

6.2 Taxes on Leased Land. In the event that the local taxing authority bills the Land Trust for the taxes on the Leased Land or the Home, the Land Trust shall pass the responsibility for this expense to Homeowner and Homeowner shall promptly pay this bill. The Land Trust makes no representations regarding the deductibility of such property taxes for income tax purposes.

6.3 Homeowner's Right to Contest. Homeowner shall have the right to make a written request to the Land Trust to contest the amount or validity of any taxes relating to the Home and Leased Land. After reviewing the request of Homeowner, the Land Trust, in the exercise of its reasonable judgement, reserves the right to pursue or refrain from pursuing a contest of the amount or the validity of any taxes related to the Home and the Lease Land. If the Land Trust elects to contest the amount or validity of any taxes relating to the Home and Lease Land, all costs and expenses of such proceedings, including the costs and expenses associated with the participation by the Land Trust in such proceedings, shall be paid by Homeowner.

6.4 Payments in Event of Delinquency. In the event that Homeowner fails to pay the taxes or other charges specified in Section 6.1 and/or Section 6.2 when due, the Land Trust shall have the right, but not the obligation, to directly pay the amount of taxes or other charges as to which Homeowner is in arrears, in which event any such amount paid by the Land Trust shall be considered an additional charge immediately due and payable from Homeowner to the Land Trust hereunder and shall be deemed added to the Lease Fee.

6.5 Proof of Compliance. Concurrently with the payment of any taxes, assessments, and charges required or permitted by the provisions of this Lease, each party shall furnish evidence satisfactory to the other documenting the payment. A photocopy of a paid receipt for such charges showing payment prior to the due date thereof shall be the usual method of furnishing such evidence. Failure to pay (or legally contest) any taxes or assessments when due shall constitute an event of default under this Lease by the Homeowner.

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 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:

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.

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;