at any time or upon notice from the personal representative of the Homeowner's estate given within ninety (90) days after the death of Homeowner, ARCH Community Housing Trust may, in its sole and absolute discretion, consent to a transfer of the Homeowner's interest in the Property to one or more of the heirs of Homeowner listed below ("Qualified Heirs") provided that such heir and such heir's legal counsel executes an Acknowledgement and Acceptance of the Terms and Restrictions set forth in this Ground Lease. The Qualified Heirs are the following: (a) spouse, common law partner or same-sex partner of the Homeowner; or (b) the dependent child or dependent children of the Homeowner; or (c) other member(s) of the Homeowner's household who have resided in the Improvement for at least twelve (12) months immediately prior to Homeowner's death. A Qualified Heir must meet the definition of a Qualified Person as defined in Section 2. 26. If not, then ARCH Community Housing Trust may exercise the Option to Purchase described in Section 7. If ARCH Community Housing Trust fails to exercise its purchase option, the heir or the estate of the decedent Homeowner shall proceed to sell the Improvement in accordance with the provisions of Section 7 of this Ground Lease. ARCH Community Housing Trust may also charge a market-rate ground lease fee during the period that the Improvement is not owned by a Qualified Person. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

9.0 CLOSING FEES AND RESPONSIBILITIES

9.1 Closing Fees. Except in the event of a foreclosure sale, at the close of escrow ("Closing") of any Sale of the Improvement, the Homeowner and the Qualified Buyer shall pay their own reasonable and industry standard escrow and closing fees. Ad valorem taxes and assessments, homeowner's association assessments and fees, and utilities shall be prorated as of the date of closing. The Homeowner shall pay the cost to release any monetary liens or encumbrances granted or caused by the Homeowner and all premiums for a standard owner's policy of title insurance in the amount of the purchase price.

9.2 Transaction Fee. The Homeowner may be required to pay a transaction fee ("Transaction Fee") to ARCH Community Housing Trust in an amount equal to **one percent (1.0%)** of the sales price of the Improvement to identify potential eligible applicants on the wait list , **maintained by ARCH Community Housing Trust**. ARCH Community Housing Trust may not charge a transaction fee if wait list is maintained by another party or organization (i.e. by a realtor, lender, or other local organization), unless an MOU has been established between the parties, and the waitlist fee is split by all involved in the agreement. The Transaction Fee covers the cost of transfer of the ground lease, maintaining a wait list, and assisting with the resale of the affordable unit, as provided in this Ground Lease. This fee is independent of any fees required to be paid to licensed real estate brokers or attorneys who may be engaged by Homeowner or the Qualified Buyer in the Sale of the Improvement. ARCH Community Housing Trust may instruct the escrow company to pay the Transaction Fee directly to ARCH Community Housing Trust from the selling Homeowner's proceeds.

9.3 Acknowledgement and Acceptance of Covenants. At Closing, the Qualified Buyer shall execute and deliver to ARCH Community Housing Trust a document entitled Acknowledgement and Acceptance of the Terms and Restrictions Set Forth in the Community Housing Covenants Running with the Land, indicating that he or she has read and agrees to be bound by all of the terms of this Ground Lease. Closing shall not occur unless Qualified Buyer executes such document. A Qualified Buyer's failure to execute or deliver to ARCH Community Housing Trust an Acknowledgement and Acceptance of this Ground Lease, shall not compromise, minimize or in any way affect the terms or conditions of this Ground Lease or ARCH Community Housing Trust right, title or interest herein, and the Qualified Buyer shall nonetheless be bound by and subject to this Ground Lease. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

9.4 Removal of Belongings. Upon the Sale of the Improvement, Homeowner shall remove all

of Homeowner's belongings not sold to the Qualified Buyer and leave the Property in a good and clean condition, reasonable wear and tear excepted.

10.0 ARCH Community Housing Trust'S POWER OF ATTORNEY TO CONDUCT SALE.

In the event the Homeowner (a) fails to reside in the Improvement as a primary residence, (b) is in violation of any material provision in this Ground Lease, or (c) is unable to sell the Improvement to a Qualified Person within one (1) year of giving of the Notice of Intent to Sell, and still desires to sell the Improvement, the Homeowner hereby appoints ARCH Community Housing Trust its attorney in fact to seek a buyer, negotiate a reasonable price which furthers the goals set forth in this Ground Lease, sell the Improvement, satisfy all liens on the Improvement and distribute proceeds of the sale, minus ARCH Community Housing Trust's costs of sale and resale, and any other sums owed to ARCH Community Housing Trust by the Homeowner, in accordance with the provisions of this Ground Lease. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

11.0 LEASE OR RENTAL

11.1 During the HOME POA. The Homeowner shall not rent, lease or otherwise fail to occupy the Improvement as a Primary Residence.

11.2 After the HOME POA. Any lease or rental of the Improvement, or any portion of the property shall be at the ARCH Community Housing Trust's discretion, and will be subject to any terms set by ARCH Community Housing Trust.

12.0 PERMITTED MORTGAGES, PAYMENT OF LIENS AND ENCUMBRANCES

12.1 Consent of ARCH Community Housing Trust. Homeowner may mortgage the Improvement only with the prior written consent of ARCH Community Housing Trust and subject to the terms of this Ground Lease ("Permitted Mortgage"). During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

12.2 Payment of all Liens, etc. Homeowner shall promptly pay when due all monetary liens, taxes, assessments, and encumbrances on the Property and otherwise comply with the terms and provisions of any deed of trust, mortgage or other loan documents pertaining to the Property. Homeowner shall instruct all lenders and their assigns to copy ARCH Community Housing Trust on any change in terms, sale of loan to another lender, or notification of default, for any loan on the Property. Within five (5) days after Homeowner's receipt of any such communication from any lender, Homeowner shall provide ARCH Community Housing Trust with copies of the written communications. ARCH Community Housing Trust shall have the right, but not the obligation, to cure an event of default under the mortgage. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

12.3 Notice to Mortgage Holder. If ARCH Community Housing Trust initiates any enforcement or default action against the Homeowner, ARCH Community Housing Trust shall, within five (5) days after commencement of such action, notify the mortgage holder of such action. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

12.4 HOME Funding Requirements. If financing requirements of the approved third party mortgage lender, or IHFA are more stringent than those set forth in this Ground Lease, in such case, the more stringent requirements shall prevail. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

13.0 FORECLOSURE & RIGHT TO PURCHASE DEBT.

In the event of any foreclosure of a Permitted Mortgage, such foreclosing party may sell the Improvement through a duly called and noticed foreclosure sale to any person or entity for more than the Option Price provided that the Foreclosing Party strictly adheres to the provisions of Sections 13 and 14 hereof. The Foreclosing Party shall notify ARCH Community Housing Trust in writing of the pending foreclosure on or before fifteen (15) days after the trustee or beneficiary files for record the notice of default as required by Idaho Code Section 45-1505 (or as such code section may be amended) or the Permitted Mortgagee serves upon the Permitted Mortgagor an action for foreclosure and thereafter the Foreclosing Party shall send to ARCH Community Housing Trust a copy of all notices sent to the Homeowner. Within 90 days prior to the foreclosure sale and upon request of ARCH Community Housing Trust, the Foreclosing Party shall grant, bargain, sell, transfer and convey to ARCH Community Housing Trust the entire debt obligation owed to the Foreclosing Party and ARCH Community Housing Trust shall take full assignment of the debt obligation, promissory note, and other loan documentation, including foreclosure rights, for an amount not to exceed the Foreclosing Party's actual principal and interest due together with foreclosure costs not exceeding those reasonable and customary in the lending industry. The foregoing sentence shall not obligate ARCH Community Housing Trust to purchase the debt obligation and ARCH Community Housing Trust may purchase the debt obligation for less if ARCH Community Housing Trust and the Foreclosing Party otherwise agree. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

14.0 FORECLOSURE SALE

14.1 Proceeds. In the event ARCH Community Housing Trust does not elect to purchase the debt obligation pursuant to Section 14 and the Foreclosing Party has strictly adhered to Section 13 hereof, or in the event ARCH Community Housing Trust has taken assignment of the debt obligation and is the Foreclosing Party, the Foreclosing Party may proceed with the foreclosure action and the Improvement may be sold for more than the Option Price to a person other than a Qualified Person. Proceeds, if any, from the foreclosure sale shall be distributed as follows: costs of foreclosure, including trustee services, sheriff's fees, and similar costs, and the amounts due the Foreclosing Party shall have first priority to the sale proceeds; next, any junior liens will be repaid if required.; next, any other amounts that may be due to ARCH Community Housing Trust pursuant to the terms of this Ground Lease. The balance and any other excess amount received at a foreclosure sale shall be paid to ARCH Community Housing Trust. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

14.2 ARCH Community Housing Trust's Right to Excess Proceeds. It is contrary to the fundamental concept of this Ground Lease for any Permitted Mortgagor to realize more than the calculated sales price as the result of any foreclosure of any mortgage. Accordingly, the Permitted Mortgagors hereby irrevocably assign to ARCH Community Housing Trust any and all net proceeds of the sale of the Improvement remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to the Permitted Mortgagor, any other junior liens, and any other amounts which may be due to ARCH Community Housing Trust. The Homeowner hereby authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of the excess proceeds directly to ARCH Community Housing Trust. In the event that, for any reason, the Homeowner receives the excess proceeds, the Homeowner agrees to promptly pay the amount of the excess proceeds to ARCH Community Housing Trust. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

14.3 Non-qualified Transfers. In the event ARCH Community Housing Trust does not purchase the Improvement(s) and they are sold for more than the option price and/or to a Non-Qualified Person, ARCH Community Housing Trust may charge fair market rent for the underlying ground lease. ARCH Community Housing Trust must repay the development subsidy to IHFA, should such event occur during the POA. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

15.0 LIABILITY, INDEMNIFICATION AND WAIVER

15.1 Liability and Indemnification. The Homeowner assumes sole responsibility and liability to all persons and authorities related to Homeowner's possession, occupancy, and use of the Property. Homeowner agrees to indemnify, defend and hold harmless ARCH Community Housing Trust from and against any and all claims, damages, liability, causes of action, judgments, expenses (including attorney fees and attorney fees on any appeal) (collectively "Claims") arising from Homeowner's use or occupancy of the Property, and shall further indemnify, defend and hold ARCH Community Housing Trust harmless from and against any and all Claims arising from any breach or default in the performance of any obligation on Homeowner's part to be performed under the terms of this Ground Lease, or arising from any act, omission or negligence of Homeowner, or any of its agents, contractors, tenants, occupants or invitees, and from and against all Claims or any action or proceeding brought thereon. In case any action or proceeding is brought against ARCH Community Housing Trust by reason of any such Claim, Homeowner, upon notice from ARCH Community Housing Trust, shall defend the same at Homeowner's expense by counsel reasonably satisfactory to ARCH Community Housing Trust. Homeowner, as a material part of the consideration to ARCH Community Housing Trust, hereby assumes all risk of damage to property or injury to persons in, upon or about the Property from any cause and Homeowner hereby waives all Claims in respect thereof against ARCH Community Housing Trust, except those Claims solely caused by ARCH Community Housing Trust's negligence or willful misconduct. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

15.2 Waiver. The waiver by ARCH Community Housing Trust at any given time of any term or condition of this Ground Lease, or the failure of ARCH Community Housing Trust to take action with respect to any breach of any such term or condition, shall not be deemed to be a waiver of such term or condition with regard to any subsequent breach of such term or condition, or of any other term or condition of this Ground Lease. ARCH Community Housing Trust may, at its sole and exclusive discretion, grant waivers in the terms of this Ground Lease, but such waivers must be in writing and signed by ARCH Community Housing Trust. The subsequent acceptance of payments by ARCH Community Housing Trust shall not be deemed to be a waiver of any preceding breach by Homeowner of any term or condition of this Ground Lease, other than the failure of the Homeowner to pay the particular fee so accepted, regardless of ARCH Community Housing Trust's knowledge of such preceding breach at the time of acceptance of the payment. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

16.0 INSURANCE

The Homeowner shall, at the Homeowner's sole expense: (a) keep the Improvement continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement costs, including endorsements for debris removal and code compliance; (b) maintain continuously in effect insurance coverage including Bodily Injury, Personal Injury, and Property Damage Liability Insurance with limits of liability functionally equivalent to a combined single limit of not less than full replacement value and will be kept current with market conditions, or the standard required by the Homeowner's first mortgage holder. The dollar amounts of the insurance coverage required in this Section 18 shall be adjusted at two-year intervals beginning on the close of escrow, or annually if requested by ARCH Community Housing Trust with thirty (30) days notice to Homeowner. This adjustment shall be equal to the percentage of change (positive or negative), over the period in question, of the Consumer Price Index, or such other index that reasonably measures adjustments in coverage amounts for the applicable type of insurance; (c) Homeowner's insurance required shall be in amounts sufficient to insure the Homeowner against all liability assumed under this Ground Lease, as well as all liability imposed by law; (d) on all insurance policies, by endorsement name the ARCH Community Housing Trust as an additional insured and loss payee so as to create the same liability on the part of insurer as though separate policies had been

written for the Homeowner and ARCH Community Housing Trust; (e) prior to the required effective date of such policies or renewals thereof, the Homeowner shall provide ARCH Community Housing Trust with copies of all policies and renewals of policies. All policies shall also contain endorsements providing that they shall not be cancelled, reduced in amount or coverage or otherwise modified by the insurance carrier without at least thirty (30) days prior written notice to ARCH Community Housing Trust and any Permitted Mortgagee. ARCH Community Housing Trust is entitled to participate in the settlement or adjustment of any losses covered by the policies of insurance. Homeowner hereby waives any rights of recovery against ARCH Community Housing Trust for loss to Homeowner of the Improvement or the property of others insured under any insurance policy carried by Homeowner to the extent such loss is covered by insurance. Homeowner shall look solely to its insurer for reimbursement, provided that this provision shall not be deemed to be a limitation on the ARCH Community Housing Trust's indemnification provided for in this Section 16 of this Ground Lease. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

17.0 DAMAGE AND DESTRUCTION.

17.1 Damage. Except as provided in Section 18.2 below, in the event of fire or other damage to the Improvement, the Homeowner shall promptly notify ARCH Community Housing Trust in writing. Thereafter the Homeowner shall take all steps necessary to ensure the repair of such damage and the restoration of the Improvement to its condition immediately prior to the damage and shall apply all insurance proceeds to such repairs and restoration. All of the repairs and restoration shall be undertaken and completed as promptly as possible. The Homeowner shall also promptly take all steps necessary to ensure that the Property is safe and that the damages do not constitute a danger to persons or property. In no event shall the Ground Lease Fee be suspended or abated, unless ARCH Community Housing Trust, in its sole discretion, decides to do so in consideration of the personal hardship or incapacity of the Homeowner. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

17.2 Destruction and Payment of Proceeds. Any insurance proceeds payable to the Homeowner on account of the damage shall be paid in the following order: (i) to any expenses of collecting the proceeds; (ii) to any Permitted Mortgagee(s), so that the paramount lien is paid in full (or to the extent of available proceeds) before any amount is paid to subsequent liens; (iii) to the expenses of enclosing or razing the remaining Improvement(s) and clearing debris; (iv) to the Homeowner, up to the Option Price, and (v) the balance, if any, to ARCH Community Housing Trust. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

18.0 EMINENT DOMAIN AND PUBLIC DEDICATION

18.1 Total Taking. In the event of a total taking by a condemning authority, the entire amount of any award(s) paid shall be allocated in the way described in Section 18.2 above for insurance proceeds.

18.2 Partial Taking. In the event of a taking of a portion of the Property, any amount paid by the condemning authority for the value of or damage to the Property shall be shared equitably between the Homeowner (and Permitted Mortgagees) and ARCH Community Housing Trust. If the parties are unable to agree upon the appropriate division of the condemnation award, the issue shall be submitted to mediation procedure as provided in Section 21 below.

19.0 DEFAULT

19.1 Upon the expiration of thirty (30) days, or ten (10) days' for the failure to pay money, written notice from any party bound or benefited by this Ground Lease, stating the other party has failed to perform its obligations hereunder ("Event of Default"), such party shall be deemed to be in default, unless such failure to perform is cured with the thirty (30) days [ten (10) days for failure to pay money] period, in which case no default shall be deemed to have occurred. Notwithstanding the foregoing

sentence, if such default (other than the failure to pay money) cannot be cured within the thirty (30) day period and the defaulting party is diligently working to remedy the default, the cure period shall be extended for such time as is reasonably necessary to cure the default. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

19.2 In order to ensure compliance with the requirements of the HOME Program, IHFA and/or ARCH Community Housing Trust, by its authorized representative may inspect the Property when “Good Cause” (defined in section 2.7 above) exists pursuant to Section 3.6 above. Failure to comply with any reasonable request for inspection when IHFA and/or ARCH Community Housing Trust has met all provisions and requirements of this lease, may result in Homeowner default, and execution of a legal written default notice may be served to the Homeowner. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

19.3 Upon receipt of a notice of default and prior to the expiration of the applicable cure period, a Homeowner may request in writing a hearing before ARCH Community Housing Trust Board of Directors to determine the merits of the allegations. Upon ARCH Community Housing Trust’s receipt of a hearing request, the remainder of the applicable cure period shall be tolled pending the outcome of the hearing, and a hearing shall be held at the next regularly scheduled meeting of ARCH Community Housing Trust Board of Directors. If no hearing is requested in writing during such time period and the violation is not cured within the application period, the Homeowner shall be in default of this Ground Lease. If a hearing is held before ARCH Community Housing Trust Board of Directors, the decision of such Board shall be final for purposes of determining if a violation has occurred. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

20.0 REMEDIES ON DEFAULT.

20.1 In the event of a default or breach of any term, warranty or provision of this Ground Lease, and unless otherwise prohibited by law or by the terms of a Permitted Mortgage, the non-defaulting party may, at any time thereafter, without limiting the exercise of any other right or remedy at law or in equity which the non-defaulting party may have by reason of such default or breach, (a) seek specific performance of this Ground Lease; (b) perform any work, pay any amounts due, or complete any duties or obligations of Homeowner and otherwise exercise any self-help remedies; (c) enjoin any Sale of or proposed Sale of the Improvement; (d) require the immediate Sale of the Improvement to a Qualified Person in accordance with the provisions of Section 6; and (e) seek prejudgment remedies, liens, damages, interest, cost and attorney fees, and any other available legal or equitable remedy under Idaho law. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

20.2 If ARCH Community Housing Trust pays any sum that is the Homeowner’s responsibility or liability or any amount that is payable by Homeowner under this Ground Lease, or if ARCH Community Housing Trust incurs any expense due to such failure to pay by Homeowner, such amount shall be immediately due and payable by Homeowner upon receipt of an invoice from ARCH Community Housing Trust. Interest shall accrue from the date the invoice is received by Homeowner to and including the date ARCH Community Housing Trust receives payment in full at a rate equal to the lesser of (i) the highest rate allowed by law, or (ii) ten percent (10%) per annum. In the event the Homeowner does not pay the invoice in full within ten (10) days after receipt, ARCH Community Housing Trust may file a lien on the Improvement for the amount of said expenses plus accrued interest as set forth above and such lien shall be effective upon recording in the records of _ County. Upon any sale of the Improvement and/or transfer of Homeowner’s interest in the Improvement, if the Homeowner has not previously paid all amounts due to ARCH Community Housing Trust, ARCH Community Housing Trust shall be paid the amounts it is due from the sale proceeds and any escrow company or closing agent handling the transaction shall be bound to pay such amounts due as though specifically instructed by Homeowner and Homeowner agrees to and acknowledges the same. Notwithstanding the foregoing sentence, ARCH Community Housing Trust’s right to the sale proceeds shall not have priority over any lien recorded prior to any lien filed by ARCH Community Housing Trust. In the event ARCH Community

Housing Trust does not file a lien for the amounts it is due, ARCH Community Housing Trust's claim shall be subordinate to any recorded lien on the Improvement. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

21.0 MEDIATION

If any grievance or dispute arises between ARCH Community Housing Trust and Homeowner concerning the terms of this Ground Lease that cannot be resolved by normal interaction, either Party may request, by written notice to the other Party, that the grievance or dispute be made subject to a mediation procedure. However, neither party waives its right to resolve the dispute in court regardless of whether a party requests mediation, and neither party is required to consent to mediation upon receipt of a request for mediation. If a party requests mediation, and both parties agree to attempt resolution of the dispute through mediation, the mediation shall take place within thirty (30) days after receipt of the written notice, using a professional mediator mutually acceptable to the Parties, and with substantial experience in mediating disputes of the type in question. The contents of all discussions during the mediation shall be confidential and non-discoverable in subsequent proceedings, if any. If the Parties can agree on a mutually acceptable agreement, it shall be reduced to writing, signed by all Parties and the dispute shall be at an end. The cost of the mediation shall be shared equally by both Parties. Each Party agrees to bear its own attorney fees and costs related to the mediation. The request for mediation shall not stay a Party's right to resolve the dispute in court and/or to seek injunctive relief.

22.0 DISSOLUTION OF COMMUNITY ARCH COMMUNITY HOUSING TRUST

Upon dissolution of ARCH Community Housing Trust, the Land shall be distributed to another 501(c)(3) nonprofit organization for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax codes, or shall be distributed to the federal government, or to a state or local government, for the purposes stated in this Ground Lease. Any such assets not so disposed of shall be disposed of by a Court of competent jurisdiction of _____ County, Idaho, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes. The Covenants shall also be assigned to the nonprofit organization which receives the Land. During the HOME POA, the related provisions in the Addendum apply and supersede this section to the extent there is a conflict.

23.0 NOTICES.

Any notice or demand required or permitted to be given under the terms of this Ground Lease shall be deemed to have been duly given or made if given by any of the following methods: (a) sent via registered or certified United States mail, with delivery confirmation, (b) sent via established national overnight delivery service (such as Federal Express) charges prepaid, (c) Sent via any electronic communication method, provided the sender (i) obtains written confirmation of receipt of the communication by the electronic communication equipment at the office of the addressee listed above, and (ii) immediately follows the notice with a second notice in one of the methods set forth in this subsection; or (d) hand delivered, respectively addressed as follows:

To the ARCH: ARCH Community Housing Trust
 PO Box 3569
 Hailey, ID 83333

To the Homeowner: [NAME OF OWNER OF RECORD]
 [ADDRESS]

Notices shall be effective on the third day after posting if sent by mail, on the next day after posting if

sent by overnight mail and on the day of dispatch if manually delivered within regular business hours or if transmitted within regular business hours by electronic communication methods.

24.0 NON-DISCRIMINATION

There shall be no discrimination against, or segregation of, any person, or group of persons, on account of race, color, religion, gender, national origin, age, disability or familial status in the sale, transfer, use, occupancy, tenure or enjoyment of the Property.

25.0 GENERAL PROVISIONS

25.1 This Ground Lease shall be a permanent burden on the Property for the benefit of ARCH Community Housing Trust and shall run with the Land.

25.2 In the event any party bound or affected by this Ground Lease, initiates or defends any legal action or proceeding in any way connected with this Ground Lease, the prevailing party in any such action or proceeding (in addition to any other relief which may be granted, whether legal or equitable), shall be entitled to recover from the losing party in any such action its reasonable costs and attorneys' fees (including such costs and fees on appeal). All such costs and attorneys' fees shall be deemed to have accrued on commencement of any legal action or proceeding and shall be enforceable, whether or not such legal action or proceeding is prosecuted to judgment.

25.3 Whenever possible, each provision of this Ground Lease and any other related document shall be interpreted in such a manner as to be valid under applicable law, but if any provision of any of the foregoing shall be invalid or prohibited under said applicable law, such provisions shall be ineffective to the extent of such invalidity or prohibit without invalidating the remaining provisions of this Ground Lease or related document.

25.4 The laws of Idaho, without giving effect to its choice of law principles, govern all matters with respect to this Ground Lease,

25.5 This Ground Lease shall inure to the benefit of and be binding upon, the Homeowner, their heirs, personal representatives, successors and assigns, and upon a person or entity acquiring the Improvement, or any portion thereof, or any interest therein, whether by merger, consolidation, dissolution, operation of law or otherwise; provided, however, that if any Homeowner sells all or any portion of the Improvement in accordance with this Ground Lease, such Homeowner shall thereupon be released and discharged from any and all obligations as Homeowner in connection with the Improvement arising under this Ground Lease after the sale but shall remain liable for all obligations arising under this Ground Lease prior to the sale. The new Homeowner of the Improvement or any portion thereof (including without limitation, any Homeowner who acquires its interest by foreclosure, trustee's sale or otherwise) shall be liable for all obligations arising under this Ground Lease with respect to the Property or portion thereof after the date of sale.

25.6 This Ground Lease may only be amended by a written agreement signed by Homeowner and ARCH Community Housing Trust that is identified as an amendment to this Ground Lease.

25.7 Paragraph or section headings within this Ground Lease are inserted solely for convenience of reference, and are not intended to, and shall not govern, limit or aid in the construction of the terms or provisions contained herein.

26.0 SUPERSEDES PRIOR RECORDED AGREEMENTS. This Ground Lease shall restate and supersede in every respect any and all prior recorded agreements by and between ARCH Community Housing Trust and its predecessors in interest and Homeowner and its predecessors in interest, excepting hereto **the Addendum of Ground Lease, recorded as Instrument No. [_____]**, records of Blaine County, Idaho, regardless of whether such prior recorded agreements have been terminated or

released in writing.

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

HOMEOWNER:

[LEGAL NAME OF HOMEOWNER]

State of Idaho)
) ss.
County of _____)

On this _____ day of _____, 2025, before me, the undersigned Notary Public in and for said county and state, personally appeared [LEGAL NAMES OF HOMEOWNER], known or identified to me to be the person(s) whose name(s) is subscribed on the instrument, and acknowledged to me the he/she/they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first written above.

Notary Public for Idaho
Residing at _____ therein.
My Commission Expires: _____

ARCH Community Housing Trust

By: _____
Name: Michelle Griffith
Title: Executive Director

State of Idaho)
) ss.
County of _____)

On this _____ day of _____, 2025, before me, the undersigned Notary Public in and for said county and state, personally appeared Michelle Griffith known or identified to me to be the Executive Director of ARCH Community Housing Trust, an Idaho non-profit corporation whose name is subscribed in the instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first written above.

Notary Public for Idaho
Residing at _____ therein.
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

[INSERT LEGAL DESCRIPTION]