

GROUND LEASE FEE COLLECTION POLICY & PROCEDURE April 4, 2023

The ground lease agreement between Island Housing Trust (IHT) and the homeowner states that in consideration of the possession, continued use, and occupancy of the leased land, the homeowner will pay IHT a monthly ground lease fee. The following outlines IHT's policy & procedures regarding ground lease fee collection.

- A. *Per Article 5: Ground Lease Fee*, the monthly ground lease fee of \$50 is due on the first day of each month for as long as their lease remains in effect. IHT may increase the fee every five years but the effective annual increase may not exceed 3%.
- B. *Per Article 12.1 Monetary Default By Homeowner*, it shall be an event of default if a homeowner 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.
- C. It is the intent of IHT to work with a homeowner to address and eliminate delinquencies as quickly as possible, and to help homeowners meet their obligation to timely pay their ground lease fee. If a homeowner has reason to believe that they will be unable to pay any 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 that month.
- D. Homeowner accounts shall be reviewed within the first twenty (20) days of the month. IHT shall contact those homeowners whose ground lease fees are sixty (60) days or more past due by emailing 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 schedule a private conference with the homeowner at a specified time and date. At the conference, the homeowner and IHT shall enter into, and sign a Ground Lease Fee Payment Plan Agreement.
- F. A homeowner 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 14.1 Notices*. A copy of the default notice will also be sent to the homeowner's mortgage lender and other parties as set forth under the ground lease.
- G. *Per Article 12.4 Termination*, in the case of an event of a default, IHT may terminate the ground lease, initiate summary process proceedings to evict the homeowner, and hold homeowner liable for IHT's reasonable costs of suit. Refer to Article 12 for further information.

- 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'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).

Homeowners should consult their ground lease document for the complete terms governing collection of ground lease fees.