

# Ground Lease at a Glance



## Ground Lease Basics

### Rights to Land & Terms of Lease (Articles 2 & 3)

First Homes leases the land to the homeowner. (2.1)

The term of the lease is 99 years and can be renewed. (3.1) The lease can also be transferred to a new owner who will adopt the terms of the lease. (3.3)

As the homeowner, you may only use the land for residential purposes. (4.1)

### Ground Lease Fee (Article 5)

You are responsible for paying a monthly Lease Fee of to occupy and use the Leased Land that your home sits on. (5.1)

If payments are not made, First Homes may initiate collection procedures.

Ultimately, First Homes can collect unpaid fees when the home is sold. (5.7)

## Homeowner Responsibilities

### Use of Leased Land (Article 4)

As the homeowner, you may only use the land for residential purposes. (4.1)

You must occupy the home for at least 240 days each year. (4.4)

The leased land may not be subleased or rented out by the homeowner. (4.5)

### The Home (Article 7)

You own the House and all other improvements on the Leased Land. (7.1)

### Insurance & Liability (Article 9)

You assume all liability and responsibility related to your possession, occupancy, and use of the Leased Land. (9.1)

You are required to insure the home against loss and maintain liability insurance on the home and Leased Land. (9.4)

### Taxes (Article 6)

You are responsible for paying all taxes and assessments. (6.1)

If you fail to pay taxes, First Homes may increase the Lease Fee. (6.4)

## Selling Your Home

### Selling Your Home (Article 10)

You may transfer/sell the home to First Homes or to income-qualified persons. Any transfer that does not follow the terms of the ground lease shall be null and void (10.2)

The home may be transferred to certain heirs of the homeowner (10.3)

Before selling, you must provide a 'Notice of Intent to Sell,' notifying First Homes. (10.4)

This document can be found on our website or in Exhibit G of your ground lease.

### Resale Formula (Article 10.11)

In order to keep the CLT home affordable in perpetuity, First Homes uses a resale formula to calculate the list price of the home. The formula can be found in Article 10 Section 11 of your ground lease.