

GROUND LEASE FEE COLLECTION POLICY & PROCEDURE 12/15/18

The ground lease agreement between the Island Housing Trust (IHT) 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 IHT's policy & procedures regarding ground lease fee collection.

- A. Per *Article 5: Ground Lease Fee*, homeowner/ lessee agrees to pay a ground lease fee of \$50 per month on the first day of each month for as long as their lease remains in effect.
- B. Per *Article 12.1 Monetary Default By Lessee*, it shall be an event of default if a homeowner/ lessee fails to pay the ground lease fee, and such failure is not timely cured in accordance with the terms and provisions of the ground lease. Refer to Article 12.1 for further details regarding curing a default due to nonpayment of the ground lease fee.
- C. It is the intent of IHT to work with a homeowner/ lessee to address and eliminate, as quickly as possible, delinquent fees, and to help the homeowner/ lessee meet their obligation to pay their ground lease fee on a timely basis. To that end, if a homeowner/ lessee has reason to believe that they will be unable to pay that month's ground lease fee, they should notify IHT via email, to info@ihtmv.org or first class mail, to P.O. Box 779, West Tisbury, MA 02575, prior to the first day of said month.
- D. Homeowner/ lessee's accounts shall be reviewed within the first twenty (20) days of the month. IHT shall contact those homeowners/ lessees whose ground lease fees are sixty (60) days or more past due by sending them a notice with an attached statement of their overdue balance.
- E. If payment has not been received within thirty (30) days of the email notice, then IHT shall send a notice to the homeowner/lessee scheduling a private conference at a specified time and date. At the conference, the homeowner/ lessee and IHT shall enter into and sign a Ground Lease Fee Payment Plan Agreement.
- F. A homeowner/ lessee who refuses to enter into a Ground Lease Fee Payment Plan Agreement or pay their obligations in full by the close of business on the date of the scheduled conference will be sent a default notice in accordance with *Article 14.2 Notices*. A copy of the default notice will also be sent to the homeowner/ lessee's mortgage lender and other parties as set forth under the ground lease.
- G. If a homeowner/ lessee is six (6) months past due, the IHT may record a notice of its lien upon the Improvements at the Dukes County Registry of Deeds and provide a copy of the recorded lien to the homeowner/ lessee's mortgage lender.

H. Nothing set forth in this Policy is intended, nor shall be construed, to in any way limit administrative, legal and/or equitable remedies available to IHT under the terms of the ground lease and at common law arising from homeowner/lessee's failure to pay the ground lease fee, including, but not limited to court action; arbitration; termination of the ground lease and eviction; denial of permitted mortgage agreements; and/or collecting the unpaid ground lease fees from the proceeds of the sale of the Improvements (as defined under the ground lease).