

CORNWALL HOUSING CORPORATION -- AHOP
Summary of Ground Lease Agreement
(Copies of the actual 18-page lease available on request)

Nature and Term of Leasehold:

The land will be owned by the Cornwall Housing Corporation (CHC), and all improvements (house, septic, wells, etc.) are owned by the leaseholder. The lease term is 99 years, with provision for renewal for an additional 99 years. ***There is a lease fee of \$300/year payable to CHC. You will be billed for this annually.***

Property Taxes:

The leaseholder will pay all property taxes for the land, house and improvements. Responsibility for such payment will begin with the signing of the leasehold agreement, the first payment being due at the next tax bill after the signing.

Improvements to the original structure:

As described in Article 6, any **changes to what was in the initial building permit, such as additions or improvements, must be pre-approved by the CHC Board.** This is both to ensure that the premises remain affordable, and to maintain the same degree of oversight that pertains to the original construction. Failure to observe this requirement may prevent the cost of such alterations to be included in the resale price.

Resale of the premises:

The lease and improvements may be transferred to spouses, children and heirs, without restriction. However, if the leaseholder decides to sell the premises to a non-family party, the following restrictions apply:

- a) The maximum allowable sales price will be calculated by taking the cost of basic improvements (materials and labor) approved in advance by the CHC, plus the reasonable value of labor provided without charge by the leaseholder or volunteers, and multiplying this “adjusted cost basis” by a fraction which, added to the price, will allow the leaseholder an appreciation equal to the rise in the Consumer Price Index between the time a Certificate of Occupancy is granted and the time of the sale.
- b) If the property is to be transferred outside the family, the CHC will attempt to find a purchaser from its waiting list. If the CHC does not acquire the premises for one of its eligible candidates, the lessee shall be permitted to sell the premises and transfer the leasehold to an
- c) applicant approved by CHC.
- d) Mortgages:

Leaseholders are permitted to mortgage their interest in the premises. The lease includes provisions which protect the bank’s interest in the event of default.