

**TRUSTEES OF THE FREEHOLDERS AND COMMONALTY
OF THE TOWN OF EAST HAMPTON**

RULES AND REGULATIONS FOR LAZY POINT LEASES

I. **DEFINITIONS:** As used herein, the following terms shall have the meaning indicated:

ASSIGN – As used herein, the word “assign” shall include any mortgage, pledge or transfer of any interest in any lease issued by the Trustees.

HOUSE – Any and all structures, together with the fixtures, equipment, appliances and other personal property used in connection with such structures, located on a “lot” owned by the Trustees.

LOT/ LEASE LOT – A parcel of land designated as such on a certain map entitled “Subdivision Map of Shore Road at Lazy Point, dated June 1935, made by Wallace H. Halsey, Inc., East Hampton, revised July 11, 1956 by Geoffrey H. Bass, East Hampton, New York”, as shown on a survey by George Walbridge Surveyors, P.C., prepared December 22, 1998.

NEW LEASE – An agreement regarding the use and possession of a lease lot between the Trustees and a person or persons party to such an agreement as of April 29, 2019. Said new lease shall be termed the Restatement and Renewal of Lazy Point Lot Lease with said Lease being for a term of thirty-five (35) years. *ALL LOTS SHALL BE SUBJECT TO THE NEW LEASE AND THIRTY-FIVE (35) YEAR TERM.*

TRUSTEE PROPERTY - Any real property owned by the Trustees at Lazy Point, whether leased or not, including the beach, as shown on the Suffolk County Tax Map in District 300, Sections 84, 85, 106, 107 and 108. As used herein the term “any other Trustee property” shall mean any Trustee property other than residential or commercial lot(s) which are leased to a particular tenant under consideration.

TRUSTEES – The Board of Trustees of the Freeholders and Commonalty of the Town of East Hampton.

UNLICENSED MOTOR DRIVEN VEHICLE – Any type of unlicensed motor-driven vehicle, including but not limited to snowmobiles, two-wheeled motor vehicles known as “trail bikes” or “dirt bikes” and motor scooters; and four-wheeled motor vehicles known as “go-carts” and “all terrain vehicles” (ATV’s).

BOAT/VESSEL – Includes every description of watercraft (including windsurf boards), or other contrivance used or capable of being used as a means of transportation in the water or in the air.

II. LEASE TERM AND FEE:

A) Each year, at the January Organizational Meeting of the Trustees, the charge for any changes to the Rules and Regulations for Lazy Point Leases shall be adopted by Annual Resolution.

B) At the end of the thirty-five (35) year lease term, The Trustees reserve the right to decide whether or not to renew the lease, whether to adopt amendments to the terms of the lease; the charge for each lease; and the terms of payment, provided the tenants and public are notified at least 30 days prior to the April 29th expiration of the leases. (April 29th is chosen to commemorate the same day in 1648 when the Indian Sachems of the “Munhansett, Meuntacut, Corchake and Shinecoke” tribes of Long Island sold this Lazy Point land to the “Inhabitants of the Town of East Hampton”.) It is the intent of this section to notify tenants and others that at the end of the lease term, future Boards of Trustees have the unqualified right to decide whether or not to renew the leases and to amend all of the terms of any new leases .

C) All new leases shall be for a term of thirty-five (35) years, and shall be accompanied by the following documents, which shall be deemed a part of such lease:

i) A signed and notarized : (1) Renewal and Restatement of Lazy Point Lot Lease; (2) Leasehold Mortgage Rider; and (3) Environmental Certificate with Representations, Covenants, and Warranties Rider; and

ii) A copy of the most recent Town of East Hampton Tax Bill.

D) All leases will include the Lot number, tax map number and street address of the leased property as well as the name(s) and mailing address of the tenant(s).

E) Subject to the provisions of Paragraph B, above, beginning in January 2019, the lease fee for each lot shall increase annually by 2% of the lease fee rounded off to the nearest whole dollar. Portions of leased lots will be calculated accordingly. See attached Exhibit A “Rent Schedule” .

G) To be eligible for the Renewal and Restatement of Lazy Point Lot Lease, all current leases must be paid in full and executed .

III. NEW LEASES:

A) All “new leases” (those Renewal and Restatement of Lazy Point Lot Leases initiated April 29, 2019) shall require the tenant to provide annually:

i) Execute an affidavit of domicile in a form to be determined by the Trustees; and

ii) Provide a copy of the tenants New York State driver’s license; and/or

iii) A copy of the most recent voter registration card.

B) Such leases shall be awarded only to one of the following:

i) An individual domiciled in the Town of East Hampton who can legally enter into a contract under the laws of the State of New York and who has continuously resided within the Town of East Hampton; or

ii) An individual domiciled in the Town of East Hampton, who is an incompetent or beneficiary of a testamentary or other trust holding title to the house on leased property, provided such individual has continuously resided within the Town of

East Hampton, regardless of the residence of the committee of said incompetent or the trustee of said trust; or

iii) An individual who is a minor, as defined in the laws of the State of New York and who is the beneficiary of a testamentary trust created by a parent or guardian, which trust holds title to the house on the leased property, regardless of the domicile of said minor. The Trustees shall waive the submission of an affidavit of domicile for said minor until such time as he or she shall attain majority; or

iv) An administrator or executor of the estate of a decedent who was party to a lease, regardless of the residence of the said administrator or executor provided, however, that such a lease may only be renewed one (1) time after the death of the tenant.

C) Except for leases in existence on March 1, 2003, no lease shall be issued to any entity other than a natural person or persons. No corporation, limited partnership, limited liability company or the like shall be a party to a lease whether through assignment, inheritance or otherwise.

D) Except for leases in existence on March 1, 2003, no lease shall be issued to more than two (2) natural persons. If more than two (2) natural persons shall inherit (through bequest or intestacy) an ownership interest in a house on a Lot, an subsequent amendments or renewals to the new leases may be issued to only one (1) or two (2) natural persons.

E) Except for leases in existence on March 1, 2003, no tenant may be granted (whether individually or with another person or persons) more than two (2) leases for non-contiguous lots.

F) All persons having an ownership interest in a structure shall be party to a lease and shall meet the qualifications set forth above and all tenants must have an ownership interest in the structure prior to commencement of the lease.

G) No tenant shall be registered to vote in any district other than those located within the Town of East Hampton.

IV. SUB-LEASING:

A) Tenant shall not sub-let the lease lot, or any part thereof, at any time without the prior written permission of the Trustees. The Trustees shall have the sole discretion to determine whether to permit sub-leasing on any given lot.

B) Permission must be obtained for any subsequent sub-letting, even if the proposed sub-tenant previously obtained Trustee permission to sub-let.

C) Permission to sub-let any particular lease lot will be granted only once in any one calendar year. The Trustees shall have sole discretion to determine whether to permit short term, annual, multi -year or longer term sub-leasing.

D) Failure to abide by the rules of the section shall be a breach of the lease agreement and may lead to revocation of the sub-lease and/or lease agreement.

E) All sub-tenants will be required to comply with the provisions of Section III and with all other provisions of these Rules and Regulations.

F) Any approval issued by the Trustees to a proposed sub-letting of the premises shall be conditioned upon the Trustees receipt of:

i) A copy of the executed sub-lease which includes the name and mailing address of the sub-tenant and sub-lease fee hereinafter set forth;

ii) The sub-lease fee shall be 4% of the rent paid or required to be paid for such sub-lease. One half of the sub-lease fee shall be paid by the tenant and one half shall be paid by the sub-tenant.

iii) Payment shall be made within five (5) business days after the commencement of the sub-lease by certified or bank check payable to the Trustees of the Freeholders and Commonalty of the Town of East Hampton.

G) In the event payment is not received within said five (5) business days; the permission to sub-let issued by the Trustees shall immediately and automatically terminate.

(i) Subject to the provisions of Section 3 of the Leasehold Mortgages Rider, the lease theretofore existing between the Trustees and the tenant shall become null and void and the Trustees shall be entitled to recover possession of their property by any and all legal means.

(ii) In such event, neither the tenant nor the sub-leasee shall be eligible to lease any property from the Trustees at any time in the future.

V. ASSIGNMENT:

A) A lease shall not be assigned without the prior written approval of the Trustees.

B) Any such assignment shall be deemed to be a “new lease” and the assignee shall meet the requirements of Section III hereof prior to such assignment. All assigned “new leases” shall be for the remainder of the existing lease term and shall not trigger a new 35 year lease term. The Trustees may, in their discretion, extend the lease term upon assignment, on a case by case basis, where it may be necessary for an assignee to secure financing.

C) Notwithstanding B above, if a tenant shall desire to assign a fractional interest in a lease to the tenant’s spouse, such spouse shall meet the requirements of Section III hereof within one year after the Trustees have approved of such assignment.

D) In the event the tenant shall desire to add an assignee to an existing single tenant lease (only one tenant may be added and there can never be more than two tenants), the current tenant shall notify the Trustees, in writing, of the proposed assignment and include: i) The name and address of the person to be included on the lease;

ii) A copy of the proposed assignee’s New York State driver’s license and a properly completed affidavit of domicile; iii) Ownership interest in the house via a copy of the bill of sale.

E) In the event the tenant shall desire to transfer all ownership of the structure to a person who wishes to lease from the Trustees, the current tenant or her/his representative shall notify the Trustees, in writing, of the proposed transfer, and include the name and address of the person to whom the house is to be transferred.

i) Once the proposed transfer is acknowledged as received by the Board of Trustees at a formal/regular meeting, the tenant or the proposed transferee shall publish a notice of said proposal in the official newspaper of the Trustees.

ii) The published notice of transfer shall include the name and residence address of the proposed transferee and clearly indicate:

a) A new lease is subject to approval by the Trustees; and

b) The transferee must meet all of the requirements of Section III (New Leases) herein.

F) The Trustees shall not make a determination as to compliance with the provision of Section III (New Leases) hereof unless a written notice of intent to transfer to a particular person(s) signed by the current tenant has been received by the Trustees, together with:

- i) Proof of publication of the notice required in above paragraph E;
- ii) The affidavit of domicile required by Section III;
- iii) A copy of the Contract of Sale between the current tenant and the proposed transferee;
- iv) Any such other written documentation and proof of residency as the Trustees shall request.

G) After receipt of the material set forth in sub-paragraphs above, and following review of the information by the Trustees and their Attorney, the Trustee Board will either conditionally approve of the assignment or request such additional material as they shall see fit at a formal/regular meeting.

VI. TRANSFER FEE:

A) Any approval issued by the Trustees to a proposed assignment of a Lease shall be conditioned upon the Trustees' receipt of the transfer fee hereinafter set forth.

B) The transfer fee shall be 4% of the consideration paid or required to be paid for the house, or any interest therein. One half of the transfer fee shall be paid by the transferor and one half shall be paid by the transferee.

C) Payment of the transfer fee shall be made at the closing by certified check or bank check payable to the Trustees of the Freeholders and Commonalty of the Town of East Hampton.

D) In the event that payment is not received at the closing, the conditional approval of assignment issued by the Trustees shall immediately and automatically terminate.

E) The lease theretofore existing between the Trustees and the tenant shall become null and void and the Trustees shall be entitled to recover possession of their property by any and all legal means.

F) In such event, neither the transferor nor transferee shall be eligible to lease any property from the Trustees at any time in the future.

VII. DEATH OF TENANT:

A) In the event of a death of a tenant, within twelve (12) months after the issuance of Letters of Administration or Letters Testamentary, the Administrator or Executor shall either:

- i) Transfer the house to an individual who meets the requirements of Section III hereof and in compliance with the provisions of Sections V and VI hereof; or
- ii) Remove the house as directed by the Board of Trustees.

B) In the event that a tenant dies without beneficiaries, heirs at law or distributes, it will be understood that the tenant intended the house to be transferred to the Trustees and disposed of as they see fit.

VIII. VACANT LOTS:

A) No lot which is not leased as of July 31, 1988 shall be leased in the future, except upon the affirmative vote of two-thirds plus one of the Trustees present and voting upon same.

B) As per Resolution #188-92, dated June 9, 1992 the un-leased portion of Lot 14N shall remain in its natural state and the existing pedestrian access shall be maintained in its current manner.

C) Use of a vacant Lot shall conform to the requirements of Section X Paragraph C.

IX. BUILDING AND LAND MAINTENANCE/REPAIR:

A) At all times during the term of the lease, tenant shall maintain a suitable dwelling which complies with all building, zoning, health and environmental regulations on the leased property.

B) The lease lot shall not be used for any illegal act, nor shall any signs or advertisements be placed upon the lease lot or buildings or painted thereon or affixed thereto except signs indicating the names of occupants.

C) Use of a structure on the leased lot or use of the land leased for any commercial purpose requires the prior written permission of the Trustees.

D) Tenant shall post the house number on the dwelling and shall also install and maintain smoke and carbon monoxide detectors in accordance with the East Hampton Town Code.

E) Tenant shall maintain the lease lot in a reasonably sanitary condition.

F) Proposed repair or replacement of a building or dwelling on a lease lot which has sustained damage from an event, whether an occurrence of nature or accident must be able to comply with all current and applicable building, zoning, health and environmental regulations. Approval of permit application for these projects shall be at the discretion of the Trustees.

G) Tenant shall not engage in any activities which will adversely impact upon any Trustee property without the prior written permission of the Trustees. Such activities include, but are not limited to:

- i) The installation of blacktop, asphalt or concrete driveways;
- ii) Any excavation with machinery;
- iii) The expansion or demolition of a house or other structure;
- iv) Fencing around the house or Lot lines.

H) No tenant shall engage in any activity which would require the issuance of a permit by the Town of East Hampton if conducted on privately owned property, without having obtained written permission from the Trustees.

I) Tenants seeking such permission shall apply to the Trustees and all relevant Town agencies, boards or departments simultaneously with the application to the Trustees.

J) The Trustees have no objection to Tenants desire for flower and/or vegetable gardens or moderate landscaping. However, Trustee property must remain as natural as possible, with native vegetation to be used wherever practicable.

K) The beaches shall only contain beach sand, native vegetation and a natural shoreline. No structures shall be placed upon beaches without the prior written permission of the Trustees.

L) Tenant shall not alter or permit a member of tenant's family or sub-tenant, guest or invitee to alter the terrain and vegetation existing upon Trustee lands, whether leased or not without the prior written permission of the Trustees.

X. VEHICLES/OTHER ITEMS/ACCESS:

A) No tenant shall park any vehicle, boat, trailer or other equipment; or permit a member of tenant's family or a sub-tenant, guest or invitee to park any vehicle, boat, trailer or other equipment in such a manner as to impede, or otherwise affect vehicular or pedestrian travel along Shore Road, the beach, or to any other Trustee property.

B) No tenant shall create, or permit a member of tenant's family or a sub-tenant, guest or invitee to create an impediment to vehicular, pedestrian and/or equestrian access to any other Trustee property by members of the public.

C) No tenant shall use, or permit a member of tenant's family or a sub-tenant, guest or invitee to use any other Trustee property, including the beach, vacant and non-leased land, for parking vehicles, boats, boats trailers, floats, campers, camp trailers, or any other equipment, or for placement of any material(s) whatsoever without the prior written permission of the Trustees.

i) Written permission shall be for a term of one (1) year and may include a tag/permit or other means of identification determined by the Trustees and a fee in an amount to be determined by Annual Resolution.

ii) The Trustee Board has the right to remove and/or impound any item and/or equipment placed on the beach, vacant and non-leased land without their written approval.

D) No tenant shall install or permit a member of tenant's family or a sub-tenant, guest or invitee to install a dumpster larger than two (2) cubic yards on any Lot or any other Trustee property without the prior written approval of the Trustees. Any such approval shall expire no later than sixty (60) days after its issuance.

E) No tenant shall operate, or permit a member of tenant's family or a sub-tenant, guest or invitee to operate any unlicensed motor-driven vehicles on any Trustee property, whether leased or not.

F) All tenants shall be cognizant of the minimal acreage of each Lot and shall not store/park or allow any vehicle, boat, trailer or other equipment, or permit a member of tenant's family or a sub-tenant, guest or invitee to store/park or allow a vehicle, boat, trailer or other equipment so that it impedes emergency equipment, vehicles and personnel from accessing the Lot or the premises thereon in the performance of their duties.

XI. AMENDMENTS/EXTENSIONS/ENCROACHMENTS:

A) The Trustees may amend these Rules and Regulations as provided in Section II, upon notice of at least thirty (30) days to the tenants and public.

B) The Trustees reserve the right to grant extensions of the time limits set forth herein, upon written request of a tenant, setting forth the reasons for same.

C) All tenants take the leased premises subject to any and all encroachments, if any, which exist as of March 1, 2003:

i) Encroachments include, but are not limited to, driveways, houses, sheds, fences and other structures which extend over the boundary line of any Lot.

ii) No tenant shall require the removal of any such encroachment at any time, nor shall a tenant interfere with the use and enjoyment of such encroachment by the owner.

XII. TERMINATION:

A) A violation of any one (1) of these rules and regulations shall be sufficient grounds for termination of a lease issued by the Trustees, subject to Section II Leasehold Mortgages of the Renewal and Restatement of Lazy Point Lot Lease.

B) Upon receipt of information giving cause to believe that a violation has occurred, the Clerk of the Trustees shall schedule a special meeting of the Trustees to determine whether a violation has occurred and, if so, the appropriate action to be taken which may include the removal of the house from the Lot, at the expense of the Tenant.

C) The tenant and any Leasehold Mortgagee shall be notified of the alleged violation and the date scheduled for such special meeting at least one (1) week prior thereto. Tenant shall have the opportunity to be heard, whether in person or by agent or attorney, at such meeting.

XIII. VALIDITY AND EFFECTIVE DATE:

A) Any singular word or term herein shall also be read in the plural whenever the sense of these Rules and Regulations may require it.

B) Should any section or paragraph of these Rules and Regulations be decided by a court to be invalid; such decision shall not affect the validity of these Rules and Regulations as a whole, or any part thereof, other than the part so decided to be invalid.

C) These Rules and Regulations shall become effective April 28, 2019, subject to the execution by Landlord and Tenants, of the Renewal and Restatement of Lazy Point Lot Leases.