

ACKNOWLEDGEMENT OF LEASEHOLD MORTGAGE

**THIS ACKNOWLEDGEMENT OF LEASEHOLD MORTGAGE** (referred to herein as the "Acknowledgement") is being made and entered into as follows:

Date:

Landlord:

Tenant:

Mortgagee:

Mortgage Amount:

Leased premises:

**WHEREAS**, Landlord and Tenant have entered into those certain leases for the above described leased premises, and

**WHEREAS**, Tenant has requested that Mortgagee lend the mortgage amount to Tenant secured by Tenant's leasehold interest in the above described leased premises, and

**WHEREAS**, Mortgagee in connection with the loan referred to herein has required that Landlord and Tenant acknowledge the Leasehold Mortgage as set forth herein;

**NOW THEREFORE**, in consideration of the covenants, representations, warranties and agreement contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Landlord hereby authorizes the Tenant to enter into the Leasehold Mortgage. Any notice requirement, restriction or prohibition contained in the Lease dealing with Tenant's right to enter into the Leasehold Mortgage is hereby expressly waived.
2. Landlord hereby expressly authorizes the Tenant to assign the Ground Lease to Mortgagee or Mortgagee's successors or assigns. In addition, Landlord expressly authorizes and recognizes that Tenant hereby irrevocably assigns to Mortgagee the right, if any, to exercise any and all renewal option or options provided for under the Ground Lease. Any notice requirement, restriction or prohibition contained in the Ground Lease affecting Tenant's right to assign to Mortgagee the Ground Lease or to assign the renewal option or options contained in the Ground Lease, if any, as set forth herein are hereby expressly waived.
3. The Ground Leases attached hereto as Exhibit 1 are true and complete copies of the said leases. There have been no

amendments or modifications of the Ground Leases, either oral or written.

4. The Tenant is not in default under the Ground Lease.
5. If Landlord should give any notice of default or termination to Tenant under the Ground Lease, said notice shall not be valid or effective unless and until a copy of the said notice is provided to Mortgagee in writing by certified mail as set forth herein. The time period provided for in the Ground Lease for Tenant or Mortgagee to respond to the notice or cure a default identified in a notice is hereby expressly extended to thirty (30) days after receipt of the said notice by Mortgagee. Mortgagee may, but is not obligated to, act to cure any of Tenant's default(s) under the Ground Lease without any further authorization by Tenant.
6. Landlord and Tenant agree not to modify, cancel or amend, or in any way alter the rights or obligations of the parties under the Ground Lease in any way which would materially affect the rights of the Mortgagee without first obtaining Mortgagee's prior written consent.
7. Landlord hereby acknowledges that it has no present claim or interest in the structures (if any) located on the Leased Premises which, upon information and belief, are the property of the Tenant; but Landlord makes no warranties with respect thereto.
8. Landlord hereby expressly agrees not to take any action to terminate the Ground Lease without first providing prior written notice to Mortgagee. Provided that Mortgagee cures any curable default in the interim, Mortgagee shall be allowed a reasonable time thereafter to:
  - a. obtain possession of the Leased Premises; or
  - b. institute and complete foreclosure proceedings or otherwise acquire Tenant's interest under the Ground Lease

Provided, however, Mortgagee shall not be obligated to:

- c. continue such possession or to continue such foreclosure proceedings after such default shall have been cured.

Upon completion of a foreclosure action or upon acquisition of Tenant's interest in the Ground Lease, Mortgagee and/or Mortgagee's successors or assigns shall thereafter comply with and be bound by the Ground Lease as modified herein. The Mortgagee and/or its successors or assigns, or the purchaser at the foreclosure sale may become the legal owner and holder of the Ground Lease through such foreclosure proceedings or by assignment of the Ground Lease in lieu of foreclosure or otherwise without Landlord's consent.

9. If the fee title to the Leased Premises and the leasehold estate created by the Ground Lease become united in the same person or entity (excluding Landlord), merger of the same shall not take place and the Ground Lease shall remain in full force and effect. In addition, the lien of the Leasehold Mortgage shall be automatically spread to the fee title to the premises described

in the Ground Lease upon acquisition if the Tenant or any person or entity under Tenant's control acquired the Leased Premises and Tenant hereby expressly mortgages to Mortgagee any such title so acquired.

10. Landlord believes that it possesses good and marketable title to the Leased Premises free and clear of and from any and all liens or encumbrances except those of record and agrees to deliver to Mortgagee upon thirty (30) days written notice from Mortgagee a statement certified to be true setting forth whether or not Landlord has any knowledge of any default(s) or anticipated default(s) under the Ground Lease.
11. This Acknowledgement may be amended only by an instrument in writing signed by the party against whom the amendment is sought to be enforced.
12. All covenants, agreements, undertakings, representations, and warranties made in this Acknowledgement shall survive the closing of the Leasehold Mortgage.
13. Any notice under this Acknowledgement shall be in writing and shall be sent by Certified Mail, Return Receipt Requested to the parties hereto at their respective addresses above.
14. Tenant agrees to pay on demand all out-of-pocket costs and expenses of Mortgagee, including the reasonable fees and out-of-pocket expenses of counsel for the Mortgagee, in connection with the preparation, execution and delivery of this Acknowledgement, and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith, and all out-of-pocket costs and expenses, including reasonable attorneys fees and legal expenses, incurred by Mortgagee in connection with the enforcement of this Acknowledgement. In addition, Tenant agrees to pay, and hold Mortgagee harmless from all liability for any stamp or other taxes that may be payable in connection with the execution or delivery of this Acknowledgement including but not limited to the recording of any Financing Statements or any other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection with this Acknowledgement. All obligations provided for in this paragraph shall survive any termination of this Acknowledgment.
15. Landlord and Tenant have executed this Acknowledgement to acknowledge their agreement to be bound by all terms, covenants, and conditions applicable to or binding upon them under this Acknowledgement and agree to execute or re-execute such documents or instruments, during the term of the Leasehold Mortgage, as are necessary to carry out this Acknowledgement.
16. This Acknowledgement is being executed and delivered, and is intended to be performed, in the State of New York, and the laws of such state shall govern the construction, validity, enforcement, and interpretation of this Acknowledgement.
17. This Acknowledgement shall be binding upon Landlord, Tenant, Mortgagee, and their respective successors, assigns and distributees, and shall inure to the benefit of the Landlord,

Tenant, Mortgagee and the successors and assigns of the Mortgagee.

18. This Acknowledgement may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes.

EXECUTED as of the day and year first above written.

LANDLORD: Thousand Island Park Corporation, a New York corporation

By:

\_\_\_\_\_

[SEAL]

Its:

STATE OF  
COUNTY OF

On this        day of                    in the year        before me, the undersigned, a Notary Public in and for said state, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

TENANT: \_\_\_\_\_

\_\_\_\_\_

STATE OF  
COUNTY OF

On this        day of                    in the year        before me, the undersigned, a Notary Public in and for said state, personally appeared

personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

\_\_\_\_\_  
Notary Public

MORTGAGEE;

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[SEAL]