

LAND LEASE

ARTICLE 8. FINANCING

8.1 Homeowner May Not Mortgage the Home Without the Permission of the Land Trust.

Homeowner may mortgage the Home and/or Homeowner's interest in the Leased Land only with the written permission of the Land Trust. Any mortgage permitted in writing by the Land Trust is defined as a "Permitted Mortgage," and the holder of such a mortgage is defined as a "Permitted Mortgagee."

8.2 By Signing Lease, the Land Trust Gives Permission for Original Mortgage. By signing this Lease, the Land Trust gives written permission for any mortgage signed by the Homeowner effective on the day this Lease is signed for the purpose of financing Homeowner's purchase of the Home.

8.3 Homeowner Must Get Specific Permission for Refinancing or Other Subsequent Mortgages. If, at any time subsequent to the purchase of the Home and signing of the Lease, the Homeowner seeks a loan that is to be secured by a mortgage on the Home or Homeowner's interest in the Leased Land (to refinance an existing Permitted Mortgage or to finance home repairs or for any other purpose), Homeowner must inform the Land Trust, in writing, of the proposed terms and conditions of such mortgage loan at least 15 business days prior to the expected closing of the loan. The information to be provided to the Land Trust must include:

- a) the name of the proposed lender;
- b) Homeowner's reason for requesting the loan;
- c) the principal amount of the proposed loan and the total mortgage debt that will result from the combination of the loan and existing mortgage debt, if any;
- d) expected closing costs;
- e) the rate of interest;
- f) the repayment schedule;
- g) a copy of the appraisal commissioned in connection with the loan request;
- h) copies of the proposed leasehold mortgage and other loan documents; and
- i) the existence of any prepayment penalty.



The Land Trust may also require Homeowner to submit additional information. The Land Trust will not permit such a mortgage loan if the loan increases Homeowner's total mortgage debt to an amount greater than 80% of the then current Purchase Option Price, calculated in accordance with Article 10 below, or if the terms of the transaction otherwise threaten the interests of either the Homeowner or the Land Trust.

8.4 The Land Trust is Required to Permit a "Standard Permitted Mortgage." The Land Trust shall be required to permit any mortgage for which the Homeowner has signed a Standard Permitted Mortgage as defined in the attached **Exhibit G** (Permitted Mortgages), the provisions of which shall be deemed incorporated in this Article 8 as if fully rewritten herein, and for which the loan secured thereby does not increase Homeowner's total mortgage debt to an amount greater than 80% of the then current Purchase Option Price, calculated in accordance with Article 10 below.

8.5 A Permitted Mortgagee Has Certain Obligations Under the Lease. Any Permitted Mortgagee shall be bound by each of the requirements stated in **Exhibit G**, unless the particular requirement is removed, contradicted or modified by a Rider to this Lease signed by the Homeowner and the Land Trust to modify the terms of the Lease during the term of the Permitted Mortgage.

8.6 A Permitted Mortgagee Has Certain Rights Under the Lease. Any Permitted Mortgagee shall have all of the rights and protections stated in **Exhibit G**.

8.7 In the Event of Foreclosure, Any Proceeds in Excess of the Purchase Option Price Will Go to the Land Trust. Homeowner and the Land Trust recognize that it would be contrary to the purposes of this agreement if Homeowner could receive more than the Purchase Option Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to the Land Trust all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the property had been sold for the Purchase Option Price, calculated as described in Section 10.10 below. Homeowner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to the Land Trust. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to the Land Trust.

8.8 Right of the Land Trust to Purchase Pursuant to Foreclosure. In the event of foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure, upon acquisition of title to the Home and leasehold estate by the Permitted Mortgagee, the Permitted



Mortgagee shall give the Land Trust written notice of such acquisition and the Land Trust shall have an option to purchase the Home and leasehold estate from the Permitted Mortgagee for the full amount owing to the Permitted Mortgagee under the Permitted Mortgage; provided, however, that the Land Trust gives written notice to the Permitted Mortgagee of the intent of the Land Trust to purchase the Home and leasehold estate within thirty (30) days following the receipt by the Land Trust of the Permitted Mortgagee's notice of such acquisition of the Home and leasehold estate. The Land Trust shall complete the purchase of the leasehold estate within sixty (60) days of having given written notice of its intent to purchase. If the Land Trust does not complete the purchase, the Permitted Mortgagee shall be free to sell the Home and leasehold estate to another person.



**THE CENTRAL OHIO COMMUNITY LAND TRUST (COCLT) IS A SUBSIDIARY OF
THE CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION (COCIC)–THE FRANKLIN COUNTY LAND BANK**