

AMENDMENT TO LAND LEASE

THIS AMENDMENT is made and executed this August day of 19th, 2013, by and between **ARBOR GATE, LTD.**, with offices at 100 Freeman Drive, Lebanon, Pennsylvania 17042 (“Lessor”), and Mary Ellen Hackman, with an address of 14 Brookside Circle, Myerstown, Pennsylvania 17067 (“Lessee”).

Background

By Land Lease Agreement dated July 20, 1999 (“Lease”), Lessor leased to Lessee certain property located in Arbor Gate located in Jackson Township, Lebanon County, Pennsylvania.

Lessor and Lessee desire to amend the Lease as hereinafter set forth.

NOW, THEREFORE, intending to be legally bound, the parties hereto agree as follows:

1. Paragraph 2 of the Lease is hereby amended to read in its entirety as follows:

“2. Term. Your Lease is for an initial term of ninety-nine (99) years beginning on July 20, 1999 .”

2. Paragraph 3 of the Lease is hereby amended to read in its entirety as follows:

“3. Renewal Term. You also have the right to renew or extend your lease for successive additional twenty (20) year terms. Your Lease will automatically renew for successive twenty (20) year terms, unless, at least thirty (30) days before the end of any term or renewal term you give written notice in person or by certified mail of your intention not to renew this Lease:

a. If you wish not to renew this Lease for a twenty (20) year renewal term, either at the end of your initial ninety-nine (99) year term or at the end of a twenty (20) year renewal term, you must deliver written notice in person or by certified mail at least thirty (30) days before the end of your initial lease term or any renewal term. The notice may not be delivered before the first day of the ninety-ninth (99th) year of your initial lease term or the twentieth (20th) year of a renewal term, however.

b. The rent for a 20 year renewal term will be calculated using the formula in paragraphs 4.a-c, below.”

3. Paragraph 4 of the Lease is hereby amended to read in its entirety as follows:

“4. **Rent.** You agree to pay rent to Lessor in monthly installments. During each year of the first three (3) years of this Lease commencing on the date set forth in paragraph 2 above you will pay \$ 2,880.00 in monthly installments of \$ 240.00 each month by the 5th day of the month.

Beginning with the first month of the 4th year of the term of this Lease, your rent will be adjusted every two years (except as provided in paragraph 4A below). Your rent adjustment will reflect any change in the Consumer Price Index. The new rent will be calculated using the following formula:

a. Multiply 2,880.00 [yearly rent for each of the first 3 years] by a fraction, the numerator of which is the "Consumer Price Index—Seasonally Adjusted U.S. City Average for all Items for all Urban Consumers, 1982-84=100," published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor ("CPI-U"), for the last calendar month before the rental year for which rent is being adjusted, and the denominator of which is the CPI-U for the first full calendar month of the first rental year.

b. If the formula in Paragraph 4.a., results in a decrease in the rent amount, then your rent will remain the same. At a minimum, you must continue to pay the amount of rent established for the first 3 years.

c. If the CPI-U is discontinued, the "Consumer Price Index—Seasonally Adjusted U.S. City Average for all Items for all Urban Wage Earners and Clerical Workers (1982-84=100)" published in the "Monthly Labor Review" by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-W"), shall be used for making the above computation. If the CPI-W is discontinued, comparable statistics on the purchasing power of the consumer dollar, published by the Bureau of Labor Statistics of the United States Department of Labor shall be used for making the computation in Paragraph 4a. If the Bureau of Labor Statistics shall no longer maintain statistics on the purchasing power of the consumer dollar, comparable statistics published by a responsible financial periodical or recognized authority selected by the Lessor shall be used for making the computation in Paragraph 4a. If the base year (1982-84=100) or other base year used in computing the CPI-U or CPI-W is changed, the figures used in making the adjustments referred to above shall be changed accordingly, so that all increases in the CPI-U or CPI-W are taken into account notwithstanding any such change in the base year.

Beginning with the first month of the 6th year of the term of this Lease, and every two years thereafter during the term of this Lease and any renewal terms, your rent will be adjusted again (except as provided in paragraph 4(A) below). Your rent adjustment will reflect any changes in the Consumer Price Index. The new rent will be calculated using the formula stated in paragraphs 4.a-c, above.”

4. A new paragraph 4A is hereby added to the Lease to read in its entirety as follows:

“4A. Deferral of Rent Adjustment; Rent Following an Assignment.

a. Deferral of Rent Adjustment. Beginning with the first month of the 13th year of the term of this Lease, Lessor will defer future rent adjustments for as long as you continue to own the home on the Property. You will continue to receive notices every two years thereafter indicating what your rent adjustment would have been if Lessor had not deferred the rent adjustment. All such deferred rent adjustments will only take effect when you sell the home and assign the Lease.

b. Rent Following an Assignment. The rent will be adjusted every two years on the anniversary date of an assignment. Following the rent adjustment on the 10th anniversary date of any assignment of the Lease, the Lessor will defer future rent adjustments for as long as the then current tenant continues to own the home on the Property. The then current tenant will continue to receive notices every two years thereafter indicating what the rent adjustment would have been if the Lessor had not deferred the rent adjustment. All such deferred rent adjustments will only take effect when the home is sold and the Lease is assigned. This same procedure shall apply each and every time the home is sold and the Lease is assigned.”

5. Paragraph 12 of the Lease is hereby amended to read in its entirety as follows:

“12. Assignment.

a. Right to Assign Interest in Lease. Assignment is the transfer of your legal interest in this Lease to another tenant. Subject to satisfaction of each of the conditions set forth in paragraph 12(c), you and your successors to this lease are permitted to assign this Lease, so long as the property will be occupied by at least one person 55 years of age or older. The Lease may only be assigned to the person to whom the Air Space Estate above the Property is transferred.

b. Conditions to Assignment.

(1) Prior to any Assignment: If Lessee desires to assign this Lease, Lessee shall give Lessor at least ten (10) days prior written notice of the proposed assignment.

Such notice shall include the full name of the assignee(s) and the anticipated time and place of settlement. As a condition of such assignment, Lessee may be required to pay a reasonable administrative fee as determined from time to time by Lessor.

(2) At Settlement: At settlement for the sale of the Air Space Estate and assignment of the Lease: (1) The Lessor and the Lessee shall execute a written assignment of this Lease ("Assignment of Lease") in form reasonably acceptable to Lessor; (2) The Lessor and the assignee(s) shall execute an amendment to this Lease ("Amendment to Lease") in form and substance reasonably acceptable to Lessor, which Amendment to Lease shall provide for any rent adjustment as provided in paragraph 4A and 12(c) hereof; (3) A certification in form acceptable to the Lessor executed by the assignee(s) certifying the age of each resident of the House, at least one of whom shall be 55 years of age or older ("55 and Over Certification"); and (4) Any administrative fee determined by the Lessor pursuant to paragraph 12(c)(1) above shall be paid to Lessor.

(3) Following Settlement: Within three (3) days following the date of settlement for the sale of the Air Space Estate and assignment of the Lease, the Lessee and/or the assignee(s) shall deliver to the Lessor: (1) a copy of the deed transferring the Air Space Estate to the assignee(s); (2) an original counterpart of the Assignment of Lease; (3) an original counterpart of the Amendment to Lease; (4) a copy of the settlement sheet or similar document executed by the Lessee and the assignee(s); and (5) an original counterpart of the 55 and Over Certification.

c. Rent Increase at Assignment. At the time of assignment, in addition to the rent adjustment referred to in paragraph 4A(b), Lessor shall have the right to increase the rent to be owed by your assignee under this Lease by up to twelve percent (12%) of the amount you were being charged for the calendar year in which you assign this Lease. If this Lease is later assigned, again, Lessor shall have the same right to adjust rent, again."

IN WITNESS WHEREOF, this Amendment is executed on the above date.

ARBOR GATE, LTD.

By: 


Lessee