

GROUND LEASE FEE COLLECTION POLICY
(February 12, 2011)

The ground lease agreement between the Island Housing Trust and the homeowner/ lessee states that in consideration of the possession, continued use, and occupancy of the leased land, the homeowner/ lessee will pay the Island Housing Trust a monthly ground lease fee. The following outlines the Island Housing Trust procedures regarding its ground lease collection policy.

- A. Per Article 5 – Ground Lease Fee and Article 12 – Default of the Island Housing Trust ground lease agreement, all homeowner/ lessees have agreed to pay their ground lease fee of \$50 on the first day of each month for as long as their lease remains in effect, unless, with written consent of the Island Housing Trust, the ground lease fee is escrowed by their mortgage lender.
- B. Homeowner/ lessee's accounts shall be reviewed within the first thirty (30) days of the month and those homeowner/ lessees who have not paid that month's ground lease shall be first contacted by telephone. If payment has not been received within the first thirty (30) days of the phone call, the Island Housing Trust shall send a first class letter to schedule a private conference at a specified time and date.
- C. It shall be the intent of the Island Housing Trust to work with a homeowner/ lessee to address and eliminate, as quickly as possible, delinquent fees, and to assist the homeowner/ lessee meet their obligation to pay their ground lease fee on a timely basis.

If the homeowner/ lessee knows in advance that they are unable to pay that month's ground lease fee, they must contact the Island Housing Trust via email: iht@vineyard.net or telephone (508) 693-1117. If the homeowner makes a good faith partial payment of at least two thirds (2/3) of the amount owed during the initial thirty (30) day period, then an extension shall be granted to an additional thirty (30) days. An extension may only be granted no more than once annually.

- D. At the time of conference, the homeowner/ lessee and the Island Housing Trust shall enter into and sign a Ground Lease Fee Payment Agreement. The agreement shall state that failure on the part of the homeowner/ lessee to meet the terms of the agreement will lead to a default of the ground lease.
- E. A homeowner/ lessee who refuses to enter into a Ground Lease Fee Agreement or pay their obligations in full by the close of business on the date of the scheduled conference shall be sent a default notice. A copy of the default notice may be sent to the homeowner's mortgage lender. The Island Housing Trust may take certain legal actions at anytime, including but not limited to taking the homeowner/lessee to court or arbitration; terminating the ground lease and initiating a summary process against the homeowner/ lessee); or taking certain administrative actions at anytime, including but not limited to withholding approval of permitted mortgage agreements and/or collecting the unpaid ground lease fees from the proceeds of a house sale or transfer.

Ground Lease Fee Collection Schedule

1st day of month:

- * Ground lease fees is due

30th day of month:

- * Ground lease fees are considered late if not paid
- * Homeowner/ lessee is contacted by telephone for non-payment

5 days from call:

- * First-class letter is mailed to homeowner/lessee scheduling a conference regarding non-payment.
- * Homeowner/ Lessee enters into Ground Lease Fee Payment Agreement at scheduled conference
- * Default notice is mailed to homeowner/ lessee if they refuse to pay or enter into Ground Lease Fee Payment Agreement, with a copy of the letter that may be sent to the homeowner/ lessee's mortgage lender.
- * Legal or administrative actions may be taken at anytime if the homeowner/ lessee refuses to pay their ground lease fees