

Ground Lease Summary*

Dakota Land Trust (DLT) is organized exclusively for charitable purposes to stimulate the conveyance of decent, affordable housing among low- and moderate-income people who otherwise would be denied such opportunities because of limited financial resources. (p. 1)

Both parties recognize the special nature of the terms and conditions of the Ground Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions. (p. 1)

ARTICLE 1: *Letters of Stipulation*

The homeowner's legal counsel has explained the terms and conditions of the Lease, and the homeowner agrees with DLT's mission and goals. (p. 2, 18)

ARTICLE 2: *Demise of Leased Premises*

Dakota Land Trust has furnished the homeowner a copy of the most current title insurance. (p. 2)

ARTICLE 3: *Duration of Lease*

Fill in the commencement and termination dates of the 99-year Ground Lease. (p. 2)

ARTICLE 4: *Use of Leased Premises*

Homeowner shall use the land for residential purposes only. Homeowner shall maintain the property in good, safe, and habitable condition in all respects and in full compliance with all applicable laws and regulations, including applicable Homeowner Association covenants and requirements.

Homeowner is responsible for all residents and their families, friends and visitors and anyone else using the property with their consent.

Homeowner shall occupy the property for at least 11 months of the year.

Dakota Land Trust may inspect any portion of the property with at least seventy-two hours' written notice to the homeowner; except in the event of an emergency where no written notice is required.

(p. 2-3)

ARTICLE 5: *Ground Lease Fee*

Homeowner shall pay DLT a monthly ground lease fee of \$25.00 on the 1st day of each month. In the event that the Ground Lease Fee remains unpaid when the property is sold, the Ground Lease Fee shall be paid to DLT out of the proceeds from the sale. (p. 3-4)

ARTICLE 6: *Taxes and Assessments*

Homeowner shall be responsible for payment of all taxes. (p. 4)

ARTICLE 7: *Improvements*

It is agreed that all buildings, structures and fixtures purchased by the homeowner shall be the property of the homeowner.

For any post-purchase construction on the property requiring issuance of a building permit is subject to conditions including furnishing copy of any plans to DLT. All post-purchase construction is to be paid by the homeowner and shall comply with all applicable laws and regulations.

No lien of any type shall attach to the title.

Homeowner assumes the sole responsibility for furnishing all services or facilities to the property.

(p. 5-6)

ARTICLE 8: *Financing*

Homeowner may choose to consent to any mortgage, and in so doing shall designate such mortgage as a "Permitted Mortgage." (p. 6-7)

ARTICLE 9: *Liability, Insurance, Damage and Destruction, Eminent Domain*

Homeowner assumes sole responsibility and liability to all persons and authorities related to its possession, occupancy, and use of the property.

Homeowner shall hold DLT harmless against all liability and claims of liability for injury or damage to person or property from any cause on or about the property.

Homeowner shall keep all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such improvements.

Homeowner shall provide DLT with copies of all policies and renewals of policies.

(p. 7-9)

ARTICLE 10: *Transfer, Sale, or Disposition of Improvements*

Homeowner may transfer its interest in the property or the improvements only to DLT or an income-qualified person, a person(s) whose household income does not exceed 80% of the area median household income.

Upon receipt of a written request from the homeowner, DLT shall consent to a transfer of the improvements and an assumption of the Ground Lease to the heir(s) of the homeowner provided that a Letter of Stipulation and a Letter of Acknowledgment are submitted to DLT.

In the event that the homeowner wishes to assign its interest in the property and sell the improvements, the homeowner shall notify DLT, in writing, of such wish ("the Intent-To-Sell Notice").

Upon receipt of Intent to Sell Notice from the homebuyer, DLT shall have the option to purchase the improvements (“the Purchase Option”). In no event may the improvements be sold for a price that exceeds the Purchase Option Price.

An income-qualified person who purchases the improvements in the accordance with the provisions of Article 10 shall receive a new Ground Lease from DLT.

(p. 9-13)

ARTICLE 11: *Assignment and Sublease*

Homeowner shall not assign, sublease, sell, or otherwise convey any of the homeowner’s rights under the Ground Lease without the prior written consent of DLT.

(p. 13)

ARTICLE 12: *Default*

It shall be an event of default if the homeowner fails to pay the Ground Lease Fee or other charges required by the terms of the Ground Lease. However, if the homeowner shall make a good faith partial payment of at least 2/3 of the amount owed during such initial 30-day period, then such period shall be extended one additional 30-day period.

In the case of any of the events of default, DLT may terminate the Ground Lease and initiate summary proceedings against the homeowner.

(p. 13-14)

ARTICLE 13: *Arbitration*

Should any grievance or dispute arise between DLT and the homeowner concerning the terms of the Ground Lease that cannot be resolved by normal interaction, arbitration procedures shall be used. (p. 14-15)

ARTICLE 14: *General Provisions*

Whenever the Ground Lease requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested.

The Ground Lease may be altered or amended only by written notice executed by DLT and homeowner or their legal representatives.

The Ground Lease shall be interpreted in accordance with and governed by the laws of South Dakota.

The parties agree, as an alternative to the recordation of the Ground Lease, to execute a so-called Notice of Lease or Short Form Lease in form recordable and complying with applicable law and reasonably satisfactory to DLT’s attorneys.

(p. 15-16)

*Refer to Complete Ground Lease for full terminology and descriptions.