

After Recording Return to:

Idaho Housing and Finance Association
Attn: HOME Programs
PO Box 9405
Boise, Idaho 83713

ADDENDUM TO GROUND LEASE

This ADDENDUM TO GROUND LEASE dated as of [____], 20[____](this “Addendum”), among [____] (the “Homeowner”), ARCH Community Housing Trust, an Idaho nonprofit corporation (herein, “ARCH,” “Community Housing Trust,” or “Housing Trust”), and IDAHO HOUSING AND FINANCE ASSOCIATION, an independent public body corporate and politic, organized and existing under the laws of the State of Idaho (“IHFA”), provides requirements and conditions for funding through the HOME Investment Partnerships Program (HOME) (the “HOME Program”). Unless specified in this Addendum, all other provisions of the Ground Lease dated [____], 20[____] (the “Ground Lease”) between ARCH Community Housing Trust and the Homeowner remain in place, as agreed upon. Capitalized terms used herein and not otherwise defined shall have the same meaning as such term is defined in the Ground Lease.

1.0 BACKGROUND.

1.1 For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, ARCH Community Housing Trust, Homeowner, and IHFA are entering this Addendum to ensure requirements under the HOME Program related to the Improvement (as defined in the Ground Lease) are bifurcated from the Ground Lease. Unless specified in this Addendum, all other provisions of the Ground Lease remain in place concurrently through the HOME POA (as defined below) and after the expiration of the HOME POA.

1.2 HOME Period of Affordability (“HOME POA”). The HOME POA is the period the HOME affordability requirements are in place based upon the direct assistance in the amount of \$_____ to the Homeowner, with the HOME POA commencing the Effective Date (as defined in the Ground Lease) and ending [____], 20[____]. At the conclusion of the HOME POA, this Addendum and the obligations hereunder will be released by IHFA and the Ground Lease will continue as mutually agreed upon between ARCH Community Housing Trust and the Homeowner.

1.3 Primary Residence Requirement. During the HOME POA, the Homeowner must reside in Improvement as their primary residence. During the HOME POA, IHFA will send the Homeowner an annual recertification letter to verify the Homeowner remains in compliance with this primary residence requirement. If the Homeowner rents or otherwise no longer occupies the Improvement as a primary residence and refuses to return to occupy the Improvement as their primary residence, ARCH Community Housing Trust and IHFA will consider this as an event of default under Section 15 of this Addendum.

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 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.

1.4 HOME Program. The HOME Program is administered for the State of Idaho by IHFA. The Homeowner has received HOME funds to assist with the acquisition of the Improvement. An amount of HOME funds, in the form of direct homebuyer assistance (\$ _____) has been invested in the Improvement. At sale or transfer of the Improvement during the HOME POA, ARCH Community Housing Trust will ensure a fair return on investment (as described in the Ground Lease).

1.5 Maintenance, Replacements and Repairs. During the HOME POA, Homeowner is responsible for all maintenance, replacement, and repair costs in relation to the Property during their ownership of the Improvement and lease of the Land. At the time of resale of the Improvement to another eligible buyer, ARCH Community Housing Trust must ensure the Property meets current building code and passes the current Property Standards as found in 24 CFR §92.251 at the time of sale or transfer. ARCH Community Housing Trust may negotiate with the Homeowner for needed repairs to the Improvement based on an approved third-party inspection report. ARCH Community Housing Trust shall negotiate all necessary repairs with the seller prior to the end of the 30-day notice if their sellers intent to sell. ARCH Community Housing Trust shall notify Homeowner in writing of inspection findings, and provide direction on next steps, regardless of whether ARCH Community Housing Trust exercises its option to purchase. ARCH Community Housing Trust will have sixty (60) days from the date the Homeowner was provided with written notice in which to finalize all conditions, and complete the purchase of the Improvement. The Homeowner will make reasonable effort to complete necessary repairs, or negotiate payment of repair costs with ARCH Community Housing Trust, prior to the transfer to a new income eligible buyer.

1.6 Inspection. During the HOME POA, at sale or transfer of the Property, 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 in their sole discretion; and for "Good Cause" as defined in 2.6 of the Ground Lease. IHFA and/or ARCH Community Housing Trust will provide a minimum of seventy-two (72) hours written notice to the Homeowner prior to any inspection. 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. Current Property Standards, as outlined in 24 CFR §92.251 will be utilized and may require the Homeowner or ARCH Community Housing Trust to bring the Property up to required standards or local building codes; whichever is more restrictive. Documentation must be provided to IHFA of completion for any deficiencies identified and prior to the sale or transfer of the Improvement.

2.0 CAPITAL IMPROVEMENTS. It is the intent of the Ground Lease and this Addendum that the value of the Improvement be preserved for future Qualified Person. 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 and IHFA. 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 under the HOME Program and/or by IHFA or ARCH Community Housing Trust; (c) all work shall be consistent with the permitted uses set forth in the Ground Lease and this Addendum; (d) Homeowner shall furnish to ARCH Community Housing Trust and IHFA 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; (e) upon completion, certificates of completion and evidence of lien free completion shall be provided to ARCH Community Housing Trust and IHFA; and (f) such work shall not commence without the prior written consent of the ARCH Community Housing Trust and IHFA. Such consent may be reasonably withheld if ARCH Community Housing Trust and/or IHFA determines that the value will not be increased proportionate to the amount of the proposed expenditure, or that the expenditure will make the home unaffordable for another Qualified Person.

3.0 ARCH'S OPTION TO PURCHASE. During the HOME POA, IHFA will enforce resale provisions to preserve the affordability and fair return on investment of the Homeowner. ARCH Community Housing Trust and/or Homeowner must supply IHFA with supporting documentation.

3.1 Notice of Intent to Sell. During the HOME POA, the Homeowner shall notify ARCH Community Housing Trust and IHFA 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, subsequent buyers will need to assume any and all obligations related to the IHFA Home Program and related assistance to the Homeowner.

3.2 Option to Purchase. During the HOME POA, unless ARCH Community Housing Trust has identified a Qualified Person to purchase the Improvement, the ARCH Community Housing Trust shall have the right to exercise its Option to Purchase for thirty (30) days, beginning on the date it receives written notice of the Intent to Sell. ARCH Community Housing Trust shall negotiate any item identified in the inspection report within the 30-day time limit. The ARCH Community Housing Trust shall notify the Homeowner and IHFA in writing at the end of the 30 days if it intends to exercise the option to purchase, and provide further instructions to the homeowner on the process to sell to the ARCH Community Housing Trust, or to list the unit for sale. After providing the Homeowner with written notice, if ARCH Community Housing Trust intends to exercise the Option to Purchase, the ARCH Community Housing Trust shall have sixty (60) days from the date the Homeowner was provided with written notice to finalize all conditions, and complete the purchase of the Improvement. The Improvement shall be purchased for the Purchase Option Price, as calculated using the approved Fair Return on Investment and resale calculation. Any repairs negotiated to be paid by the Homeowner shall be paid by Homeowner directly or paid from Homeowner's equity at closing. Repair and replacement costs may not be added to the sales price to the next buyer.

3.3 If Option To Purchase Is Not Exercised. During the HOME POA, the Homeowner will receive written direction from ARCH Community Housing Trust regarding next steps. If ARCH Community Housing Trust does not exercise its option to purchase the Improvement, ARCH Community Housing Trust and Homeowner shall utilize ARCH Community Housing Trust's wait list of potential candidates to identify an eligible household to purchase. If the wait list is exhausted, and no eligible purchaser is identified, the Homeowner shall have the right sell or otherwise dispose

of the Improvement to any Qualified Person at a price and terms set forth in this Addendum on the open market. All HOME and ARCH Community Housing Trust requirements apply to any purchaser, whether identified on the waitlist or otherwise, during the POA. ARCH Community Housing Trust, IHFA, and Homeowner shall approve any extension to a purchase option in writing.

3.4 Expiration of ARCH's Option to Purchase. During the HOME POA, upon expiration of the ARCH Community Housing Trust's option to purchase the Improvement, Homeowner may sell the Improvement for not more than the "Maximum Subsequent Sales Price" to any Qualified Person, subject to the consent of the ARCH Community Housing Trust and IHFA. The ARCH Community Housing Trust will provide written direction regarding use of the wait list to identify an eligible purchaser. Homeowner and ARCH Community Housing Trust will make every effort to identify an eligible applicant from the ARCH Community Housing Trusts waitlist. If no eligible applicant is identified from the waitlist, the Homeowner may identify and provide to the ARCH Community Housing Trust and IHFA the name and address of the proposed purchaser together with such other information as the ARCH Community Housing Trust and IHFA may require in order for the ARCH Community Housing Trust and IHFA to approve the purchase, which approval shall not be unreasonably withheld. The Buyer must be willing to sign an Acknowledgement and Acceptance of the Terms and Restrictions set forth in this Addendum to the Ground Lease, prior to sale.

3.5 Property Inspection Report. During the HOME POA, the Property shall be inspected by a 3rd party certified Home Inspector, who ensures the unit conforms to Property Standards found in 24 CFR §92.251, each time the unit is to be placed for sale to a new eligible household. ARCH Community Housing Trust shall order a Home Inspection Report within five (5) business days of receiving Homeowner's Notice of Intent to Sell. The Home 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 Report by a certified third-party Home Inspector at its expense. ARCH Community Housing Trust shall negotiate any item identified in the Home Inspection Report within the 30-day time limit to notify seller of their decision regarding the option to purchase. ARCH Community Housing Trust has a 60-day time limit to close from the date this decision is provided to the seller, as established in Section 3.2 above, or any extended timeframe agreed upon by ARCH Community Housing Trust, IHFA and Homeowner.

3.6 Maximum Sales Price to Subsequent Qualified Person. During the HOME POA, the sales price of the Improvement cannot exceed the lesser of the following: Current Homeowner's original purchase price, based on appraised value at the time of initial purchase, plus 25% of the increase in value based on a current appraisal; or the HOME Maximum Sales Price limit in effect at the time of purchase and sales agreement execution.

3.7 Fair Return on Investment. During the HOME POA, IHFA uses an appraisal-based resale formula to achieve its dual goals of providing a Fair Return on Investment to the Homeowner 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 at the time of purchase and a new appraisal at the time of sale. Capital improvements are included in the Improvement 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 Program assistance (difference between initial sales price and initial mortgage loan amount) and the obligations related thereto must be assumed by the new qualified household.

4.0 SALE OF IMPROVEMENT: IF OPTION NOT EXERCISED BY ARCH. During the HOME POA, upon expiration of the ARCH Community Housing Trust's option to purchase the Improvement, the Homeowner first work with the ARCH Community Housing Trust to identify an eligible purchaser from the ARCH Community Housing Trust's wait list. If the wait list is exhausted, and no eligible purchaser is identified, Homeowner may sell the Improvement to a Qualified Person, subject to the consent of the ARCH Community Housing Trust and IHFA, who shall be subject to all of the conditions of this Addendum. Contract sale price may not be not more than the Maximum Sales Price calculated pursuant to Section 3.6 of this Addendum. Homeowner shall provide the ARCH Community Housing Trust and IHFA with the name and address of the proposed purchaser together with such other information as the ARCH Community Housing Trust and IHFA may require in order for the ARCH Community Housing Trust and IHFA to certify the purchaser(s) meets all requirements, and approve the purchase. Approval shall not be unreasonably withheld. The new purchaser must be willing to sign an Acknowledgement and Acceptance of the Terms and Restrictions set forth in this Addendum at the time of, or prior to, the purchase of the Improvement.

5.0 TRANSFER TO QUALIFIED HEIR.

5.1 Qualified Heir. During the HOME POA, 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, the ARCH Community Housing Trust and IHFA may, in their 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 Addendum. 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 and are not already a party to this Addendum. A Qualified Heir must meet the HOME Program Income requirements as outlined in the definition of "Qualified Person" provided in Section 2.26 of the Ground Lease. If a Qualified Heir does not meet the definition of Qualified Person, then ARCH Community Housing Trust may exercise its option to purchase pursuant to the provisions of Section 3 of this Addendum. If the ARCH Community Housing Trust fails to exercise its purchase option, then the heir or the estate of the decedent Homeowner shall proceed to sell the Improvement in accordance with the provisions of Section 3 of this Addendum. The 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.

5.2 Acknowledgement and Acceptance of Covenants. During the HOME POA, at Closing, the subsequent Qualified Person purchasing the Improvement shall execute and deliver to ARCH Community Housing Trust and IHFA a document entitled Acknowledgement and Acceptance of the Terms and Restrictions, indicating that they have read and agree to be bound by all of the terms of the Ground Lease and this Addendum. Closing shall not occur unless the Qualified Person

executes such document. A Qualified Person's failure to execute or deliver to ARCH Community Housing Trust and IHFA an Acknowledgement and Acceptance of the Terms and Restrictions of this Addendum shall not compromise, minimize or in any way affect the terms or conditions of this Addendum or the IHFA's and ARCH Community Housing Trust's right, title or interest herein, and the Qualified Person shall nonetheless be bound by and subject to the Ground Lease and this Addendum.

6.0 ARCH'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 Addendum, 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 the ARCH Community Housing Trust, its attorney in fact to seek a buyer, negotiate a reasonable price which furthers the goals set forth in this Addendum, sell the Improvement, satisfy all liens on the Improvement and distribute proceeds of the sale, minus the 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 Addendum.

7.0 NO LEASE OR RENTAL. During the HOME POA, the Homeowner shall not rent or lease the Property at any point in time. The Property must be occupied as a Primary Residence. If an extenuating circumstance arises during the HOME POA, written consent must be obtained by the ARCH Community Housing Trust and IHFA of a formal plan to return to the Improvement that includes a date of return and other supporting documentation.

8.0 PERMITTED MORTGAGES, PAYMENT OF LIENS AND ENCUMBRANCES.

8.1 Consent of ARCH and IHFA. During the HOME POA, Homeowner may mortgage the Improvement only with the prior written consent of ARCH Community Housing Trust and IHFA, subject to the terms of this Addendum ("Permitted Mortgage").

8.2 Payment of all Liens, etc. During the HOME POA, 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 and IHFA on any change in terms, sale of loan to another servicer, or notification of default, for any loan on the Property. Within five (5) days after Homeowner's receipt of any written communication from any lender, Homeowner shall provide ARCH Community Housing Trust and IHFA with copies of any such written communications. The ARCH Community Housing Trust shall have the right, but not the obligation, to cure an event of default under the mortgage.

8.3 Notice to Mortgage Holder. If the 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 and IHFA of such action.

8.4 HOME Funding Requirements. If financing requirements of the approved third-party mortgage lender, or IHFA are more stringent than those set forth in this Addendum, in such case, the more stringent requirements shall prevail.

9.0 HOME PROGRAM REQUIREMENTS. HOME Program funds were used to assist in the acquisition of the Improvement. The Homeowner, ARCH Community Housing Trust and IHFA have

executed this Addendum to secure the performance of the requirements and conditions of the HOME Program.

10.0 FORECLOSURE & RIGHT TO PURCHASE DEBT. During the HOME POA, 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 (the "Foreclosing Party") strictly adheres to the provisions of this Section 10 and Section 11 below. The Foreclosing Party shall notify ARCH Community Housing Trust and IHFA 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 and IHFA 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 or IHFA, 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 the 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.

11.0 FORECLOSURE SALE.

11.1 Proceeds. In the event ARCH Community Housing Trust does not elect to purchase the debt obligation pursuant to Section 10 above and the Foreclosing Party has strictly adhered to Section 10 above, 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 Addendum. The balance and any other excess amount received at a foreclosure sale shall be paid to ARCH Community Housing Trust.

11.2 ARCH's Right to Excess Proceeds. It is contrary to the fundamental concept of this Addendum 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.

11.3 Non-qualified Transfers. In the event ARCH Community Housing Trust does not purchase the Improvement and it is sold for more than the option price to a Non-Qualified Person, ARCH

Community Housing Trust may charge fair market rent for the underlying land lease. In an event of default, ARCH Community Housing Trust will be responsible for the repayment of federal funds, which may also include the developer subsidy.

11.4 Survival of Addendum. During the HOME POA, this Addendum and the conditions, covenants, and obligations hereunder shall survive foreclosure and any subsequent owner of the Improvement through foreclosure shall take possession of the Improvement subject to this Addendum during the full term of the HOME POA.

12.0 LIABILITY, INDEMNIFICATION AND WAIVER.

12.1 Liability and Indemnification. During the HOME POA, 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 and IHFA 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 and IHFA 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 Addendum 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 or IHFA by reason of any such Claim, Homeowner, upon notice from ARCH Community Housing Trust or IHFA, shall defend the same at Homeowner's expense by counsel reasonably satisfactory to ARCH Community Housing Trust or IHFA. Homeowner, as a material part of the consideration to vT and IHFA, 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 and IHFA, except those Claims solely caused by ARCH Community Housing Trust's or IHFA's negligence or willful misconduct.

12.2 Waiver. During the HOME POA, the waiver by ARCH Community Housing Trust or IHFA at any given time of any term or condition of this Addendum, or the failure of ARCH Community Housing Trust or IHFA 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 Addendum. ARCH Community Housing Trust or IHFA may, at its sole and exclusive discretion, grant waivers in the terms of this Addendum, but such waivers must be in writing and signed by ARCH Community Housing Trust or IHFA. 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 Addendum, or Covenants Addendum, other than the failure of the Homeowner to pay the particular fee so accepted, regardless of ARCH Community Housing Trust's or IHFA's knowledge of such preceding breach at the time of acceptance of the payment.

13.0 INSURANCE. During the HOME POA, 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 of the Improvement 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 13 shall be adjusted at two-year intervals beginning on the close of escrow, or annually if requested by ARCH Community Housing Trust and IHFA 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 Addendum as well as all liability imposed by law; (d) on all insurance policies, by endorsement name ARCH Community Housing Trust and IHFA 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 to ensure repayment of the HOME Down Payment Assistance funds and/or replace the Improvement; (e) prior to the required effective date of such policies or renewals thereof, the Homeowner shall provide ARCH Community Housing Trust and IHFA with copies of all policies and renewals of policies. However, if IHFA is servicing the first mortgage loan, copies are not required to be sent to IHFA. 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, IHFA and any Permitted Mortgagee. ARCH Community Housing Trust and IHFA are 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 or IHFA 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 and IHFA's indemnification provided for in this Section 13.

14.0 DAMAGE AND DESTRUCTION.

14.1 Damage. During the HOME POA, except as provided in Section 19.2 below, in the event of fire or other damage to the Improvement, the Homeowner shall promptly notify ARCH Community Housing Trust and IHFA 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 utilize professional contractors with permits pulled as required, 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.

14.2 Destruction and Payment of Proceeds. During the HOME POA, 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 and/or IHFA.

15.0 DEFAULT.

15.1 During the HOME POA, 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 Addendum, 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 or ten (10) days for failure to pay money of the date of such written notice, 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.

15.2 During the HOME POA, 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 at their sole determination with a minimum of seventy-two (72) hours written notice to the Homeowner prior to any inspection. Failure to comply with a request for inspection when IHFA and/or ARCH Community Housing Trust has provided a minimum of seventy-two (72) hours written notice to the Homeowner prior to such inspection may result in Homeowner default, and execution of a legal written default notice may be served to the Homeowner.

15.3 During the HOME POA, ARCH Community Housing Trust must notify IHFA of all violations or default events in which it provides notice of such to the Homeowner within five (5) business day of service of such notice to Homeowner. ARCH Community Housing Trust must provide documentation of violation/default, steps which ARCH Community Housing Trust has taken to correct, provide Homeowners responses to notices and attempts to cure the default, as well as specify the ARCH Community Housing Trust's anticipated next steps. ARCH Community Housing Trust and the ARCH Community Housing Trust's Board of Directors are responsible for following it's policies and procedures to remedy default, violations, and appeals; however, IHFA will provide policy or procedure feedback to ARCH Community Housing Trust when necessary. IHFA reserves the right to intervene and take any actions necessary to resolve violations or default, should such involvement be deemed necessary by IHFA.

15.4 During the HOME POA, upon receipt of a notice of default under this Addendum 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 within forty-five (45) days of such written request. 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 Addendum. If a hearing is held pursuant to this Section 15.3, the decision of ARCH Community Housing Trust's Board of Directors shall be final for purposes of determining if a violation has occurred. An appeal may be requested of IHFA for HOME related defaults only; otherwise the ARCH Community Housing Trust's Board of Directors decision is final.

16.0 REMEDIES ON DEFAULT.

16.1 During the HOME POA, in the event of a default or breach of any term, warranty or provision of this Addendum, 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 Addendum; (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 the laws of the State of Idaho.

16.2 During the HOME POA, if IHFA and/or ARCH Community Housing Trust is required to pay any sum that is the Homeowner's responsibility or liability or any amount that is payable by Homeowner under this Addendum, or if IHFA and/or 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 IHFA and/or ARCH Community Housing Trust. Interest shall accrue from the date the invoice is received by Homeowner to and including the date IHFA and/or 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, IHFA and/or the 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 Blaine County, Idaho. 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 IHFA and/or ARCH Community Housing Trust, IHFA and/or 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, IHFA and ARCH Community Housing Trust's right to the sale proceeds shall not have priority over any lien recorded prior to any subsequent lien filed by IHFA and/or ARCH Community Housing Trust under this Section 16.2. In the event IHFA and/or ARCH Community Housing Trust does not file a lien for the amounts it is due, IHFA's and/or ARCH Community Housing Trust's claim shall be subordinate to any recorded lien on the Improvement. ARCH Community Housing Trust must be provided copies to IHFA of sums paid, invoices sent to Homeowner, and of liens filed against the property.

17.0 DISSOLUTION OF COMMUNITY LAND TRUST. During the HOME POA, upon dissolution of ARCH Community Housing Trust, IHFA will ensure 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 Addendum.

18.0 NOTICES. During the HOME POA, any notice or demand required or permitted to be given under the terms of this Addendum 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 ARCH: ARCH Community Housing Trust
 PO Box 3569
 Hailey, ID 83333

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

To IHFA: Idaho Housing and Finance Association
Attn: HOME Programs
PO Box 9405
Boise, Idaho 83713

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.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Addendum to 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 undersigned Notary Public in and for said county and state, personally appeared _____, known or identified to me to be the person(s) is subscribed in the instrument, and acknowledged to me that 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 _____ County, State of Idaho
My commission expires: _____

COMMUNITY ARCH

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 undersigned Notary Public in and for said county and state, personally appeared Michelle Griffith, known 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: _____

IDAHO HOUSING AND FINANCE ASSOCIATION

By: _____

Name:

Title:

State of Idaho)
) ss.
County of Ada)

On this _____ day of _____, 2025, before me, the undersigned Notary Public in and for said county and state, personally appeared _____ [TITLE] of IDAHO HOUSING AND FINANCE ASSOCIATION, whose name is subscribed in the instrument, and acknowledged to me that he/she/they executed the same 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

Parcel A of BYINGTON ACRES SUBDIVISION, BLAINE COUNTY, IDAHO, as shown on the official plat thereof, recorded as Instrument No. 407003, records of Blaine County, Idaho.