

LAND LEASE

ARTICLE 7. OWNERSHIP OF HOME; FUTURE IMPROVEMENTS

7.1 Ownership. It is expressly understood and agreed that any and all buildings, structures, and other improvements purchased by Homeowner or placed by Homeowner upon any part of the Leased Land at any time during the term of this Lease (collectively, the “Home”) shall be and remain property of Homeowner. However, Homeowner’s exercise of the rights of ownership of the Home is subject to the provisions of this Lease, including but not limited to provisions regarding the use and maintenance of the Home by Homeowner, the disposition of the Home by Homeowner, termination of the Lease and the option of the Land Trust to purchase the Home. In addition, Homeowner shall not (a) sever or move the Home from the Leased Land; or (b) transfer the Home, except in conjunction with the transfer of the Leased Land (in accordance with this Lease).

7.2 Purchase of Home by Homeowner. Homeowner is purchasing the Home now located on the Leased Land and described in the Certificate of Ownership, the form of which is annexed to this Lease as **Exhibit F** (Certificate of Ownership).

7.3 Construction and Alteration. Any construction to be carried out on the Leased Land, including additions to or alterations of the Home or the construction of new structures or other improvements (the “Future Improvements”), is subject to the following conditions: (a) all costs shall be borne and paid for by Homeowner; (b) all construction shall be performed in a workmanlike manner and shall comply with all applicable laws, ordinances and regulations, including, without limitation, Zoning Laws; (c) all construction shall be consistent with the permitted uses set forth in Article 4 and the Restrictions set forth in **Exhibit E**; and (d) Homeowner shall furnish to the Land Trust, for its prior written approval, a copy of any plans and all building permits (if required) for such construction prior to commencing construction.

As to any Future Improvement which will (i) increase or expand the exterior dimensions (including height) or square footage of the Home, (ii) change the use of the Home (e.g., converting a single-family to a two-family structure), (iii) add a separate exterior door to the Home, or (iv) add a new structure upon the Leased Land, such construction or alteration shall not be undertaken without the



prior written consent of the Land Trust. When seeking the consent of the Land Trust, Homeowner shall submit a written request to the Land Trust. Such request shall include:

- a) a written statement of the reasons for undertaking the Future Improvement;
- b) a detailed set of drawings (floor plan and elevations) showing the dimensions of the Future Improvement;
- c) a list of the necessary materials, with quantities needed; and
- d) a statement of who will do the work.

If the Land Trust finds it needs additional information it shall request such information from Homeowner within two weeks of receipt of Homeowner's request. The Land Trust then, within two weeks of receiving all necessary information (including any additional information it may have requested) shall give Homeowner either its written consent or a written statement of its reasons for not consenting. The Land Trust shall not unreasonably withhold such consent; however, it is agreed that maintaining affordability is adequate grounds for withholding consent.

7.4 Intentionally Omitted.

7.5 Prohibition of Liens. No lien for services, labor or materials resulting from Homeowner's construction shall attach to the title of the Land Trust to the Leased Land or to any other property owned by the Land Trust. Homeowner shall not permit any statutory or similar lien to be filed against the Leased Land or any interest of the Land Trust. Homeowner shall not permit any statutory or similar lien to be filed against the Home or Homeowner's leasehold interest in the Leased Land which remains more than sixty (60) days after it has been filed. Homeowner shall cause any such lien to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Homeowner shall fail to cause such lien to be discharged within the 60-day period, then, in addition to any other right or remedy, the Land Trust may, but shall not be obligated to, discharge the lien by paying the amount in question. Homeowner may, at Homeowner's expense, contest the validity of any such asserted lien, provided Homeowner has furnished a bond in an amount sufficient to release the Leased Land from such lien. Any amounts paid by the Land Trust to discharge such liens shall be deemed to be an additional Lease Fee payable by Homeowner upon demand.

Notwithstanding anything to the contrary contained in Ohio Revised Code Section 1311.10 or in this Lease, Homeowner shall not be deemed to be a partner, joint venturer or agent of the Land Trust; and in no event shall any lien resulting from Homeowner's improvements to the Leased Land encumber



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the underlying fee simple estate owned by the Land Trust. Homeowner agrees that it shall not enter into any contract for any improvements to the Leased Land unless the following language is included in such contract:

“Notwithstanding anything herein contained to the contrary, the contractor acknowledges that Homeowner holds only a leasehold interest in the property which is the subject of this contract. Homeowner is not the agent or the owner of the property, and no lien resulting from work performed under this contract shall attach to the interest of such owner.”

Homeowner shall not permit any work to be commenced until such time as Homeowner has provided the Land Trust with a fully executed copy of the construction contract evidencing incorporation of the aforesaid language. In addition, prior to the commencement of work, Homeowner shall post the following notice in a conspicuous place on the Leased Land, and shall assure that such notice is maintained throughout the entire course of construction.

“NOTICE TO CONTRACTORS, SUBCONTRACTORS,
MATERIALMEN AND LABORERS”

Notice is hereby given that work on this property is being performed for Homeowner. Homeowner is not the agent or the owner of this property, and any lien rights shall be limited to the leasehold estate of Homeowner and shall in no event attach to the interest of the owner.”

7.6 Maintenance and Services. Homeowner shall, at Homeowner’s sole expense, maintain the Leased Land and Home as required by Section 4.2. The Land Trust shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leased Land or Home, and Homeowner hereby assumes the full and sole responsibility for furnishing all services or facilities.

7.7 Disposition of Home Upon Expiration of Lease Term. Upon the expiration of the term of this Lease, as such term may be extended or sooner terminated in accordance with this Lease, Homeowner shall surrender the Home together with the Leased Land to the Land Trust. Ownership of the Home shall thereupon automatically transfer to the Land Trust. Upon thus assuming title to the Home, the Land Trust shall promptly pay the Homeowner and Permitted Mortgagee(s) as follows:



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First, the Land Trust shall pay any Permitted Mortgagee(s) the full amount owed to such mortgagee(s) by Homeowner;

Second, the Land Trust shall pay the Homeowner the balance of the Purchase Option Price calculated in accordance with Article 10 below, as of the time of reversion of ownership, less the total amount of any unpaid Lease Fee and any other amounts owed to the Land Trust under the terms of this Lease. The Homeowner shall be responsible for any costs necessary to clear any additional liens or other charges related to the Home which may be assessed against the Home. If the Homeowner fails to clear such liens or charges, the balance due the Homeowner shall also be reduced by the amount necessary to release such liens or charges, including reasonable attorney's fees incurred by the Land Trust.



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