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Subject to change from time to time. Freddie Mac, and its approved Freddie Mac Seller/Servicers, reserve the right to approve the form and terms of each ground lease agreement in connection with a decision to offer conventional real property leasehold mortgage financing to the residents of a particular community.

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THIS FORM RESIDENTIAL GROUND LEASE AGREEMENT HAS BEEN PREPARED BY FREDDIE MAC FOR INFORMATIONAL PURPOSES ONLY. TECHNICAL REVISIONS AND SUBSTANTIVE CHANGES MAY BE NECESSARY FOR IT TO BE IN A FORM TO BE EXECUTED BY A POTENTIAL LAND OWNER AND TENANT AND TO CREATE LEASEHOLD INTERESTS AND RIGHTS IN A PARTICULAR STATE. FREDDIE MAC EXPLICITLY DISCLAIMS ANY AND ALL RESPONSIBILITY FOR LEGAL SUFFICIENCY IN CONNECTION WITH THE USE OF THIS FORM. USE OF THE FORM DOES NOT CONSTITUTE FREDDIE MAC APPROVAL OF A PARTICULAR EXECUTED RESIDENTIAL GROUND LEASE AGREEMENT OR GROUND LEASE COMMUNITY

RESIDENTIAL GROUND LEASE AGREEMENT

This Lease Agreement is an important document that has legal consequences. It is recommended that the Resident(s) have it reviewed by an attorney prior to executing the document.

Basic Information.

Date of Agreement:	_____, ____
Commencement Date (Date on which initial lease term begins if different from the Date of Agreement):	_____, ____
Land Owner:	_____ _____ Address: _____ City/County: _____ State/Zip: _____ Contact Person: _____ Phone: _____ Fax: _____
Property Manager (if different from Land Owner):	_____ Address: _____ City/County: _____ State/Zip: _____ Contact Person: _____

	Phone: _____ Fax: _____
Community Name and Address:	_____ Address: _____ _____ City/County: _____ State/Zip: _____
Resident:	_____ _____ <i>[Each person executing the Financing Documents must be listed as a Resident and execute this Agreement]</i>
Resident's Home Site Number and Address:	Number: _____ Address: _____ _____
Secured Lender:	<i>[Insert Name and Address of Seller/Service]</i> _____ _____; and its successors and assigns Address: _____ _____ City/County: _____ State/Zip: _____ Contact Person: _____ Phone: _____ Fax: _____
Loan Servicer (if different from Secured Lender):	<i>[Insert Name and Address of Loan Servicer]</i> _____ _____ Address: _____ _____ City/County: _____ State/Zip: _____ Contact Person: _____ Phone: _____ Fax: _____

Termination Date, including all renewals:	_____, _____ <i>[This date must be at least 5 years after the maturity date of the loan financing or refinancing the Home and the leasehold interest in the Home Site; since most conventional real property financing has a 30-year term, generally this date should be 35 years after the Commencement Date].</i>
Initial Term:	_____ year(s)
Renewal Term:	_____ year(s)
Rent Period:	_____ year(s) for initial period and each ____ year(s) after that <i>[The Rent Periods and the Initial and Renewal Terms do not have to be the same.]</i>
Rent Adjustment Date:	_____ year(s) after the Commencement Date and each _____ year(s) after that
Initial Basic Rent:	\$ _____ per year \$ _____ per month
Additional Rent:	\$ _____ per year \$ _____ per month
Current Community Charges:	\$ _____ per year \$ _____ per month Based on the itemized schedule of charges provided in the Exhibit to this Agreement titled "Additional Rent and Community Charges for Current Year".
Minimum Increase	[_____ %] [\$ _____] on each Rent Adjustment Date
Cap:	_____ % on the first Rent Adjustment Date and _____ % on each Rent Adjustment Date after that
Late Payment Date:	Payments not received within _____ days after the due date
Payment Default Date:	Payments not received within _____ days after the due date
Late Payment Charge:	[the greater of \$ _____ or _____ % of the amount past due]
Required Minimum Insurance Coverage:	Property Damage Personal Liability

Special Terms and Definitions for the Capitalized Terms Used in this Agreement.

Additional Rent is the charge for property taxes, governmental assessments, utility charges and property insurance premiums attributable to the Home Site, if not separately taxed or billed to the Resident. The amount currently being assessed as Additional Rent is provided in the Exhibit to this Agreement titled “Additional Rent and Community Charges for the Current Year”.

Basic Rent is the monthly or annual, as applicable, rental rate for the Resident’s leasehold interest in the Resident’s Home Site, and the nonexclusive right to the use and enjoyment of the Community, including the Common Areas and Community Facilities.

The Cap is the maximum percentage increase in the Basic Rent permitted for each Rent Period. It is the percent of (i) the increase in the Basic Rent over (ii) the Basic Rent paid during the previous Rent Period.

Common Areas are all of the areas in the Community which are used in common by the residents in the Community, and includes the roads, walkways, parks, playgrounds, woods, trails and other natural areas.

The Community is the residential development, which may be a manufactured housing community or a community land trust community, with the name and address stated in the Basic Information section of this Agreement, and includes the Common Areas and Community Facilities. Except when the context implies otherwise, the Community includes the Home Sites. The legal description of the Community is provided in the Exhibit to this Agreement titled “Legal Description of Community”.

Community Facilities are all of the facilities and services in the Community which are used in common by the residents in the Community, and includes the community center and any other community buildings, common recreation facilities and play areas and other common facilities and amenities.

Community Charges are charges and amounts assessed to the Resident for taxes, insurance, utilities and Operating Expenses related to the Common Areas and Community Facilities. Community Charges also includes Operating Expenses related to the Home Site if the Land Owner is obligated to maintain the Home Site under the terms of this Agreement. The amount currently being assessed for the Resident’s Home Site for each Community Charge is provided in the Exhibit to this Agreement titled “Additional Rent and Community Charges for Current Year”.

Community Guidelines are the Community rules and regulations governing the use and occupancy of the Home and the Home Site and requirements related to the Common Areas and Community Facilities, including provisions regarding required maintenance and community relationships. A copy of the Community Guidelines is attached as an Exhibit to this Agreement. The Community Guidelines and any alterations, additions,

modifications or amendments adopted in accordance with this Agreement are deemed to be a part of this Agreement.

The Cost of Living Index is the {*specify index or use* Consumer Price Index, Urban Wage Earners and Clerical Workers [*specify items, location or use* - all items, all cities]}. If the Cost of Living Index is discontinued and/or amended, then a successor or amended Index prepared by the same governmental agency or successor agency or comparable reporting agency will be used.

A Court-Ordered Termination is a termination of this Agreement and the Resident's leasehold interest in the Home Site, and the reversion of the leasehold estate and the dwelling and other improvements on the leasehold estate to the Land Owner, ordered by a court of competent jurisdiction, as a consequence of a Resident's default under the terms of this Agreement.

Creditworthy and Creditworthiness mean being able to meet the standard creditworthiness standards of the Federal Home Loan Mortgage Corporation stated in the most recent Freddie Mac Single-Family Seller/Servicer Guide applicable to borrowers obtaining conventional mortgage financing or comparable creditworthiness standards of other secondary mortgage market investors.

A Default Notice is the written notice provided to the Resident by the Land Owner if the Resident has not paid Basic Rent, Additional Rent or Community Charges by the Late Payment Date or the Resident has violated or is otherwise in default under the terms of this Agreement. The Default Notice will be delivered to the Resident in accordance with the terms of this Agreement and will state the specific default or violation and a reasonable time to make the payment or cure the default, the amount of a payment default, including any Late Payment Charges), or what the Resident must do (or refrain from doing) to cure a nonmonetary violation or default. No Default Notice shall be deemed to have been validly delivered to the Resident by the Land Owner unless and until a copy has been delivered to the Secured Lender, and if different, the Loan Servicer, named in the Basic Information Section of this Agreement.

A Failure to Cure Notice is the written notice sent by the Land Owner to the Secured Lender, and if different, the Loan Servicer, if the Resident has not remedied a material nonmonetary violation or cured a Payment Default or other monetary default within the time stated in the Default Notice sent to the Resident and any additional time to cure allowed the Resident.

The Financing Documents are the Promissory Note, Mortgage, Deed of Trust or Trust Deed or Security Agreement, and all other documents executed by the Resident in connection with the financing of the purchase, or refinancing, of the Resident's Home and the Resident's leasehold interest in the Home Site.

A Home is the residential dwelling located on a resident's Home Site, owned by the Resident, that includes the garage, deck, porch, and other attachments. The Home may be a Manufactured Home if the Manufactured Home meets the requirements for a Manufactured Home provided in its definition.

A Home Site is a site in the Community for a Home and includes the foundation, basement or crawlspace or concrete slab, if applicable, identified by a parcel number or site number or any other method acceptable to the local jurisdiction's land records office if the Leasehold Estate and the Home are financed as real property. The Resident's Home Site is the Home Site stated in the Basic Information section of this Agreement. The legal description of Resident's Home Site is provided in Exhibit to this Agreement titled "Legal Description of Home Site".

Initial Basic Rent is the basic monthly or annual, as applicable, Basic Rent for the Initial Term stated in the Basic Information section of this Agreement.

A Manufactured Home is a single family dwelling unit that is built and installed in compliance with the Chapter 22(a) of the National Manufactured Housing Construction and Safety Standards Act of 1976 and the Regulations of the Department of Housing and Urban Development issued in connection with that Act and that has a certification label permanently affixed to each transportable section.

The Manufactured Home must be built on a permanent chassis and be permanently affixed to a foundation system designed by a licensed professional engineer, and suitable for the soil conditions of the site. All foundations must:

- (a) Have permanent footings that are suitable for the soil, climate and geological conditions of the site;
- (b) Be able to support the size and weight of the Manufactured Home; and
- (c) Meet federal, state and local laws, rules and regulations.

Any wheels, axles, towing hitches or running gear must be removed from the Manufactured Home.

The Manufactured Home must be installed as a permanent improvement or fixture to the underlying real property in accordance with state law.

The Minimum Increase is the minimum amount the Basic Rent will increase on each Rent Adjustment Date.

A Nondisturbance and Attornment Agreement is an agreement from the secured lender to the Land Owner to accept the terms of this Agreement and not to interfere with the rights of the Resident created under the terms of this Agreement to the use of the Home Site and Community if the Land Owner's secured lender acquires title to the Land Owner's fee simple interest in the Community provided the Resident is not in default under the terms

of this Agreement. The form of Nondisturbance and Attornment Agreement is provided as an exhibit to this Agreement.

Operating Expenses are charges assessed to the Resident for the maintenance and operation of the Community, including the Resident's Home Site, if the Land Owner is obligated to maintain the Home Site under the terms of this Agreement.

A Payment Default means a default in the payment of (i) Basic Rent, (ii) Additional Rent, and (iii) Community Charges to the extent such charges are necessary for the maintenance and preservation of the Common Areas and Community Facilities and to provide the services offered by the Community.

A default on the part of the Resident in the payment of fees for use of the Community recreation facilities, fines assessed for violations of the Community Guidelines or charges for repairs, alternations, modifications and improvements to the Resident's Home Site or Home are not Payment Defaults.

The Rent Adjustment Index is *[Insert alternative index if applicable]* [the Cost of Living Index]. If the Rent Adjustment Index is discontinued and/or amended, then a successor or amended Index prepared by the same governmental agency or successor agency or comparable reporting agency will be used.

The Secured Lender is the financial institution that (i) is making the loan to the Resident to enable the Resident to purchase the Home and acquire a leasehold interest in the Resident's Home Site, or (ii) is refinancing an existing mortgage loan secured by the Resident's Home and the Resident's leasehold interest in the Home Site. The initial Secured Lender for the Resident's Home is named in the Basic Information section of this Agreement. The Resident must inform the Land Owner in writing of any changes in this information, including a change in the entity servicing the Resident's loan, the loan number and any modification of the terms of the financing. The Secured Lender is also any assignee of the original Secured Lender, including the noteholder on the Financing Documents.

This Residential Ground Lease Agreement grants to the Resident a leasehold interest in the Resident's Home Site subject to the terms of this Agreement, beginning on the Commencement Date and ending on the Termination Date. Under the terms of this Residential Ground Lease Agreement, the Land Owner, as landlord, leases the Home Site to the Resident, as tenant, and the Resident leases from the Land Owner, the Home Site for a Home owned by the Resident. In connection with the Resident's leasehold interest in the Home Site, the Resident has an undivided interest and nonexclusive easement for ingress and egress to the Home Site and for the use and enjoyment of the Common Areas and Community Facilities.

In consideration of the grant of the leasehold estate and the rent to be paid and other charges for that estate, the Land Owner and the Resident agree as follows:

Section I. Term, Rent and Community Charges.

I.1. Term; Termination.

- (a) Initial Term. The Resident agrees to the Initial Term stated in the Basic Information section of this Agreement, beginning on the Commencement Date and ending on the anniversary date which is the last day of the month of the Initial Term following the Commencement Date.
- (b) Renewal Terms. Unless the Resident provides the Land Owner 30 days written notice of termination prior to the expiration of the Initial Term or any Renewal Term, this Agreement shall automatically renew for successive Renewal Terms. Any Renewal Term shall be subject to all the terms and conditions of this Agreement, including any modifications to this Agreement made in accordance with the terms of this Agreement.

As long as the Secured Lender has a lien on, or security interest in, the Resident's Home and leasehold interest in the Home Site, the Resident must get the written consent of the Secured Lender not to exercise the automatic renewal provisions of this Agreement and the Secured Lender has the right, in its sole discretion, to exercise the renewal options provided by this Agreement if the Resident does not.

- (c) Termination by Resident. So long as there is no lien on the Resident's Home and leasehold interest in the Home Site, the Resident may terminate this Agreement by providing 60 days prior written notice to the Land Owner. If the Secured Lender has a lien on, or security interest in, the Resident's Home and leasehold interest in the Home Site, the Resident must get the prior written consent of the Secured Lender to terminate this Agreement.

- (d) Effect of Termination. If this Agreement terminates on or before the Termination Date, whether voluntarily or as a result of default, other than a Court-Ordered Termination, the Resident's leasehold interest in the Home Site will terminate and the undivided and nonexclusive interest in and easement for access to the Common Areas and Community Facilities will automatically terminate and revert to the Land Owner; title to the Home will remain with the Resident.

In the event of a Court-Ordered Termination, the Resident's ownership of the Home will terminate and title to the Home will revert to the Land Owner without compensation to the Resident, subject to the lien of the Secured Lender.

At the expiration of this Agreement on the Termination Date, provided the Resident is not in default under the terms of this Agreement, the Land Owner must do one of the following:

- (i) extend the term of this Agreement for a reasonable time period to be determined by the Land Owner;
- (ii) enter into a new residential ground lease agreement with the Resident with terms and conditions comparable to those currently being offered new Residents of the Community at that time; or
- (iii) offer to purchase the Home from the Resident for a reasonable price based on an independent appraisal conducted by a licensed appraiser.

I.2. Rent and Other Community Charges.

- (a) Payment of Rent and Community Charges. The Resident must pay the Land Owner, as rent, the Initial Basic Rent stated in the Basic Information section of this Agreement during the initial Rent Period and the Basic Rent adjusted as described below, during each subsequent Rent Period, payable in advance without demand, without any deduction, set-off, recoupment, or counterclaim, unless permitted by law.

In addition, the Resident must pay the Land Owner, as Additional Rent, the property taxes and governmental assessments and property insurance premiums and utility charges on the Resident's Home Site to the extent these are not separately assessed and directly billed to the Resident, and must pay the Resident's share of the Community Charges.

Additional Rent and Community Charges may be included in the monthly rental billing statement if itemized separately.

- (b) Schedule and Method of Payment of Rent and Community Charges. The Basic Rent, Additional Rent and Community Charges are due on the first day of each and every month. If the Commencement Date is a date other than the first day of a month, the Resident must pay the Initial Basic Rent on a pro rata basis for the number of days remaining in the month for the first month and pay the full Initial Basic Rent on the first day of the month for each month after that. All Basic Rent, Additional Rent and Community Charges must be made by check, money order, credit card, electronic transfer, or any method acceptable to the Land Owner.

Time of each payment is of the essence.

- (c) Rent and Community Charges Adjustment. On each Rent Adjustment Date, the annual Basic Rent will be adjusted by an amount not greater than (i) the Minimum Increase, and (ii) the increase, if any, in the Rent Adjustment Index, subject to the Cap. Each adjustment shall be accomplished by multiplying the Basic Rent for the current year, by a fraction, the numerator of which is the Rent Adjustment Index of the month in which the Rent Adjustment Date falls, and the denominator of which is the Rent Adjustment Index for the same month at the end of the prior Rent Adjustment Date. An example of how the annual Basic Rent is adjusted is provided in the Exhibit to this Agreement titled "Example of Basic Rent Adjustment Calculation". The percentage increase in the Basic Rent may not be more than the Cap.

On each Rent Adjustment Date, the Additional Rent and Community Charges shall be adjusted based on the changes from the prior year in assessments or charges. The adjustment in Additional Rent and Community Charges for taxes, insurance, and utilities, if charged or assessed by third parties and verifiable through documentation provided to the Resident, is limited to the actual change from the prior year; the adjustment for taxes, insurance and utilities, if not paid to third parties or if not verifiable, and for Operating Expenses, whether verifiable and paid to third parties or not, shall not exceed the increase in the Cost of Living Index.

- (d) Unanticipated Increases. In addition to the increases permitted on a Rent Adjustment Date, the Land Owner may require the Resident to pay an additional amount in Additional Rent and Community Charges to cover increases in taxes, insurance, utilities and Operating Expenses, and to cover new costs or assessments, arising after the Rent Adjustment Date. The adjustment for taxes, insurance and utilities, if not paid to third parties or if not verifiable, and for Operating Expenses, whether verifiable and

paid to third parties or not, shall not exceed the increase in the Cost of Living Index for that period.

The Land Owner must give the Resident 90 days written notice of the reason for, and amount of, the adjustment resulting from an unanticipated change.

- (e) No Waiver of Rights; Order of Payment. No payment by the Resident of an amount less than the amount due or a statement on any check or any letter accompanying any check or payment for Basic Rent, Additional Rent or Community Charges will be deemed an accord and satisfaction, and the Land Owner, at its option, may accept the check or payment without prejudice to its rights to recover the balance of Basic Rent, Additional Rent or Community Charges and pursue any other remedy provided in this Agreement or by law.

All payments made by the Resident will be applied in the following order:

- (i) Taxes or other assessments levied by a governmental unit on the Resident's Home and Home Site;
 - (ii) Premiums on property insurance on Resident's Home and Home Site;
 - (iii) Utility charges for the Resident's Home Site;
 - (iv) Basic Rent;
 - (v) Community Charges to the extent nonpayment would result in a Payment Default; and
 - (vi) Other Community Charges not included in item (v) and any other fees, assessments or charges.
- (f) Late Payments; Worthless Checks. The Resident must pay a Late Payment Charge if the Basic Rent, Additional Rent or Community Charges are not paid by the Late Payment Date. Late Payment Charges and any handling charges charged by the bank will also be assessed if any check tendered by the Resident is returned because of insufficient funds. The Land Owner may demand that any returned item be replaced by a cashier's check, certified check, or money order. If the Resident tenders two or more checks or bank drafts during the term of this Agreement which are returned for insufficient funds, the Land Owner may demand that all future payments be made by cashier's check, certified check or money order, and reserves the right to pursue any other remedies allowed under state or federal law.

3. Security Deposit. At the time the Resident executes this Agreement, the Land Owner may require the Resident to make a security deposit. The amount of the security deposit, its use and restoration and the Land Owner's obligation to

transfer the security deposit to a new land owner are provided in other documents and must comply with state law.

Section II. Land Owner's Obligations.

- II.1. Grant Resident Right to Quiet Enjoyment. The Land Owner represents and warrants that it owns the Community, including the Home Sites, in fee simple. Subject to the terms of this Agreement, the Land Owner grants to the Resident the right to peaceable and quietly have, hold and enjoy the Resident's Home Site leased under the terms of this Agreement for the Term. The Land Owner agrees to defend its title to the Community and to the Resident's Home Site.

The Land Owner shall make the Common Areas and the Community Facilities available for the nonexclusive use of the Resident, the Resident's household, and guests, subject to the Community Guidelines. All services and Community Facilities are subject to temporary interruption or closure for reasonable purposes.

- II.2. Land Owner Representations and Warranties. At the time this Agreement is executed, the Land Owner affirms the representations and warranties in the Land Owner's Certificate attached as an exhibit to this Agreement.

- II.3. Maintenance of Community. The Land Owner shall be responsible for providing and maintaining the Common Areas and Community Facilities in good working order and in a clean and safe condition, including constructing, installing, maintaining, repairing and replacing the Community Facilities and planting and maintaining the landscaping in the Common Areas.

The Land Owner shall use reasonable efforts to secure competitive prices for labor, materials and services provided to the Community.

- II.4. Compliance with Laws. The Land Owner must comply with all applicable building, housing, zoning, land use, health and environmental laws, codes, and regulations applicable to the Common Areas, the Community Facilities and other areas of the Community under Land Owner's control.

The Land Owner shall not cause, nor permit its employees, contractors or agents to cause, the presence, use, disposal or release of any hazardous substances on or in the Home Site, except such substances as may be used in the ordinary maintenance and repair of the Home Site and the Community in accordance with applicable laws. The Land Owner shall not do, nor shall it permit its employees, contractors or agents to do, any act which is in violation of any environmental laws, or requires any response action, remedial action or removal action, as defined by environmental laws. The Land Owner shall promptly provide the Resident and the Secured Lender with written notice of any spilling, leaking, discharge, or release of any hazardous substances on or in the Home Site, or any

other violation of any environmental laws, of which the Land Owner has actual knowledge, and shall promptly take all remedial action necessary under environmental laws on account of any condition resulting from the acts of the Land Owner, its employees, contractors or agents. For purposes of this paragraph, (i) “hazardous substances” are those substances defined as toxic or hazardous substances, pollutants, or waste by environmental laws, together with gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials, and (ii) “environmental laws” means federal and laws of the state in which the Home Site is located that relate to environmental protection and hazardous or toxic materials.

Section III. Resident’s Obligations.

- III.1. Status and Ownership of Home. The Land Owner and Resident agree that the Home shall be installed as part of the real property as a permanent improvement and fixture and agree to take all action required by state law and the Secured Lender necessary to establish that the Home is part of the real property.

Subject to the reversion to the Land Owner in the event of a Court-Ordered Termination, the Land Owner agrees that the Home and any other improvements and fixtures purchased by the Resident or constructed, placed or maintained by the Resident on any part of the Home Site are and shall remain the property of the Resident.

However, in the event of a Court-Ordered Termination, the Home and any other improvements and fixtures on the Home Site shall become the Land Owner’s property subject to the lien of the Secured Lender, without compensation to the Resident and free and clear of all claims to and against the Home by the Resident, and the Resident shall provide to the Resident, upon request, a bill of sale, in form and substance satisfactory to the Land Owner, indicating such transfer of ownership.

The Home and any other improvements covered under the Financing Documents may not be removed from the Home Site without the prior written permission of the Secured Lender.

- III.2. Use and Maintenance of the Home Site. The Resident may use the Resident’s Home Site only for the purpose of the placement of a Home.

The Resident’s Home Site and Home must be used as the private residence for the Resident and the Resident’s household. The Home Site and the Home must be occupied and must be used in compliance with, and not for any purpose contrary to, federal, state, and local laws, regulations, ordinances and codes. The Home

Site may not be used in any manner which unreasonably disturbs or offends any other resident of the Community.

The Resident must maintain the Resident's Home Site in a neat, clean, safe and sanitary condition and free of debris. The Resident is responsible for all repairs, maintenance and improvements of the Home and the Home Site for which the Land Owner has not expressly stated as its responsibility in the Community Guidelines.

Without the consent of the Land Owner, the Resident may not remove from the Home Site any improvements, fixtures, or other property, including landscaping, plants or trees, that were installed and are being maintained by the Land Owner.

- III.3. Alterations. Any addition, alteration or rehabilitation of the Resident's Home or Home Site or any improvements must comply with the Community Guidelines and the following conditions:
- (a) all costs must be borne by the Resident;
 - (b) all construction must be performed in a skilled manner and in compliance with all applicable laws, regulations, ordinances, building and health codes and environmental regulations; and
 - (c) the plans and specification for all major construction, alterations and capital improvements must have the prior written approval of the Land Owner, which approval must not be unreasonably withheld.
- III.4. No Use of Hazardous Materials. The Resident must not conduct any activity on the Resident's Home or Home Site which requires the use of, or will produce, pollutants, contaminates, toxic or hazardous waste or any other substances, the storage, use, or disposal of which is regulated, restricted, prohibited or penalized by any federal, state, or local law, regulation, ordinance, building and health code or environmental regulation.
- III.5. Compliance with Community Guidelines. The Resident and the Resident's family and guests must comply and conform to the Community Guidelines; however, in the event of a conflict between this Agreement and the Community Guidelines, the provisions of this Agreement will control. The Resident shall be responsible for damages to the property of others or personal injury to others caused by family, guests, and invitees, on the Resident's Home Site or within the Community.
- III.6. Community Relationships. With regard to the enforcement of the Community Guidelines and the terms and conditions of the residential ground lease agreements with other residents, it is the responsibility of the residents, including

the Resident, to attempt to reach a reasonable resolution of any problems or complaints the Resident may have with other residents or members of their households.

- III.7. Bankruptcy. In the event either the Resident or the Land Owner declares bankruptcy or is otherwise determined to be a debtor under the federal bankruptcy law or other law affecting creditors' rights, the Resident must notify the Secured Lender and take, in a timely manner, all action necessary to assume the unexpired term and any renewal options of this Agreement.
- III.8. Inspection. The Resident must provide the Land Owner and the Property Manager access to enter upon the Resident's Home Site with a minimum of 24 hour advanced notice, to examine the Home Site. If the Land Owner determines the Resident is not in compliance with this Agreement or the Community Guidelines, the Land Owner has the right, but not the obligation, to make repairs, alterations, or improvements to the Home Site, at the Land Owner's expense, as the Land Owner or Property Manager deem necessary, or to remedy the violation. In that event, the Land Owner's expenses and costs associated with the repairs or violations shall be assessed to the Resident as an additional Community Charge.

In the case of an emergency, the Land Owner and/or the Property Manager will be entitled to enter upon the Home Site without notice to respond to the emergency or to preserve and protect the Home, the Home Site and/or the Community.

- III.9. Vacate the Home Site. If the Resident terminates this Agreement, the Resident must vacate the Resident's Home Site and leave the Home Site in good condition, normal wear and tear excepted. The Resident must repair any damage to the Home Site or be held liable for the costs of the repairs.

Section IV. Utility Services.

- IV.1. Land Owner Obligations. The Land Owner must provide the Resident notice of the utility services that are to be provided to the Resident's Home Site by the Land Owner and those that are to be provided by third parties. The Land Owner must make all reasonable efforts to provide the utility services it has agreed to provide by this Agreement. The utility services presently provided to the Resident's Home Site are set forth on an Exhibit to this Agreement.

The Land Owner has the right to transfer the responsibility to provide any utility service it provides to a municipal or other utility company. After being notified of the transfer, the Resident must pay the new provider for the utility service and the Land Owner will no longer be responsible for the furnishing of any transferred service.

- IV.2. Failure to Provide Services or Utilities. With respect to any services and utilities provided by the Land Owner to the residents, any prevention, delay, or stoppage due to causes beyond the reasonable control of the Land Owner, will excuse the Land Owner's performance of these obligations for a time period equal to the delay. The Land Owner will use reasonable efforts to reinstate or repair any services or utilities which have been interrupted.

In no event shall the Land Owner be liable for damages for loss of, or injury to, property or persons, however occurring, in connection with the failure to furnish any services or utilities beyond the reasonable control of Land Owner. The Basic Rent, Additional Rent or Community Charges will not be abated or subject to offset or deduction for temporary failure to furnish, or any delay in furnishing, any utility services, nor will the temporary failure to furnish any services be construed as a constructive eviction of the Resident or relieve the Resident from the duty of observing and performing all of the provisions of this Agreement.

- IV.3. Resident's Obligations. The Resident must pay all utility charges owed to third parties when due.

The Resident is responsible for arranging and paying for the connecting and/or disconnecting of all utilities from the Resident's Home to the utility connection points provided by the Land Owner, including the cost of parts needed for these connections. All utility connections must be done in accordance with all applicable codes and industry standards. The Resident must provide for adequate insulation to prevent damage to the water supply lines and any valves and metering equipment due to weather conditions. The Resident is responsible for any damage resulting from failure to insulate the utilities adequately.

Section V. Property Taxes and Assessments.

- V.1. Land Owner's Obligations. The Land Owner must pay all property taxes and other government assessments levied upon the Home Sites to the extent not directly assessed to or paid by the residents and all real and personal property taxes and assessments levied on the Common Areas and Community Facilities.

If the Home Sites in the Community are taxed under a blanket tax bill covering all of the Community, the Land Owner may bill the Resident for the Resident's taxes if the taxing authority provides individual bills. If individual Resident tax bills are not available, the Land Owner must allocate taxes among the residents and their respective Home Sites in an equitable manner based on the lot size, location and other characteristics of the Home Site. Taxes and other assessments assessed on the Common Areas and Community Facilities will be allocated among the residents based upon the total number of Home Sites in the Community or if more equitable, based on the characteristics of the Home Sites.

If the Land Owner has received the tax bill, it will deliver to each Resident a copy of the Resident's tax bill, along with a written notice stating the Resident's obligation to pay the proportionate share of the tax installment by the stated delinquency date. The tax notice provided by the Land Owner will itemize the taxes and assessments owed by the Resident and state how the Resident's share was determined. The tax notice will state any additional charges that may be assessed if the Resident does not pay the Resident's proportionate share by the date stated in the notice. To the extent under the control of the Land Owner, it will use reasonable efforts to send the tax bill and notice at least 45 days prior to the delinquency date of any tax installment or payment due date. At the discretion of the Land Owner, the Resident's taxes may be assessed as part of the Community Charges, provided the Resident's tax obligation is itemized and documented as described and an annual reconciliation is provided the Resident.

- V.2. Resident's Obligations. The Resident must pay all property taxes and government assessments on the Home and the Home Site. If the property taxes are assessed directly to the Resident and are paid directly to the taxing authority, the Resident must provide the Land Owner proof of payment of taxes within 10 days after the Resident receives a written request for such proof from the Land Owner.

If property taxes on the Home Site are not directly assessed to, or paid by, the Resident or if all of the Home Sites are taxed under a blanket property tax bill covering all of the Community, each Resident must pay the amount billed to the Resident either as Additional Rent or as separately billed.

If the Resident's property taxes are billed separately, the Resident must pay its property taxes on or before the delinquency date stated in the notice and tax bill. If the Resident is delinquent in paying the tax bill, the Land Owner may, but is not required to, advance funds for the payment of taxes and will add to the Additional Rent the amount of any sum advanced, plus interest at the Late Payment Charge, plus any amount necessary to reimburse the Land Owner for any penalty or late charge actually assessed in connection with the blanket tax bill.

- V.3. Changes in Tax Assessment. The Land Owner must forward any written notice of any changes in the tax assessment it receives on the Community, the Resident's Home Site or the Resident's Home, to the Resident. The Resident shall have the right to contest the amount or validity of any tax or assessment for which the Resident is responsible for payment, either directly or as Additional Rent or as part of the Community Charges, and may institute proceedings for that purpose. The Land Owner must cooperate with the Resident, including joining in any proceedings or instituting any tax assessment appeals, to the extent necessary for the Resident to pursue its rights to appeal the assessment or tax.

Section VI. Insurance.

VI.1. Land Owner's Obligations. The Land Owner must carry general liability and property damage and flood insurance to compensate the residents, their households and guests, and any other person from any loss, damage, or injury in the Common Areas and the Community Facilities. The cost of Land Owner's insurance may be included in the Community Charges. The Land Owner may carry general liability and property damage insurance on the Home Sites, but not the Homes, to cover damages to the Home Site and other claims for which the Land Owner would be legally liable.

The Land Owner will use reasonable efforts to procure and maintain a general comprehensive liability and property damage insurance policy with the coverage and in the amount that is customary for housing developments of comparable size and facilities and as is required by the Secured Lender. In the event of any destruction of any portion of the Common Areas or the Community Facilities or the Home Sites, the proceeds of any insurance carried by the Land Owner must be used to reconstruct or rebuild the damaged or destroyed property, unless the cost of such reconstruction is not economically feasible. The reconstruction shall be substantially in accordance with the original construction plans, if the plans are available. The terms of the Nondisturbance and Attornment Agreement must include the consent of the Land Owner's secured lender to these provisions.

VI.2. Resident's Obligations. The Resident must obtain, at the Resident's cost, casualty insurance coverage for the Resident's Home and the Home Site, personal liability insurance and such other insurance as is necessary to protect the Resident, the Resident's guests and any other person from loss or liability.

The Resident must maintain an insurance policy on the Home and the Resident's leasehold interest in the Home Site in the amount of the Required Minimum Insurance Coverage, or if greater, in the form and amount required by the Secured Lender.

At any time the Land Owner requests it, the Resident must provide proof of insurance within 10 days after the Resident receives a written request for such proof from the Land Owner.

In the event of any destruction of any portion of the Home or the Home Site, the proceeds of any insurance carried by the Resident must be used to reconstruct or rebuild the damaged or destroyed property; provided however, that if the Home and or the Home Site is subject to a lien or security interest held by the Secured Lender, insurance proceeds must be applied in accordance with the Financing Documents. The Secured Lender may direct the insurance proceeds to be paid to a trustee for restoration or to the Loan Servicer to be applied to the repayment of the outstanding balance of the financing of the Home and the Home Site.

The Resident acknowledges that the Land Owner's insurance does not cover the Resident's Home or the personal property of the Resident and does not cover the Resident's losses for damage to the Home Site. The Land Owner is not responsible for any damage to the Home or the Home Site or injury to the Resident or the Resident's household, guests, or invitees in the Home resulting from any cause, including without limitation, fire, theft, earthquakes, settlement, mudslides, earth movements, floods, the elements, or the Resident's negligence.

Section VII. Financing; Rights of Secured Lender

VII.1. Financing. At the direction of the Secured Lender, in order to obtain financing or refinancing of the Resident's Home and leasehold interest in the Home Site, the Resident, with 30 days written notice to, but without the consent of, the Land Owner, may:

- (a) mortgage, pledge or otherwise grant the Secured Lender a security interest in, the Resident's Home and the Resident's leasehold interest in the Home Site, and/or
- (b) assign the Resident's rights and obligations under this Agreement to the Secured Lender.

Within 30 days of refinancing or additional financing by the Resident, or the transfer of loan servicing by the Secured Lender to another financial institution, the Resident must provide the Land Owner with written notice including the name, address, phone and facsimile numbers of the new Secured Lender or Loan Servicer.

The Resident and Land Owner agree that the Secured Lender, in its sole discretion, has the right, but not the obligation, (i) to pay any Basic Rent, Additional Rent or Community Charges due, (ii) to provide insurance on the Resident's Home and leasehold interest in the Home Site, (iii) to pay any taxes or other assessments due, and (iv) to make payments as needed to prevent or cure a Payment Default.

VII.2. Resident's and Land Owner's Obligations with Respect to the Secured Lender.

- (a) Compliance with Financing Documents. The Resident will perform all of the Resident's obligations contained in the Financing Documents.
- (b) Notice to Land Owner of Lien on Home and Leasehold and Defaults. The Resident agrees that the Secured Lender may give the Land Owner notice of (i) the Secured Lender's lien on, or security interest in, the Resident's Home and the Resident's leasehold interest in the Home Site and, if

applicable, the assignment of, and security interest, in this Agreement, to the Secured Lender, and (ii) any default by the Resident under the terms of the Financing Documents.

- (c) No Assignment; No Modifications to Home Site or Community. As long as the Secured Lender has a lien on, or security interest in, the Resident's Home and the Resident's leasehold interest in the Home Site, the Resident shall not pledge or assign its leasehold interest in the Home Site or this Agreement (other than to the Secured Lender) or sell, transfer or move, the Resident's Home, without the written consent of the Secured Lender, which consent may be granted or withheld in its sole discretion.

The Secured Lender must consent in writing to any partition, subdivision, or modification, and to any surrender, abandonment or termination, of the Community or the Home Site; any such consent shall not be unreasonably withheld, provided the Secured Lender's lien on, and security interest in, the Resident's Home and the Resident's leasehold interest in the Home Site is adequately protected.

- (d) Exercise of Rights. The Secured Lender may rely on and enforce any provisions of this Agreement, including the Resident's right to renew this Agreement, to the extent necessary to protect its lien on, and security interest in, the Resident's Home and the Resident's leasehold interest in the Home Site.

- (e) Notice to Secured Lender. The Land Owner will provide the Secured Lender prompt written notice in the event that it has actual knowledge that:

- (i) either the Land Owner or the Resident has failed to pay any property taxes or other assessments levied on the Community or the Resident's Home Site;
- (ii) there has been a lapse, cancellation or material modification of any insurance policy maintained by the Land Owner covering the Common Areas, the Community Facilities or the Resident's Home Site;
- (iii) there has been any casualty loss that affects a material portion of the Community or the Resident's Home Site; or
- (iv) governmental authorities have begun any condemnation proceedings affecting the Community or the Resident's Home Site.

- (f) Secured Lender's Consent to Lease Termination. As long as a Secured Lender has a lien on, or security interest in, the Resident's Home and the Resident's leasehold interest in the Home Site, the Land Owner and Resident agree to the exercise of each automatic renewal of the lease term. In addition, Land Owner and the Resident agree not to surrender or otherwise terminate this Agreement, for any reason other than a Payment Default or, subject to certain conditions described in this Agreement, a Court-Ordered Termination.
- (g) Land Owner's Rights Subordinate. The Land Owner's right to enter the Resident's Home Site and/or to remove the Home and/or the Resident from the Home Site and obtain a lien on, or security interest in, the Resident's Home and leasehold interest in the Home Site for unpaid Basic Rent, Additional Rent or Community Charges, and the Land Owner's other remedies under this Agreement, are subordinate to all the rights and remedies of the Secured Lender granted under this Agreement and the Financing Documents.

VII.3. Rights of Secured Lender in Event of Resident Default.

- (a) Notice. The Land Owner agrees to furnish each Secured Lender copies of any and all Default Notices relating to a Payment Default or any other material nonmonetary default that could result in a termination of this Agreement or that otherwise affects the Resident's leasehold interest in the Home Site, at the same time the notices are sent to the Resident.

The Land Owner will send the Secured Lender a Failure to Cure Notice if the Resident has not remedied the material nonmonetary violation or cured the Payment Default within the time stated in the Default Notice sent to the Resident and any additional time to cure allowed the Resident.

The Land Owner will send the Secured Lender immediate notice of all filings and other actions taken with respect to securing a Court-Ordered Termination of this Agreement and a termination of the Resident's leasehold interest in the Home Site.

- (b) Right to Cure. Within 60 days after the date of receipt of the Failure to Cure Notice, the Secured Lender, in its sole discretion, may cure a Payment Default (including any amounts accruing since the Failure to Cure Notice) on behalf of the Resident and may cure a material nonmonetary violation if it is of a type able to be cured by a third party, and/or may assume the Resident's rights under this Agreement. Except for a Court-Ordered Termination, failure to cure a default that is not a Payment Default shall not result in termination of this Agreement by either the Resident or the Land Owner.

Any action taken by the Secured Lender to cure a Payment Default will be effective as if the action had been undertaken and performed by the Resident.

Any exercise by the Secured Lender of its rights under this Agreement shall not be construed as an agreement by the Secured Lender to assume the payment and performance of the obligations of the Resident under this Agreement, unless the Secured Lender actually takes title to the Resident's Home and acquires the Resident's leasehold interest in the Home Site in accordance with state law.

- (c) Declare Default under Financing Documents; Take Possession. In the event of any default by the Resident under the terms of this Agreement, the Secured Lender, in its sole discretion, may declare a default under the Financing Documents, and enforce its lien on the Resident's leasehold interest in the Home Site and acquire title to the Resident's Home and leasehold interest in the Home Site by instituting judicial or nonjudicial foreclosure proceedings. Provided there is no Payment Default, pending foreclosure, the Secured Lender may take possession of the Resident's Home and leasehold interest in the Home Site.
- (d) Assignment of Agreement; Sale of Home. Upon foreclosure of the Secured Lender's lien on the Home and leasehold interest in the Resident's Home Site by power of sale, judicial or nonjudicial action, or upon acquisition of the Home and the Resident's leasehold interest in the Home Site by deed in lieu of foreclosure, the Secured Lender shall acquire the Resident's leasehold interest in the Home Site and the Resident's rights under this Agreement in its own name or in the name of a nominee.

The Secured Lender has the right to sell the Resident's Home and assign the Resident's leasehold interest in the Home Site, subject to the provisions of this Agreement without the consent of the Land Owner; provided however, that the Land Owner, once it has received notice that the Home and the leasehold interest in the Home Site have been acquired by the Secured Lender, may notify the Secured Lender in writing immediately after the Secured Lender has acquired title to the Home and leasehold interest in the Home Site that it wishes to review any potential assignee who is not obtaining financing from a commercial lending institution to determine if it is Creditworthy and complies with any income or age restrictions. In this event, the potential assignee must provide the Land Owner a fully completed and executed rental application and any other documentation required by the Land Owner immediately after it has executed a contract for sale with the Secured Lender. The Land Owner, within five (5) business days following receipt of the completed

application, must advise the Secured Lender of its approval or disapproval (and the reasonable basis for the disapproval) of the Creditworthiness of the proposed assignee.

Any person or entity acquiring the Resident's Home and Home Site from the Secured Lender is obligated to comply with the terms and conditions of this Agreement.

- (e) No Termination of Agreement. The Land Owner agrees not to take any action to terminate or cancel this Agreement for a Payment Default, if the Secured Lender, after receipt of the Failure to Cure Notice, cures the Payment Default within the time period specified. As long as there is no Payment Default, this Agreement shall not be terminated or cancelled because the Secured Lender has begun, and is diligently pursuing, judicial or nonjudicial foreclosure proceedings or other action to enforce its lien on and security interest in the Resident's leasehold interest in the Home Site or acquires the Resident's leasehold interest in the Home Site through negotiation of a deed in lieu of foreclosure.
- (f) Abandonment. The Secured Lender, at any time after it has taken title to the Home, and title to, or an assignment of, the Resident's leasehold interest in the Home Site, and with 30 days written notice to the Land Owner, may forfeit its interest in the Home Site without any penalty or liability, including any liability for unpaid Basic Rent, Additional Rent or Community Charges arising after the expiration of the 30-day notice period. The Secured Lender, in its sole discretion, may either abandon its interest in the Home along with its interest in the Home Site or may remove the Home from the Home Site before the expiration of the 30-day notice period. The Security Lender must continue to pay Basic Rent, Additional Rent and Community Charges after the expiration of the 30-day notice period if the Home is not abandoned and remains on the Home Site. The Secured Lender will execute any required releases or title transfer documents required to effect the transfer of the Home Site and, if applicable, the Home. The Secured Lender shall have no further obligation under this Agreement.

VII.4. No Other Liens. Except for the security interest in the Resident's leasehold interest in the Home Site granted to the Secured Lender, the Resident must not allow any lien, claims or action to attach to the Resident's leasehold interest in the Home Site, and the Resident must pay all liens, claims and actions before any suit is brought to enforce them.

VII.5. Court-Ordered Termination; New Lease.

- (a) Court-Ordered Termination. The Land Owner may terminate this Agreement for a default other than a Payment Default if a court of competent jurisdiction orders the termination of the Resident's leasehold interest in the Home Site and the following additional conditions are satisfied:
- (i) the Land Owner has acquired title to the Home and any other improvements or fixtures owned by the terminated Resident that are on the Home Site;
 - (ii) the Land Owner enters into a new residential ground lease agreement in accordance with the terms of this Paragraph with the Secured Lender or its designee; and
 - (iii) the Land Owner provides the Secured Lender a title policy endorsement insuring that the lease with the Secured Lender or its designee is of the same priority as the terminated lease and the lien of the Secured Lender on the leasehold estate, including the Home and any other improvements, is a first lien.
- (b) New Lease. If this Agreement is terminated for (i) a Court-Ordered Termination, (ii) the rejection or disaffirmation of this Agreement pursuant to bankruptcy law or other law affecting creditors' rights, or (iii) any other reason not contemplated by this Agreement with the consent of the Secured Lender, provided that the Secured Lender has cured any Payment Default, the Land Owner must enter into a new residential ground lease agreement for the Resident's Home Site, including the Home and any other improvements on the Home Site, with the Secured Lender, or with any party designated by the Secured Lender, not more than 30 days after the request of the Secured Lender. The new residential ground lease agreement must be for the remainder of the Term of this Agreement, including all renewal terms, effective as of the date of the termination, rejection or disaffirmation of this Agreement, and include all the terms and provisions contained in this Agreement, including provisions for renewal.

Any new residential ground lease agreement must have the same priority with respect to other interests in the Home Site as this Agreement and be supported by a lender's title policy endorsement to that effect.

If this Agreement terminates for any reason, and title to the Home is not vested with the Secured Lender and a default exists under the Financing Documents, including, but not limited to a default for the termination of the Resident's leasehold interest, the Secured Lender shall have the right to request a new residential ground lease agreement upon the terms set forth above following the Secured Lender's foreclosure upon the Home

and the Land Owner and the Resident agree that the Home shall remain undisturbed during the foreclosure proceedings.

The provisions of this Paragraph shall survive the termination, rejection or disaffirmation of this Agreement and shall continue in full effect to the same extent as if this Paragraph were independent and an independent contract made by the Resident, Land Owner and Secured Lender.

- (c) Land Owner as Designee. If the Land Owner requests it, the Secured Lender in its sole discretion may enter into a new ground lease agreement with the Land Owner as the designee lessee; however the ownership of the fee simple estate and the leasehold estate by the Land Owner shall not effect a merger of the estates.

The Secured Lender agrees that it will not exercise its right to accelerate the maturity of the loan as a result of the transfer to the Land Owner (but not as result of the subsequent transfer to a new Resident), provided that the following conditions are satisfied:

- (i) The Land Owner satisfies the nonindividual borrower creditworthiness requirements of the Secured Lender and pays all fees and costs and executes all documents reasonably required to process the assumption of the loan and the Financing Documents.
- (ii) The Land Owner assumes and performs all of the obligations of the Resident as borrower under the Financing Documents from and after the date this Agreement terminates and the Land Owner acquires title to the Home, and has cured any outstanding defaults in the payment of principal or interest and all other amounts due to the Secured Lender, payment of which is secured by the lien of the Financing Documents.

Section VIII. Sale of Home; Assignment; Rental; Removal of Home.

VIII.1. Sale of Home; Assignment of Lease.

- (a) Resident's Right to Sell and Assign. The Resident, including the Secured Lender, if it succeeds to the rights of the Resident under this Agreement, may sell or transfer ownership of the Home, and may assign this Agreement, including the Resident's leasehold interest in the Home Site, to the persons concurrently purchasing or otherwise acquiring title to the Home, provided the Resident is not in default under this Agreement or if the Resident is in default, the sale and assignment is part of a loss mitigation strategy on the part of the Secured Lender.

Upon sale, transfer and/or conveyance (but not the rental) of the Home to a bona fide third party, as an alternative to the Resident's assigning this Agreement and the Resident's leasehold interest in the Home Site to the purchaser of the Home, the Land Owner may agree to enter into a new residential ground lease agreement with the purchaser on the similar terms and conditions, except that the Termination Date will be modified to be acceptable to the secured lender providing financing for the purchaser.

- (b) Land Owner's Limited Right to Approve. Except as provided in this subparagraph, the sale or transfer of the Resident's Home and the assignment of the Resident's leasehold interest in the Home Site and this Agreement, shall not require the consent of the Land Owner.

If residency in the Community is limited to particular age groups or income levels in accordance with statutory permitted deed restrictions, the resident purchasers and/or assignees must be eligible under those restrictions.

The Land Owner may, but is not obligated to, evaluate the Creditworthiness of any proposed resident purchaser or assignee and may disapprove any proposed resident whom it reasonably determines is not Creditworthy.

Provided the Secured Lender is not the property seller, the Land Owner may, but is not obligated to, evaluate the proposed resident in accordance with legal customary standards for residency in a manufactured housing community. If the Land Owner reasonably determines that the proposed resident does not meet the legal customary standards for residency, the Land Owner may instead elect to purchase the Home and the Resident's leasehold interest in the Home Site on the same terms and conditions stated the proposed contract of sale.

- (c) Process and Timing. The Resident must give the Land Owner written notice of any purchase contract for the Home and assignment of the Lease and a complete application for residency.

Any assignment documentation must be in a form reasonably acceptable to the Land Owner. The Land Owner may charge a reasonable fee for reviewing the assignment documents and processing the assignment.

If the Land Owner intends to exercise its disapproval rights based on the Creditworthiness of the proposed purchaser/assignee as described above, it must do so within five (5) business days after receipt of the notice of the proposed purchase and lease assignment and the complete application.

If the Land Owner elects to purchase the Home and the Resident's leasehold interest in the Home Site to avoid a sale and assignment to a proposed Creditworthy resident that does not meet legal customary standards for residency, the Land Owner must enter into a contract of sale on the same terms and conditions stated in the proposed contract of sale within five (5) business days after receipt of the notice of the proposed purchase and assignment and must purchase the Home and the leasehold interest in the Home Site in accordance with such contract of sale.

- (d) Completion of Sale and Assignment. On or before the date of closing on the sale, the purchaser/assignee must sign a new residential ground lease agreement (or provide evidence of a proper assignment of this Agreement) and pay in full the security deposit. All Basic Rent, Additional Rent and Community Charges covering the period from the date of sale or assignment to the closing date must be paid.

Upon completion of the assignment, the resident assignee must notify the Land Owner in writing and provide evidence of the approval of the Secured Lender or assurance from the escrow holder or title company that Secured Lender's lien has been extinguished within 10 days after the effective date evidencing the actual assignment.

The resident assignee will assume all of the rights of the Resident under this Agreement, including the options to renew, together with all of the obligations and responsibilities of the Resident, including, but not limited to, the payment of Basic Rent, Additional Rent and Community Charges, and compliance with the Community Guidelines, during the period of assignment.

Upon the assignment of this Agreement, the Resident and the Secured Lender, if applicable, as assignor of this Agreement, shall be released from any further obligation or responsibility under this Agreement.

VIII.2. Rent of Home. The Resident may not rent or sublease the Home without the consent of the Land Owner, which consent may not be unreasonably withheld; however, this provision shall not apply if the Secured Lender has acquired title to the Home and the Resident's leasehold interest in the Home Site by assignment of the lease through foreclosure or deed-in-lieu of foreclosure or other action. Although the Home may be rented, the Resident will remain responsible for the performance of all the Resident's obligations under this Agreement, including all payment obligations and compliance with the Community Guidelines.

VIII.3. Refinancing. If the Resident refinances the Home and the Resident's leasehold interest in the Home Site, the Land Owner may, but is not obligated to, enter into a new residential ground lease agreement with the Resident on the similar terms

and conditions (although the Initial Basic Rent may be adjusted), except that the Termination Date will be modified to be acceptable to the secured lender providing the refinancing.

VIII.4. No Removal of Home. The Resident may not remove the Home from the Resident's Home Site without the prior written consent of the Land Owner. As long as the Secured Lender has a lien on, and security interest in, the Resident's Home and leasehold interest in the Home Site, neither the Resident nor the Land Owner may remove the Home from the Resident's Home Site.

Section IX. Events of Default; Termination.

IX.1. Events of Resident's Default. The following are the Resident defaults for which the Land Owner may terminate this Agreement, except that, as provided below, if the Secured Lender has a lien on, and security interest in, the Resident's Home and leasehold interest in the Home Site, the Land Owner may terminate this Agreement only for a Payment Default or, subject to certain conditions described in the Agreement, for a Court-Ordered Termination:

- (a) the nonpayment of Basic Rent, Additional Rent and/or Community Charges by the Payment Default Date;
- (b) any violation of a federal, state, or local law that is detrimental to the safety and welfare of the other residents in the Community that the Resident has not cured by the time specified in the Default Notice;
- (c) any material breach of the terms and condition of this Agreement that the Resident has not cured by the time specified in the Default Notice; or
- (d) material and/or frequent violation of the Community Guidelines as specified in the Community Guidelines.

IX.2. Land Owner Performance of Resident's Obligations. If the Resident is in default in the performance of any of the Resident's obligations under this Agreement, the Land Owner, without notice, may perform the Resident's obligations for the account of the Resident. The Land Owner will provide notice of its action to the Resident and the Resident must reimburse the Land Owner for any damages, cost or expense, including but not limited to reasonable attorney's fees and court costs incurred by the Land Owner within the time specified in the notice.

IX.3. Termination for Resident's Default. Subject to the rights of the Secured Lender, including the right of notice and additional opportunity to cure and the limitation below, the Land Owner has the right to terminate this Agreement for any default that has not been cured by the time specified, provided the Land Owner has provided the Resident written notice of termination.

As long as a Secured Lender has a lien on, or security interest in, the leasehold interest of the Resident in the Home Site, the Land Owner agrees not to terminate the Resident's leasehold interest in the Home Site created by this Agreement for any reason other than a Payment Default or a Court-Ordered Termination.

- IX.4. Additional Land Owner Remedies. If the Resident is in default under the terms of this Agreement, the Land Owner may pursue remedies both at law and equity with regard to the enforcement of its rights under this Agreement in order to collect any amounts due and owing to the Land Owner on account of this Agreement, together with all costs, expenses associated with such collection and such other costs and expenses associated with the default(s) by Resident, subject to the rights of the Secured Lender.

The Resident grants to the Land Owner a lien upon the Resident's leasehold interest in the Home Site to secure the full and timely payments of all amounts owed to the Land Owner under this Agreement. This lien is subordinate to the lien of the Secured Lender, if the lien of the Secured Lender was recorded or otherwise perfected before the payment was due. The lien of the Land Owner for any payments currently due will be extinguished in the event of any judicial or nonjudicial action or proceeding on the part of the Secured Lender to enforce its lien on, or security interest in, the Resident's Home and leasehold interest in Home Site or in the event of a deed or assignment in lieu of foreclosure.

In the event the Resident assigns or transfers the Resident's leasehold interest in the Home Site, other than through a judicial or nonjudicial proceeding instituted by the Secured Lender or the acceptance of an assignment or deed in lieu of foreclosure or other loss mitigation effort on the part of the Secured Lender, the Land Owner must be paid in full, or if applicable, the Secured Lender must cure any Payment Default.

- IX.5. No Waivers; Payment not a Waiver. The waiver of a breach of any term or condition of this Agreement on one occasion shall not be deemed to constitute the waiver of any other breach of the same or any other term or condition on the same or different occasion.

If the Resident pays Basic Rent, Additional Rent and Community Charges but the Land Owner has actual knowledge that the Resident is in default or has breached any obligations under this Agreement, the Land Owner's receipt of payment shall not be deemed a waiver of such breach or default.

No waiver by the Land Owner of its right to enforce any provision of this Agreement after any default will be effective unless it is made in writing and signed by the Land Owner.

- IX.6. Default by Land Owner. The Land Owner is in default under this Agreement if it fails to perform or observe any material term, condition or obligation in this Agreement, including any breach of its representations and warranties in the Land Owner's Certificate, and the failure is not cured by the Land Owner in accordance with this Agreement.

If, at any time, the Resident believes the Land Owner has failed to perform or observe any material term, condition or obligation in this Agreement, the Resident must give the Land Owner written notice specifying what has not been performed or observed and describing what needs to be done and during what time period. The Land Owner will have 60 days (or more if reasonable under the circumstances and stated in the notice) after receipt of the notice to remedy the problem.

- IX.7. Judicial Proceedings. In the event of a default by either the Resident or the Land Owner, the party not in default may initiate summary proceedings against the party in default in accordance with the procedures of any court of competent jurisdiction. In lieu of legal proceedings, if both parties agree, any dispute may be resolved by arbitration, subject to procedures agreed to at the time with respect to the dispute.

The Secured Lender shall have the right to intervene in any legal proceeding, and its consent shall be required for arbitration, related to any dispute pertaining to the Resident's Home or leasehold interest in the Home Site or that directly or indirectly affects the Secured Lender's lien on and security interest in the Home and the Resident's leasehold interest in the Home Site.

- IX.8. Liability; Indemnification. The Resident and the Land Owner shall indemnify and hold harmless each other from any liability and/or damages and costs including but not limited to reasonable attorneys' fees caused or resulting from their respective breach of this Agreement.

The Resident is responsible for damages to property of others or personal injury to others caused by household members, guests, and invitees, on the Resident's Home Site or within the Community and shall indemnify and hold harmless the Land Owner from any resulting liability and damages, costs and expenses.

The Land Owner is not liable for any damage, injury, loss, or expense to any person or property caused by any use of the Common Areas, the Community Facilities or the Resident's Home Site or by any defects in any improvements, or failure of services or amenities, or arising from any other cause, unless resulting from the Land Owner's gross negligence or willful misconduct or material breach of this Agreement or breach of its representations and warranties contained in the Land Owner's Certificate.

The Land Owner shall indemnify and hold harmless the Resident and the Secured Lender from any liability and/or damages and costs including but not limited to reasonable attorneys' fees caused or resulting from the Land Owner's breach of the representations and warranties provided in the Land Owner's Certificate.

The indemnification provisions of this Paragraph shall survive the termination, rejection or disaffirmation of this Agreement and shall continue in full effect to the same extent as if this Paragraph were independent and an independent contract made by the Resident, the Land Owner and the Secured Lender.

Section X. Modification and Termination of this Agreement.

- X.1. Modification Conditions. The Land Owner, Resident and Secured Lender may recommend modifications or amendments to this Agreement by notifying the Land Owner, Resident and Secured Lender in writing of the recommended modification, and the reasons it is recommended, at least 60 days before the proposed effective date of the modification. For the recommended modification to be effective, the Land Owner and Resident must each agree in writing to the recommended changes and the Secured Lender must agree in writing to any recommended changes that adversely affect the rights of the Secured Lender under this Agreement or the value of its security interest in the Home and the Resident's leasehold interest in the Home Site.
- X.2. No Termination for Destruction. This Agreement and the Resident's leasehold interest in the Home Site shall not terminate in the event of damage or destruction to the Home.
- X.3. Modifications of Community Guidelines. The Community Guidelines may be changed periodically upon recommendation by the Land Owner or one or more residents. If the change is necessitated by governmental order, action or decree, it must be adopted in accordance with state law; all other changes must be presented to the residents six months before their effective date.

Section XI. Subordination to Prior Mortgage.

- XI.1. Subordination. This Agreement is subject and subordinate to all mortgages and/or deeds of trust that are in existence now or that may come into existence after the date of this Agreement that may affect the fee simple interest of the Land Owner in the real property of the Community, including the Home Sites; provided, however, that as long as the Resident is not in default under its obligations to pay Basic Rent, Additional Rent and Community Charges under this Agreement, or if applicable, there is no Payment Default on the part of the Secured Lender, the Land Owner's secured lender shall recognize and not disturb the Resident and/or the Resident's Secured Lender, including the rights of Resident to the use and benefits of the Common Areas and Community Facilities.

For this subordination provision to be effective and enforceable, the Land Owner's secured lender must execute and record in the appropriate land records, a Nondisturbance and Attornment Agreement substantially in the form of the Nondisturbance and Attornment Agreement attached to this Agreement.

The Resident and Land Owner agree to execute promptly any certificate which the Secured Lender or the Land Owner's secured lender may request to effectuate the subordination.

In the event that the Land Owner's secured lender succeeds to the interest of the Land Owner under the terms of the Land Owner's financing documents and has executed the Nondisturbance and Attornment Agreement, the Resident and its successors and assigns agree to be the tenant of the Land Owner's secured lender, as landlord (legally "attorn" to Land Owner's secured lender), and the Resident and its successors and assigns shall be bound by the obligations, terms and conditions of this Agreement with the Land Owner's secured lender, as landlord. The attornment shall be effective and self-operative without the execution of any other instrument by the Resident or the Secured Lender immediately upon notice from the Land Owner's secured lender that it has succeeded to the interests of the Land Owner under this Agreement. Until the Land Owner's secured lender has succeeded to the interests of the Land Owner, it shall have no rights under the terms of this Agreement.

In no event shall the lien of any mortgage, deed of trust, deed to secure debt or other security interest granted by the Land Owner to its secured lender be deemed to encumber the Resident's Home or the Resident's leasehold interest in the Home Site.

The Land Owner must comply with all the provisions of the financing documents executed in connection with any mortgage on its fee simple interest in the Community and must notify the Resident and the Secured Lender if it is in default under the terms of the financing documents.

Section XII. Condemnation.

XII.1. Definition of "Taking". The term "taking" as used in this Section means condemnation by exercise of the power of eminent domain or by sale under threat of the exercise of the power of eminent domain.

A "total taking" is the taking of an interest in all or part of the Community, including the Resident's Home Site, such that the ownership, operation and use of the Community in accordance with the provisions of this Agreement is substantially and adversely affected and restoration or replacement of the Common Areas and Community Facilities is not feasible.

A “partial taking” is a taking of an interest in a part of the Community that does not include the Resident’s Home Site; it may or may not include all or a part of the Common Areas or Community Facilities, but not those parts needed to allow the Resident the use and enjoyment of the Home Site.

XII.2. Notice; Representation in Negotiation. The Land Owner, upon learning of any taking, or any threat of a taking, shall promptly notify the residents and the Secured Lender, and any other parties, such as insurance carriers and guarantors of loans secured by the leasehold interests of the residents, who have filed a written request for notice with the Land Owner.

The Resident has the right to participate and represent its interests in any condemnation proceedings, negotiations, settlements or agreements. The Land Owner and the Resident agree to take any action and to execute any documents required in connection with the condemnation proceedings.

XII.3. Effect of Taking.

- (a) Total Taking. If there is a total taking, this Agreement will terminate upon the vesting of title in the condemning authority or the taking of possession by such condemning authority, whichever occurs first. The Land Owner will proceed with the sale of that portion of the Community that was not taken and distribute the net proceeds of such sale, after deducting any incidental fees and expenses, between the Land Owner and the Residents as described below.
- (b) Partial Taking. If there is a partial taking, this Agreement will not terminate and the Land Owner shall use the proceeds of the condemnation to restore or replace the Common Areas and Community Facilities that were taken. The terms of the Nondisturbance and Attornment Agreement must include the consent of the Land Owner’s secured lender to the use of the condemnation proceeds for that purpose.
- (c) Taking of Home and Home Site. If there is a total taking of a Home or Home Site which is not taken in connection with a total taking of the Community, this Agreement will terminate upon the vesting of title in the condemning authority or the taking of possession by such condemning authority, whichever occurs first. If there is a partial taking of a Home or Home Site, but not a total taking of the Community, this Agreement will not terminate and, if required by the Secured Lender, the proceeds allocated to the Resident from the taking must be deposited with a trustee for the restoration and applied to rebuild or restore the Home and other improvements on the Home Site. The terms of the Nondisturbance and

Attornment Agreement must include the consent of the Land Owner's secured lender to the allocation of proceeds to the Resident.

- (d) Lease Termination. If this Agreement is terminated pursuant to this Section, all rentals or other payments shall be paid up to the date of termination and the parties shall be released from all further liability.

XII.4. Payment of Proceeds. All takings proceeds, after payment of expenses of negotiation and collection (including attorneys' fees), shall be paid to the Land Owner and the Resident, or if applicable, to the Secured Lender, and shall be distributed as provided in this Paragraph.

- (a) Proceeds for Other than Home and Home Site from Total Taking. If the values of the respective interests of the Land Owner and the Resident are determined by the condemning authority, the values allocated by the condemning authority will be conclusive. If the values are not separately determined by the condemning authority, the values will be determined by agreement between the Land Owner and the Resident, or if they are unable to agree, by an appraiser mutually acceptable to the Land Owner and the Resident. The appraisal costs shall be borne proportionately by the Land Owner and Resident in accordance with the relative appraised fair market valuations of the respective interests of the Land Owner and the Resident. If the Land Owner and the Resident cannot agree on an independent appraiser, each party shall select an independent appraiser, at its sole expense, and the value shall be determined by an average of the two appraisals.

Proceeds from the sale of the part of the Community not taken will be applied in the same manner.

- (b) Proceeds for the Home and Home Site. If the values of the respective interests of Land Owner and Resident are determined by the condemning authority, the values allocated by the condemning authority will be conclusive. If the values are not separately determined by the condemning authority, the values will be determined by agreement or by an appraisal process as described above.

That portion of any condemnation award that is directly compensatory (e.g., awards for takings of improvements, fixtures, personal property, relocation expenses, moving expenses, or other allowances of a similar nature intended to facilitate relocation) shall be paid to the Resident whose property is taken, or whose relocation is intended to be facilitated.

- (c) Rights of Secured Lenders. Any condemnation proceeds allocated to the Land Owner for a partial taking, other than those that are to be used to

restore or replace the taken property, must be applied to the payment then due on any valid encumbrance of record on the real property.

Any condemnation proceeds, other than relocation expenses, allocated to the Resident must be paid to the Secured Lender, or if the Home and Home Site are to be restored or replaced, to an escrow agent for the restoration.

Section XIII. Administration; Certificates; Reports.

XIII.1. Resident's Association. The Land Owner or the residents may form a Residents' Association to advise the Land Owner on matters pertaining to the Community, including changes in the amount and use of Community Charges, modifications to the Community Guidelines, violations and enforcement of the Community Guidelines, and resolution of disputes between residents or between residents and the Land Owner.

XIII.2. Administration. The Land Owner must provide administrative services for the Community.

Annually, if the Secured Lender requests it, the Land Owner must provide a financial statement for the preceding fiscal year within 120 days of the end of the Land Owner's fiscal year.

The Land Owner must provide the Resident, annually, a statement of the entities providing maintenance and operational services to the Community, the amount paid for these services in the past year and the amount expected to be paid in the following year. Verification of the prior charges must be provided, if the Resident requests it.

XIII.3. Notice. All notices required or permitted by this Agreement shall be in writing and, except as may otherwise be provided in this Agreement, shall be delivered in person; sent by United States Certified Mail, Return Receipt Requested, sufficient postage prepaid; delivered by a nationally recognized air courier service; or delivered by facsimile (telecopier, rapifax, or the like) when receipt of such is acknowledged in writing by the addressee. All notices shall be addressed to the addresses indicated in the Basic Information section of this Agreement. Any party may make changes to the address and contact information in this Agreement at any time by giving notice to the other party.

Unless otherwise required in this Agreement, all notices required or permitted by this Agreement shall be considered effective and received upon actual receipt.

XIII.4. Estoppel Certificate. At the reasonable request of the Land Owner, the Resident or the Secured Lender, the Land Owner and/or the Resident agree that they will

execute, acknowledge and deliver to the appropriate parties a written statement, in form acceptable to such party, certifying (i) that this Agreement is unmodified and in full force and effect; (ii) the date to which Basic Rent, Additional Rent and Community Charges have been paid; (iii) the term of this Agreement; (iv) that neither the Land Owner nor the Resident is in default; and (v) any other matter related to the status and validity of this Agreement that may be requested.

Section XIV. Technical Provisions.

XIV.1. No Merger. In no event shall the Resident or the Secured Lender acquire a fee simple interest or estate in the Home Site other than a leasehold interest. The ownership of the fee simple estate and the leasehold estate, or a mortgage or lien on either estate, in the Resident's Home Site by the same owner shall not effect a merger of the estates.

XIV.2. Beneficiaries. All covenants, conditions, and agreements contained in this Agreement shall bind and inure to the benefit of the Land Owner, the Resident and the Secured Lender, and their respective personal representatives, successors, and assigns.

Upon a sale or other transfer of the fee simple interest in the Community by the Land Owner (which the Land Owner may undertake without consent of, but with prior notice to, the Resident and the Secured Lender), the Land Owner shall be forever released and discharged from any liability or responsibility under this Agreement, except for breaches of environmental covenants and representations and warranties or as otherwise provided in this Agreement, and the Resident shall attorn to and recognize all such transferees as the Land Owner; provided the new land owner assumes, during its period of ownership, all such liability and responsibility under this Agreement. If the new owner is the Land Owner's secured lender, it must comply with the provisions of the Nondisturbance and Attornment Agreement.

The Secured Lender, and its assigns, is a third party beneficiary of the provisions of this Agreement relating to the Secured Lender.

XIV.3. Recording. This Agreement or a Memorandum of Lease must be recorded in the land records of the jurisdiction in which the Community is located and in any other recordation system required by the Secured Lender. The Resident will pay the cost of fees, taxes and documentary stamps, if any. The Memorandum of Lease form is attached as an Exhibit to this Agreement.

XIV.4. Entire Agreement. This Agreement contains the entire agreement and understanding of the parties, and the provisions may not be altered or modified except in accordance with the provisions of this Agreement. Any modification must be by an instrument in writing duly signed by the parties, a copy of which

must be provided to the Secured Lender. Except as expressly provided in this Agreement and the attached Exhibits, no oral statements, promises, or representations made by the Land Owner or the Property Manager or their agents, employees, or representatives may be relied on by the Resident. This Agreement supersedes any existing lease agreement between the parties with respect to the Resident's Home Site and any such existing lease shall be deemed terminated as of the Commencement Date of this Agreement, except with respect to obligations or liabilities which arose or accrued prior to the date of termination or which specifically survive termination.

- XIV.5. Governing Law. This Agreement shall be governed by and construed according to the laws of the state in which the Community is located. All rights granted to the Land Owner and the Resident are several and cumulative to all statutory and common law remedies permitted by federal, state and local law.
- XIV.6. Severability. If any provision of this Agreement is deemed void and unenforceable by any court of competent jurisdiction or agency, the provision will be stricken, but only to the extent required, and all other provisions will remain in full force and effect.
- XIV.7. Joint and Several. Should this Agreement be executed by more than one Resident, the liability and responsibility under this Agreement shall be joint and several.
- XIV.8. Format and Style. The use of the singular shall include the plural, and use of the plural shall include the singular. The captions are for convenience only and are not to be read to limit or define this Agreement.
- XIV.9. Exhibits. All Exhibits attached to this Agreement are incorporated by this reference as if their terms and provisions have been set forth in full.
- XIV.10. Counterparts and Facsimile Signatures. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. Facsimile signatures may be used by the parties in which event the document signed by such party shall be binding upon the party who signed it.

This Lease Agreement is an important document which has legal consequences; therefore, it is recommended that the Resident have this Agreement reviewed by an attorney prior to its execution.

IN WITNESS WHEREOF, Land Owner and Resident(s) acknowledge having read this Agreement, and understood each and every provision, and the parties have signed and sealed this Agreement the date and year first above written.

Land Owner: _____

By: _____
Authorized Agent of the Owner

Residents:

Name: _____

By: _____
(Signature)

Name: _____

By: _____
(Signature)

Name: _____

By: _____
(Signature)

[Notary for Land Owner]

[Notary for Resident]

[Notary for Resident]

**Exhibit to Residential Ground Lease Agreement
UTILITY SERVICES**

Utility Service	Provided by Land Owner and Billed to Resident by Land Owner	Provided by Outside Source and Billed Directly to Resident	Billing Rate or Method
Water	<input type="checkbox"/>	<input type="checkbox"/>	
Sewer	<input type="checkbox"/>	<input type="checkbox"/>	
Electricity	<input type="checkbox"/>	<input type="checkbox"/>	
Telephone	<input type="checkbox"/>	<input type="checkbox"/>	
Natural Gas	<input type="checkbox"/>	<input type="checkbox"/>	
LP Gas	<input type="checkbox"/>	<input type="checkbox"/>	
Fuel Oil	<input type="checkbox"/>	<input type="checkbox"/>	
Cable TV	<input type="checkbox"/>	<input type="checkbox"/>	

Exhibit to Residential Ground Lease Agreement
ADDITIONAL RENT AND COMMUNITY CHARGES FOR CURRENT YEAR

Where applicable, the Resident shall pay the Land Owner the Additional Rent and Community Charges listed below pursuant to this Agreement. Failure to make any of the following payments, is a default, and has serious consequences. The Additional Rent and Community Charges are subject to change as described in the Agreement.

Real Estate Taxes, Personal Property Taxes and Assessments on the Resident's Home Site not separately billed	\$ _____
Utility Charges on the Resident's Home Site not separately billed	\$ _____
Real Estate Taxes, Personal Property Taxes and Assessments on the Common Areas and Community Facilities	\$ _____
Property Damage and General Liability Insurance on the Common Areas and Community Facilities	\$ _____
Garbage, Debris and Litter Removal	\$ _____
Utility Charges for Common Areas and Community Facilities	\$ _____
Snow Removal	\$ _____
Street, Parking Lots, Sidewalks and Walkways Maintenance	\$ _____
Landscaping, Tree, Shrubbery and Lawn Maintenance	\$ _____
Administrative and Accounting Charges	\$ _____
Recreation Supervision; Security	\$ _____

**Exhibit to Residential Ground Lease Agreement
LEGAL DESCRIPTION OF COMMUNITY**

[Insert Legal Description of Community]

**Exhibit to Residential Ground Lease Agreement
LEGAL DESCRIPTION OF HOME SITE**

[Insert Legal Description of Home Site]

Exhibit to Residential Ground Lease Agreement
EXAMPLE OF BASE RENT ADJUSTMENT CALCULATION

Assumptions:

Prior year's annual Basic Rent was \$3600

Rent Adjustment Index is the Consumer Price Index, Urban Wage Earners and clerical workers for the area

Minimum Increase is 2 percent per year.

Cap is 5 percent per year.

Prior year's Index was 120

This year's Index is 145

Calculation:

This year's annual Basic Rent:

Based on Index is \$750

$$\text{\$3600} \times (145 \div 120) = \text{\$4350}$$

$$\text{\$4350} - \text{\$3600} = \text{\$750}$$

Minimum Increase is \$72

Cap is \$180

Increase based on Index with Cap is greater than Minimum Increase

New Basic Rent is $\text{\$3600} + \text{\$180} = \text{\$3,780}$

**Exhibit to Residential Ground Lease Agreement
LAND OWNER'S CERTIFICATE**

The Land Owner hereby represents and warrants to the Resident and the Secured Lender as follows with respect to the Residential Ground Lease Agreement (the "Agreement"), between the Resident and the Land Owner, dated _____, and with respect to Home Site _____, (the "Leasehold Estate") in _____ (the "Community").

1. The Land Owner has the right, power, and authority to enter into, execute, and deliver the Agreement, and to perform each and all of the Land Owner's obligations under the Agreement.
2. The Agreement has been duly and validly authorized executed, issued, and delivered by the Land Owner and constitutes the valid, legally binding obligation of the Land Owner.
3. The person executing the Agreement on behalf of the Land Owner has been duly authorized to execute and deliver the Agreement on behalf of the Land Owner pursuant to any organizational documents and all applicable laws.
4. There are no claims or litigation, pending or threatened, known to the Land Owner, that could materially and adversely affect the Agreement, the Leasehold Estate, the Land Owner's interest in and to the Leasehold Estate, or the Land Owner's ability to perform any of its obligations under the Agreement; nor is there any basis known to the Land Owner for any unfavorable decision, ruling, or finding that would materially and adversely affect the validity of the Agreement.
5. There are no outstanding liens, garnishments, or judgments against the Land Owner that have not been disclosed to the Resident, nor are there any eminent domain, condemnation proceedings or other governmental action or any judicial action of any kind known to the Land Owner pending or threatened against the Land Owner that would encumber or affect the Land Owner's fee simple interest in the land being leased.
6. Unless otherwise disclosed to the Resident and the Secured Lender, the Land Owner is solvent and has not filed a petition for bankruptcy.
7. The leasing and use of the Leasehold Estate and/or compliance by the Land Owner with the Agreement will not violate any federal, state or local law, or in any material respect, violate the Land Owner's form of organization and organization documents, or any material agreement binding upon the Land Owner; and will not result in the imposition of any lien, charge, or encumbrance of any nature whatsoever on the Community or the Leasehold Estate, except as contemplated by the Agreement;

8. The Leasehold Estate and the use contemplated in the Agreement comply in all respects with all applicable federal, state and local zoning, building, subdivision, platting, and land use requirements and all environmental laws and regulations.
9. There are no claims, liens, encumbrances, or other restrictions on or against the Leasehold Estate known to the Land Owner, which result from liabilities arising under any applicable environmental laws and the Land Owner has received no notice, order, or other communication of any alleged or potential violation of, or failure to comply with, applicable environmental laws.
10. The Land Owner has not been involved in the generation, storage, release, treatment, or disposal of any hazardous substance on, in, or under the Leasehold Estate except in compliance with applicable laws.

The Land Owner shall hold harmless, defend and indemnify the Resident and any lender providing financing secured by a lien on, or security interest in, the Leasehold Estate and their successors or assigns from and against all proceedings, claims, damages, penalties, costs and expenses arising directly or indirectly from the Land Owner's breach of any representation or warranty provided in this Certificate. These indemnification provisions shall survive the termination, rejection or disaffirmation of this Agreement and shall continue in full effect to the same extent as if this Certificate were independent and an independent contract made by the Land Owner, the Resident and the Secured Lender.

**Exhibit to Residential Ground Lease Agreement
FORM OF NONDISTURBANCE AGREEMENT**

**Exhibit to Residential Ground Lease Agreement
COMMUNITY GUIDELINES**

**Exhibit to Residential Ground Lease Agreement
MEMORANDUM OF LEASE**