



Adirondack Park Agency

KATHY HOCHUL
Governor

BARBARA RICE
Executive Director

New York State Adirondack Park Agency
P.O. Box 99
Ray Brook, NY 12977

Village of Saranac Lake
39 Main Street, Suite 9
Saranac Lake, NY 12983

Dear Village of Saranac Lake Trustees and Mayor Williams,

The People of the State of New York, acting by and through the Adirondack Park Agency (Agency), seeks to lease property at 1-3 Main Street Saranac Lake, Franklin County, NY, tax map number 458.21-2-1, from the Village of Saranac Lake (Village). The premises to be leased would include space inside the Office Building and Power House, as well as certain portions of the land, excluding those sections containing the Riverwalk and park, shoreline, dam infrastructure and related appurtenances, and building foundations for the Office Building and Power House. As part of the project, the Agency seeks to renovate the Office Building and Power House and to construct a new building with upgraded parking on the undeveloped portion of the property.

We are excited about the prospect of entering into this lease agreement with you and look forward to discussing the details further. To begin the lease development process, we ask that you please sign the attached term sheet on behalf of the Village or recommend any changes to the proposed terms. Upon execution of the term sheet and the conclusion of the APA's continued due diligence, the Agency will work with the Village to develop a lease agreement for execution.

Thank you for your consideration. We look forward to working with you.

Sincerely,

Barbara Rice

Barbara Rice

Term Sheet

This Term Sheet outlines the key terms and conditions of a commercial office lease and a ground lease between the landlord and tenant ("lease"). The terms and conditions set forth in paragraphs 1 through 14 of this Term Sheet are not intended to be a binding agreement and are merely an expression of the parties' intention to negotiate the terms and conditions of a definitive lease agreement. The parties acknowledge that such paragraphs do not address all of the essential terms of the lease and that such essential terms shall be subject to further negotiation. The parties will be bound only by such lease when and if the same are signed by both parties and approved by the New York State Comptroller and the New York State Attorney General. The only terms and conditions of this Term Sheet that are binding on the parties are set forth in Paragraphs 15 through 17.

1. PARTIES:

Landlord: Village of Saranac Lake with a principal address of 39 Main Street, Suite 9 Saranac Lake, NY 12983

Tenant: New York State Adirondack Park Agency with a principal address of 1133 NYS Route 86 Ray Brook, NY 12977

2. PREMISES:

The Landlord agrees to lease to the Tenant the following property (the "Premises"):

The buildings and lot consisting of 1-3 Main Street Saranac Lake, Franklin County, NY, tax map number 458.21-2-1, excluding those sections containing the Riverwalk and park, shoreline, canoe launch, dam infrastructure, hydroelectric turbine generator, and related appurtenances, and building foundations for the Office Building and Power House.

3. TERM:

The initial term of the lease will be approximately 42 years (to accommodate the anticipated construction period and depreciable life of the building). The Tenant shall have the option to extend the lease for two additional eight-year periods at the end of the initial term, subject to the terms and conditions of the lease.

4. RENT:

The total rent for the Premises will be a nominal rate per year subject to negotiation.

5. UTILITIES:

The Tenant shall be responsible for paying all utilities and services, including water, sewer, electricity, gas, fuel oil, and telecommunications, or other public utilities necessary for the Tenant's use of the Premises. Tenant shall also be responsible for any fees or charges associated with the Tenant's use of the Premises, such as waste disposal.

6. USE OF PREMISES:

The Tenant shall use the Premises for office purposes and in compliance with all applicable laws and regulations.

Tenant shall enjoy exclusive occupancy of the office buildings (New Building, Power House, Office Building) with no restrictions on use. Tenant shall also enjoy exclusive use of the Parking Lot on weekdays from 6:00AM on Monday mornings through 5:00PM on Friday evenings (Operating Hours).

Landlord shall have access to the Premises to access, repair, and maintain public infrastructure including the dam, hydroelectricity plant, River Walk, and park so long as such access does not interrupt Tenant's use of the Premises.

Tenant and Landlord shall jointly evaluate the feasibility of shared use of the Premises for geothermal energy development and infrastructure.

7. TENANT IMPROVEMENTS:

Tenant shall in its sole discretion and at its own expense (i) rehabilitate the internal spaces of the Office Building and Power House, (ii) develop shared ingress/egress from the Power House into and from the Office Building, (iii) repair, replace, and add windows, (iv) alter the buildings' ingress and egress routes, (v) alter the interior and exterior of the buildings as necessary for Tenant's use, and (vi) in accordance with the terms of the lease, construct a new building on the site and expand and rehabilitate parking facilities on the Premises (collectively, the "Tenant Improvements"). As a State agency, Tenant shall rely on the New York State Office of General Services (OGS) to oversee the design and construction of all Tenant Improvements, which shall be constructed in a good and workmanlike manner and in compliance with all applicable laws and regulations.

8. UNIFORM CODE COMPLIANCE

In accordance with the provisions of New York State Uniform Fire Prevention and Building Code (the "Uniform Code") and the implementing regulations promulgated by the New York State Department of State at 19 NYCRR Parts 1201 and 1204, OGS shall

be accountable for the administration and enforcement of the Uniform Code as the authority having jurisdiction with respect to all Tenant Improvements.

9. PUBLIC ACCESS

Landlord shall be allowed to use the parking lot on weekends from 5:00PM on Friday evenings until 6:00AM on Monday and on weekdays outside of Operating Hours.

Additional time periods of parking lot use by the public may be granted or denied by the Tenant after written request from Landlord. Areas set aside for Agency-owned vehicles shall be reserved for exclusive Agency use at all times. At no time shall public use prevent ingress and egress of Agency-owned vehicles into their designated parking areas.

During Operating Hours, Members of the public may use the Premises to access the Village's Riverwalk, Park, and Canoe Portage so long as the parking prohibition is maintained.

10. LIABILITY FOR PUBLIC USE

The Tenant shall not be liable for any use of the Premises by members of the public not conducting business with the Tenant. Landlord shall be required to procure, at its sole cost and expense, all insurance necessary to assume such liability.

11. MAINTENANCE AND REPAIRS

Tenant Responsibilities: Tenant shall be responsible for the following:

1. Routine maintenance of the Office Building and Power House and all Tenant Improvements, except improvements to the structural integrity of the Office Building and Power House.
2. Structural maintenance of all Tenant Improvements; provided, however, that if the Tenant Improvements are totally damaged or rendered wholly unusable by fire or other casualty, Tenant shall have no obligation to maintain or reconstruct the Tenant Improvements
3. Structural maintenance of the new building.
4. Routine repair and maintenance of the parking lot suitable for the Tenant's use.
5. Routine repair and maintenance of lighting suitable for the Tenant's use.

Landlord Responsibilities: Landlord shall be responsible for the following:

1. Routine repair and maintenance of the parking lot as necessary to accommodate use of property by the public
2. Routine repair and maintenance of lighting outside of Operating Hours for Landlord's use.

3. Repair, maintenance, and safety inspections of shoreline, dam infrastructure, hydroelectric turbine generator, and related appurtenances.
4. Structural maintenance of the Office Building and Power House.
5. Enforcement of parking times.

12. CURRENT STRUCTURAL DEFICIENCIES

On or before a date to be agreed upon, the Landlord shall enter into a legally enforceable agreement with Tenant committing to:

- repair by a date to be agreed upon at the Landlord's sole cost and expense, the structural deficiencies identified in the September 6, 2023 letter from Colliers Engineering and Design to Alex d'Oelsnitz (OGS) regarding "APA HQ Relocation – Visual Assessment of Existing Penstock, 1-3 Main Street, Saranac Lake NY". The Agreement shall provide for the acceptance and approval by Tenant of Landlord's repairs, and shall include a provision for payment to Tenant by Landlord of all costs incurred by Tenant related to the design, permitting, and pursuit of its Tenant Improvements in the event Landlord does not make such repairs to Tenant's satisfaction in accordance with the Letter; and
- such other items identified by OGS or its consultant following a subsequent site visit to be discussed and scheduled.

13. MARKETABLE AND INSURABLE TITLE

On or before a date to be agreed upon, Landlord shall enter into a legally-enforceable agreement with Tenant confirming that Landlord at its sole cost and expense shall acquire or confirm that it has marketable and insurable fee title to the Premises, and shall obtain an owner's title policy for the Premises from a reputable title insurer, a copy of which shall be provided to the Tenant by a date to be agreed upon. The agreement shall provide for the acceptance and approval by Tenant of the owner's title policy, and shall include a provision for payment to Tenant by Landlord of all costs incurred by Tenant after a date to be agreed upon related to the design, permitting, and pursuit of its Tenant Improvements in the event Landlord does not obtain and demonstrate marketable and insurable title to the entire Premises by a date to be agreed upon.

14. BUILDING OWNERSHIP AT LEASE END

During the initial term of the lease (as well as during any exercised options to extend the lease), the Tenant Improvements shall be the property of the Tenant. Upon the expiration or earlier termination of the initial term of the lease, and any extended terms, ownership of the Tenant Improvements shall transfer to the Landlord, and the Tenant will execute any and all documents necessary to effectuate said transfer of ownership. In exchange for ownership of the Tenant Improvements being transferred to the Landlord, the Landlord will pay to the Tenant an amount as follows: (a) if the lease

remains in effect for the full duration of the initial term, the Landlord shall pay the Tenant the total value of the Tenant Improvements divided by the length of the initial term, multiplied by the number of years remaining on the first lease term; (b) if the lease is terminated prior to end of the initial term of the lease, or the end of an applicable extension thereof, by the Tenant, for any reason other than a material breach of the lease by the Landlord, the Landlord will not pay for the Tenant Improvements; and (c) if the lease is terminated prior to the end of the initial term, by reason of a material breach of the lease by the Landlord, the Landlord will pay the total value of the Tenant Improvements divided by the length of the initial term of the lease, or the length of an applicable extension thereof, multiplied by the number of years remaining in the initial term, or an applicable extension thereof, as of the date the lease is terminated as a result of a breach by the Landlord; and (d) if the lease are terminated prior to end of an applicable extension of the lease by the Landlord, At the time of termination, the Tenant shall remove all furniture and personal property from the Premises and shall quit and peacefully surrender and deliver to the Landlord the possession and use of the Premises and the Tenant Improvements without delay and in good order, condition and repair, reasonable wear and tear, and damage and other casualty excepted, and free and clear of all liens and encumbrances created by the Tenant. Upon surrender, the Tenant shall assign to the Landlord any agreements and rights relating to the operation or use of the Premises and the Tenant Improvements.

15. NO CHANGES TO PREMISES

Landlord agrees not to sell, lease, or otherwise convey any portion of the Premises or undertake any demolition, construction, or alteration of the Premises that affects the suitability of the Premises for Tenant's intended use.

16. CONDITIONS TO LEASE

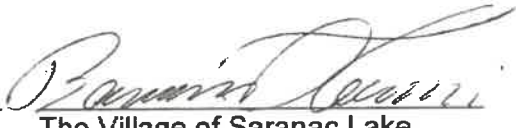
1. Satisfactory completion of Tenant's due diligence. Upon signing this Term Sheet and continuing up and until the completion of OGS' design and development phase (the "Due Diligence Period"), Tenant through OGS and its consultant shall conduct studies, including but not limited to engineering studies of the existing buildings' structural integrity. During the Due Diligence Period, Tenant may decide not to proceed with the leasing of the Premises for any reason or no reason and may terminate this Term Sheet as set forth in Paragraph 17 hereof. Additionally, Tenant may decide not to proceed at any time following the Due Diligence Period if the Village is unable to provide clear title to the entire Premises.
2. Tenant's obtaining all necessary governmental approvals for the Tenant Improvements including without limitation site plan approval, approval from the State Historic Preservation Office, and any other State, federal, or local approvals. If Tenant is unable to obtain any such approvals, after employing commercially reasonable efforts, it may terminate this Term Sheet as set forth in Paragraph 17 hereof.

3. Approval of the lease by both the New York State Attorney General and the New York State Comptroller. If Tenant is unable to obtain any such approvals, after employing commercially reasonable efforts, it may terminate this Term Sheet as set forth in Paragraph 17 hereof.

17. TERMINATION OF TERM SHEET

This Term Sheet may be terminated upon the mutual written consent of the parties or at the sole discretion of the Tenant. This Term Sheet shall automatically terminate and be of no further force or effect upon the first to occur: (i) the date that the executed lease contemplated herein are approved by the New York State Comptroller and New York State Attorney General; (ii) the date that Tenant notifies Landlord in writing that Tenant is terminating the Term Sheet as authorized by Paragraph 17 hereof.

IN WITNESS WHEREOF, Landlord and Tenant indicate their acceptance of the terms and conditions of this Term Sheet by their signatures set forth below.

Landlord:  10/16/2025
The Village of Saranac Lake
by its: _____
39 Main Street, Suite 9
Saranac Lake, NY 12983
Date

Tenant:  10/22/25
Adirondack Park Agency
by its: Executive Director
New York State Adirondack Park Agency
P.O. Box 99
Ray Brook, NY 12977
Date