

After Recording Return to:
Urban Suburban Affordables, Inc.,
47 Vine Street
Hartford, CT 06112

GROUND LEASE

THIS GROUND LEASE made and entered into this ____ day of _____, 2023, (the “Lease” or “Lease Agreement”) by and between **URBAN SUBURBAN AFFORDABLES, INC.** (hereinafter sometimes “Lessor” or “USA”), with an office at 47 Vine Street, Hartford, Connecticut 06112, as Lessor, and _____ **OF** _____ (hereinafter sometimes “Lessee” or “Tenant”) of as Lessee, concerns the premises known as _____

WHEREAS, USA is a not for profit corporation, and is organized exclusively as a perpetual charitable corporation. Its purposes include development and preservation of decent, affordable housing for low- and moderate-income people in the Hartford, Connecticut area; the promotion of neighborhood stability and improvement in the low-income communities in the Hartford, Connecticut area; and the creation of home ownership opportunities for low- and moderate-income people, who otherwise would be denied such opportunities because of limited financial resources:

WHEREAS, the goal of USA is to stimulate the conveyance of decent, affordable housing among low and moderate income people by providing access for such people to land at affordable prices through the long-term leasing of land under said housing; and

WHEREAS, the leased premises described hereunder have been acquired and are being leased by USA in furtherance of these charitable purposes, and in furtherance of a program pursuant to Sec. 8-214 bonded CGS of the State of Connecticut, Department of Economic and Community Development, to make property available as low or moderate income housing; and

WHEREAS, the Lessee shares the purposes and goals of USA and has agreed to enter into this Lease not only to obtain the benefits of decent and affordable housing for themselves, but also to further the non-profit purposes of the lessor; and

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of the Lease and each of the parties hereof, with the independent advice of legal counsel, freely accepts said terms and conditions, including, without limitation, such terms and conditions as might affect the marketability or resale price of any residential structures or other improvements on the leased premises; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further the parties’ shared goal of preserving access to land and the availability of decent, affordable housing and home ownership opportunities for low and moderate income people over an extended period of time and through a succession of owners; and

NOW THEREFORE, in consideration of the foregoing recitals, of mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I: DEMISE OF LEASED PREMISES

1.1 PREMISES: Lessor, in consideration of the rents reserved and the terms, conditions, covenants and agreements herein, does hereby demise and leave unto Lessee, and Lessee does hereby take and hire from Lessor, the property to be referred to in this Lease as the Leased Premises (the “Leased Premises”). This property is described in Exhibit A “LEASED PREMISES”. Lessor has furnished to Lessee a copy of the title report obtained by Lessor for the Premises, and Lessee accepts title to the Leased Premises in their condition “as is” as of the execution hereof.

ARTICLE II: DURATION OF LEASE

2.1 PRINCIPAL TERM: The term of this Lease shall be 99 years, commencing on the _____, 2023, and terminating on the _____, 2122, unless terminating sooner as provided herein.

2.2 LESSEE’S OPTION TO EXTEND: Lessee may extend the principal term of this Lease for an additional period of 99 years, subject to all of the provisions of this Lease. Lessee’s right to exercise the option to extend is subject to the following conditions: this Lease shall be in effect at the time notice of exercise is given and on the last day of the term; and Lessee shall not then be in default under any provision of this Lease or any loan documents between Lessee and any Permitted Mortgagee. In order to extend the term of this Lease, Lessee shall give Lessor written notice, not more than 365 days not less than 180 days before the last day of the current term, irrevocably exercising the option to extend. Each party shall then, at the request of the other, execute a memorandum, in recordable form, acknowledging the fact that the option had been exercised and otherwise complying with the requirements of law for an effective memorandum or notice of lease.

2.3 CHANGE OF LESSOR; LESSEE’S RIGHT TO PURCHASE: In the event that ownership of and title to the Leased Premises is conveyed by Lessor to any other person or entity, this Lease shall not cease, but shall remain binding and unaffected. However, in the event Lessor desires to sell or convey the Leased Premises to any person or entity other than a non-profit corporation, charitable trust, governmental agency or other similar entity sharing the goals and objectives set forth in the Recitals above, Lessee shall have a right of first refusal USA to purchase the Leased Premises at fair market value.

ARTICLE III: USE OF LEASED PREMISES

3.1 RESIDENTIAL USE ONLY: Lessee shall use, and shall cause all occupants thereof to use, the Leased Premises and all buildings, structures and amenities (collectively, (the “Home”) and any capital improvements hereafter made by Lessee (the “Improvements”)) only for residential purposes and such incidental activities related to residential use as are permitted by applicable zoning regulations. Lessee agrees and acknowledges that the foregoing

limitations, and all other conditions and restrictions contained herein, are essential to the fulfillment of the charitable purposes of Lessor and are conditions and restrictions on the use of the Leased Premises intended to run the full term of this Lease.

3.2 RESPONSIBLE USE: Lessee shall use the Leased Premises in a manner so as not to cause real harm nor create any nuisances, public or private, and shall dispose of any and all waste in a safe and sanitary manner.

3.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the proper use of the Leased Premises by members of Lessee's family, Lessee's friends or visitors, or anyone else using the property with Lessee's consent, and shall make them aware of the spirit, intent and appropriate terms of this lease.

3.4 INTENTIONALLY OMITTED

3.5 INSPECTION: Lessor may inspect any portion of the Leased Premises at any reasonable time and in any reasonable manner, upon at least twenty-four (24) hour notice to Lessee.

3.6 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leased Premises, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee subject to terms, covenants, conditions, provisions, restrictions, or reservations of this Lease.

3.7 CONDITION OF LEASED PREMISES: Lessee agrees that Lessee shall maintain the Leased Premises, and the Home and Improvements in good, safe, and habitable condition in all respects, and in full compliance with all applicable laws, ordinances, rules and regulations of any governmental authority with jurisdiction over matters concerning the condition of real property used as are the Leased Premises.

ARTICLE IV: LEASE FEE

4.1 In consideration of the possession, continued use and occupancy of the Leased Premises, Lessee shall pay to Lessor a monthly lease fee (the "Lease Fee"), as follows, and subject to adjustment as hereinafter provided:

- (a) a land use fee of \$____.00 Dollars plus
- (b) and an administrative fee of \$5.00 Dollars plus
- (c) one-twelfth (1/12) \$5.00, of the cost of insurance premiums for liability insurance with respect to the Leased Premises. Notwithstanding the foregoing, Lessor shall not be obligated to carry liability insurance with respect to the Leased Premises.

4.2 CALCULATION AND ADJUSTMENT OF LEASE FEE: The Lease Fee may be adjusted once annually, effective **January 1, 2024**, every year. Notice will be given to Lessee as to any changes to the lease fee no later than 2 weeks prior to the effective date of the change. Changes to specific components (as outlined in Article 4.1 are above) of the Lease Fee shall be adjusted as follows:

Items 4.1(a) and (b), may be adjusted at Lessor's discretion by an amount not to exceed 15% on each successive year following the lease commencement date.

For purposes of calculating item 4.1(c), Lessor shall use the actual cost incurred by it if it elects to carry liability insurance with respect to the Leased Premises, or otherwise, its good faith estimates of what such cost would be if it elected to carry liability insurance.

Notwithstanding anything to the contrary contained herein, Lessor reserves the right to assess at market value the amount of the lease fee in the case of a foreclosure pursuant to Article 9.9 where the resale restriction has been waived. The annual market rent shall not exceed the lesser of twelve percent (12%) of the fair market value of the Leased Premises or the interest rate on Lessee's mortgage, if any, less two percent (2%).

4.3 PAYMENT OF LEASE FEE: The Lease Fee shall be payable at Lessor's principal address on the first day of each month of each year of the term hereof. Lessor may add a Ten Dollar (\$10.00) service charge to any Lease Fee payment overdue by more than ten (10) days.

4.4 REDUCTION, DELAY, OR WAIVER OF LEASE FEE: At its sole discretion, Lessor may reduce, delay, or waive entirely the Lease Fee at any time in consideration of the personal hardship or incapacity of Lessee, or Lessee's general ability to pay. The intent of this section is to foster occupancy by the Lessee despite the occurrence of unforeseeable financial and personal hardship, if that is reasonably possible.

4.5 PAYMENT ON EXECUTION. Lessee shall pay to Lessor on execution of the Lease Agreement, a \$500.00 transfer fee.

ARTICLE V: TAXES AND ASSESSMENTS

5.1 LESSEE'S RESPONSIBILITY FOR TAXES AND ASSESSMENTS: Lessee shall be responsible for all taxes and assessments, no matter how designated, that relate to the Leased Premises and to the Home and any Improvements located thereon. Lessee shall pay promptly when due such taxes and assessments directly to the taxing authority. Lessee shall also pay, when due, all service bills, utilities charges, or other governmental assessments charged against the Leased Premises, as directed by Lessor. Upon release of the permitted mortgage, or under any other circumstances which such taxes or assessments are levied directly against Lessor, Lessor shall have the right to include as part of the Lease Fee as follows: One-twelfth (1/12) of (i) the annual real estate taxes per month and (ii) any other municipal charges whatsoever applicable to the ownership or use of the Leased Premises.

5.2 LESSEE'S RIGHT TO CONTEST: Upon written request, Lessee shall have the right to cause Lessor to contest the amount or validity of any tax or assessment for which Lessee is responsible pursuant to 5.1 above and may institute such proceedings as Lessee considers necessary. Lessor shall, upon written request by Lessee, join in any such proceedings if Lessee shall reasonably determine that it shall be necessary or convenient for Lessor to so join in order for Lessee to prosecute such proceedings. If Lessor determines it is to the benefit of

Lessor and Lessee, Lessor is empowered to bring an appeal on behalf of Lessees. All costs and expenses of such proceedings shall be paid by Lessee.

5.3 PAYMENTS IN EVENT OF DELIQUENCY: In the event that Lessee fails to pay the taxes or assessments as required above, Lessor shall have the right to increase the Lease Fee payments in such amounts so that the total sum collected will offset the cost of any delinquent and current taxes on land or the Home and all Improvements located on the Leased Premises and make such payments in a timely manner.

5.4 PROOF OF COMPLANCE: In the month following such payment, each party will furnish evidence satisfactory to the other documenting the payment of all taxes, assessments, and charges, as required by the provisions of this Lease. A photocopy of a paid receipt for such charges showing payment prior to the due date thereof shall be the usual method of furnishing such evidence.

ARTICLE VI: THE HOME AND THE IMPROVEMENTS

6.1 OWNERSHIP: It is expressly understood and agreed that the Home and all Improvements and fixtures purchased by Lessee or constructed, placed, or maintained by Lessee upon any part of the Leased Premises at any time shall be and remain property of Lessee during the term of this Lease. It is expressly agreed that said Home and the Improvements may not be severed from the Leased Premises without the express written permission of Lessor. Lessee acknowledges that Lessee's exercise of the rights of ownership is subject, however, to the provisions hereof, in particular Article IX below, regarding the disposition of the Home and the Improvements by Lessee and Lessor's option to purchase the Home and the Improvements.

6.2 PURCHASE OF HOME BY LESSEE: Lessee purchased the Home located on the Leased Premises by a deed previously recorded on the Land Records of the Town of [Town].

6.3 CONSTRUCTION AND ALTERATION: Any repair or new construction in the existing Home or new Improvement is subject to the following conditions: (a) all costs shall be borne and paid for by Lessee; (b) all construction shall be performed in a workman like manner and shall comply with all applicable laws, ordinances and regulations, including the requirements of local and state public health authorities; (c) all construction must be consistent with the permitted uses set forth in Article III; (d) no construction or alterations shall be made without prior written approval by Lessor of proposed plans and specifications.

6.4 PROHIBITION OF LIENS: No lien for services, labor or materials resulting from Lessee's construction shall attach to Lessor's title to the Leased Premises or to any other lands owned by Lessor. Lessee shall not suffer or permit any vendor's, mechanic's, laborer's, or materialman's statutory or similar lien to be filed against the Leased Premises, Lessee shall within 60 days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Lessee shall fail to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy, Lessor, may, but shall not be obligated to, discharge the same by paying the amount in question. Lessee, in good faith and at Lessee's expense, may

contest the validity of any such asserted lien provided Lessee has furnished a bond in an amount set by statute or otherwise sufficient to release the Leased Premises from such lien. Any amounts paid by Lessor hereunder shall be deemed to be an additional Lease Fee payable by Lessee upon demand.

6.5 MAINTENANCE: Lessee shall at Lessee's sole expense, maintain the Leased Premises and the Home and the Improvements in accordance with all applicable laws, rules, ordinances, orders and regulations of all governmental agencies and entities with jurisdiction and all insurance companies insuring all or any party of the Leased Premises or the Home and the Improvements. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs, and Lessee hereby assumes the full and sole responsibility for furnishing all services or facilities.

ARTICLE VII: FINANCING

7.1 PERMITTED MORTGAGES ONLY: Lessee shall not mortgage, pledge or encumber the Home and the Improvements or any portion thereof or interest therein except through a Permitted Mortgage. For the purposes of this Lease, a "Permitted Mortgage" shall be (1) any mortgage Tenant has previously granted and to which the Home and/or Improvements are subject as of the effective date of the Lease; and (2) any mortgage:

- i. Which shall run in favor of either (a) a so-called "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of which institutional lender are subject to direct governmental supervision, or (b) a "community loan fund," and which has a first lien on the Home and the Improvements.
- ii. Which shall provide among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder thereof shall notify Lessor of such fact and Lessor shall have the right (but shall not have the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120 day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the Note secured by such Permitted Mortgage or to foreclose under the Permitted Mortgage on account of such default;
- iii. Which shall provide, among other things, that if after such cure period the Permitted Mortgagee intends to accelerate the Note secured by such Permitted Mortgage or initiate foreclosure proceedings under the Permitted Mortgage, all in accordance with this Section 7.1 the Permitted Mortgagee shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the Permitted Mortgagee within thirty (30) days of receipt of said

notice from Permitted Mortgagee, to pay off the indebtedness secured by the Permitted Mortgage and to acquire the interest of permitted mortgagee in and to the Home and the Improvements; and

- iv. Which shall provide that such Permitted Mortgagee will use reasonable efforts to sell the Home and the Improvements pursuant to any sale during, after or in lieu of foreclosure to a purchaser who is a Low- or Moderate-Income Resident as defined herein, or to a cooperative whose shareholders are Low- and Moderate-Income Residents, as applicable.

7.2 Not less than ten (10) days prior to the date on which Lessee shall request Lessor's consent to a mortgage, Lessee shall furnish to Lessor true and correct copies of each and every document and instrument to be executed in connection with the transaction represented by such mortgage, and, notwithstanding anything to the contrary contained herein, Lessor shall not be required to consent to such mortgage unless:

- i. the mortgage so submitted shall be a Permitted Mortgage;
- ii. at the time of such submission and at the time proposed by Lessee for the execution of such documents, no default shall then be outstanding under this Lease;
- iii. such Permitted Mortgage and related documentation shall contain no provisions other than provisions generally contained in mortgages used for similar transactions in the State of Connecticut by institutional mortgagees;
- iv. such Permitted Mortgage and related documentation shall contain no provisions which shall or could be construed as rendering Lessor or any subsequent holder of Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally liable for the payment of the debt evidenced by such Note and Permitted Mortgage or any part thereof;
- v. such Permitted Mortgage and related documentation shall contain provisions to the effect that the holder of the Permitted Mortgage shall not look to Lessor, but will look solely to Lessee, the Leasehold Estate, the Home and the Improvements, or such other buildings and improvements which may from time to time exist on the Leased Premises for the payment of the debt secured thereby or any part thereof. It is the intention of the parties hereto that Lessor shall consent to such Permitted Mortgage for the sole and exclusive purpose of allowing Lessee to obtain financing for the acquisition, construction or rehabilitation of the Home and the Improvements without any liability on the part of Lessor for any deficiency judgment;
- vi. such Permitted Mortgage and related documentation provides that in the event any part of the Home and the Improvements is taken in condemnation or by right

- of eminent domain, the proceeds of the award shall be paid over by the holder of the Permitted Mortgage in accordance with the provisions of Article VIII hereof;
- vii. such Permitted Mortgage and related documentation provides that nothing contained in the Permitted Mortgage or such related documentation shall obligate Lessor to execute an assignment of the rent payable by Lessee to Lessor under the terms of this Lease.

7.3 Any Permitted Mortgagee shall have the right, but not the obligation, without requirement of consent by Lessor to:

- i. cure any default under this Lease, and to perform any obligation required hereunder, and any such cure or performance by Permitted Mortgagee shall be effective as if the same had been undertaken and performed by Lessee; and
- ii. acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any in said Permitted Mortgage limiting any exercise of any such right, remedy or privilege; and
- iii. rely upon and enforce any provisions of this Lease to the extent that such provision are for the benefit of a Permitted Mortgagee.

A Permitted Mortgagee shall have the right to correct the Lessee's default within 120 days from the Permitted Mortgagee's receipt of a notice to terminate this lease.

A Permitted Mortgagee shall not, as a condition to the exercise of its rights hereunder, be required to assume personal liability for the payment and performance of the obligations of the Lessee hereunder. Any such payment or performance or other act by Permitted Mortgagee hereunder shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Home and the Improvements and the Leasehold Estate or collects fees or rentals from Lessee; provided, however, that in the event the Permitted Mortgagee transfers the Home and the Improvements to a purchaser of the same (other than Permitted Mortgagee at any judicial foreclosure sale or trustee's sale of Tenant's interest hereunder) any such transferee shall be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee shall automatically be released from personal liability hereunder.

7.4 Any amendments to this Lease shall be subject to the written approval of Permitted Mortgagee, which approval shall not be unreasonably withheld or delayed. The passage of thirty (30) days after submittal to Permitted Mortgagee of such requested amendments without approval or disapproval by Permitted Mortgagee shall be deemed approval thereof.

7.5 Lessor shall have no right to cancel this Lease if the Permitted Mortgagee has commenced foreclosure and is diligently pursuing the same.

7.6 The provisions set forth in this Article VII shall be binding and upon and inure to the benefit of the successors, assigns and personal representatives of Lessor, Lessee, and Permitted Mortgagee.

7.7 Whenever in this Article notice is to be given to Permitted Mortgagee, such notice shall be given in the manner set forth in Article XIII, Section 13.1 of this Lease to the Permitted Mortgagee at the address given by the Permitted Mortgagee to Lessor by written notice to Lessor sent in the manner set forth in Article XIII, Section 13.1 of this lease.

7.8 Lessee shall pay to Lessor on demand at Lessor's option, as additional rent hereunder, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage.

7.9 The ownership of both the fee simple title and the Leasehold Estate by the same owner will not effect a merger of such estates while either estate is encumbered by a mortgage, without the written consent of the mortgagee.

**ARTICLE VIII: LIABILITY, INSURANCE, DAMAGE AND DESTRUCTION,
EMINENT DOMAIN**

8.1 **LESSEE'S LIABILITY:** Lessee assumes sole responsibility and liability, to any and all persons and authorities, related to its possession, occupancy and use of the Leased Premises.

8.2 **INDEMNIFICATION OF LESSOR:** Lessor shall not be liable, and Lessee shall defend, indemnify and hold Lessor harmless against all liability and claims of liability, for damage or injury to person or property on the Leased Premises from any cause. Lessee waives all claims against Lessor for damage or injury to person or property on or about the Leased Premises arising, or asserted to have arisen, on or about the Leased Premises from any cause whatsoever. Notwithstanding the foregoing two sentences, Lessor shall remain fully liable (and Lessee shall not indemnify and defend Lessor against nor waive such claims of liability) for damage or injury due to the negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

8.3 **PAYMENT BY LESSOR:** In the event Lessor shall be required to pay any sum whatsoever which is of Lessee's responsibility or liability, Lessee shall reimburse Lessor therefor and for reasonable expenses caused thereby on demand by Lessor.

8.4 **INSURANCE:**

- (a) Insurance Coverage of Premises: Lessee shall, at Lessee's sole expense, keep the Home and all Improvements continuously insured against loss or damage by fire and the extended coverage hazards for the full replacement value of such Home and the Improvements.

- (b) Bodily Injury Liability Insurance: Lessees shall, at Lessee's sole expense, maintain continuously in effect bodily injury liability insurance covering the Leased Premises and its appurtenances in the amount of Three Hundred Thousand Dollars (\$300,000.00) for injury to or death of any one person, and Five Hundred Thousand Dollars (\$500,000.00) for injury to or death of any number of persons in one occurrence, and property damage liability insurance in the amount of Fifty Thousand Dollars (\$50,000) the dollar amount of each such coverage shall be adjusted at least every 2 years from the date hereof, or upon Lessor's demand with 30 days notice to Lessee. This adjustment shall be equal to the percentage of change (positive or negative) over the period since the last adjustment in the Consumer Price Index for medical care paid by All Urban Wage Earners who live in urban areas the size of Hartford SMSA. Such index is maintained by the Office of Prices and Living Conditions of the Bureau of Labor Statistics, of the U.S. Department of Labor, or, if said index ceases to be readily available, Lessor at its sole discretion, shall choose a CPI index that closely approximates the medical care index. Such insurance shall specifically insure Lessee against all liability assumed hereunder, as well as all liability imposed by Law, and shall also insure Lessor as an additional insured so as to create the same liability on the part of insurer as through separate policies had been written for Lessor and Lessee.
- (c) Lessee shall provide Lessor with copies of all policies and renewals thereof. All Policies shall also contain endorsements providing that they shall not be canceled, reduced in amount or coverage, or otherwise modified by the insurance carrier involved without not less than thirty (30) days prior written notice being given to Lessor. Lessor shall be entitled to participate in the settlement or adjustment of any losses covered by such policies of insurance.

8.5 DAMAGE OR DESTRUCTION: In the event of fire or other casualty to any Home or any Improvements, Lessee shall forthwith commence, and thereafter diligently and continuously prosecute to completion, the repair of such damage and restoration of the Home and the Improvements to a condition substantially similar to their condition immediately prior to such damage. All such repairs and restoration shall be completed as promptly as possible. Lessee shall also promptly take all steps necessary to assure that the Leased Premises shall be and remain safe and the damage not constitute a hazard or danger to persons or property from the time of the fire or other casualty.

In no event shall the Lease Fee be suspended or abated, unless Lessor, in its sole discretion decides to do so in consideration of the personal hardship or incapacity of Lessee. The intent of this section is to foster occupancy by Lessee despite the occurrence of unforeseeable financial and personal hardship. In the case of extreme hardship Lessor reserves to itself at its sole discretion, the right to suspend or modify the provisions of this Article.

8.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of:

I. A taking of the entire Leased Premises by reason of eminent domain or other action of public authority prior to the expiration of the term of this Lease, this Lease shall forthwith terminate and the entire amount of any award(s) paid shall be allocated as follows:

- (a) As a first charge against said award(s), there shall be paid therefrom to the then holders of the Permitted Mortgage(s) the amount required to pay and discharge the same in full.
- (b) The balance, if any, of said award(s) shall be allocated between Lessee and Lessor according to the same proportion as that of the relative values of: (i) the Home and the Improvements as encumbered by this Lease and otherwise (ii) the total value of all of the Leased Premises, the Home and the Improvements and other property taken, less the value of said Home and the Improvements. If a dispute arises in connection with this allocation, the entire matter shall be submitted to arbitration as provided in this Lease.
- (c) Lessee shall receive any relocation payments payable by a condemning authority to a tenant in the normal course.

II. A taking (as aforesaid) of less than the entire Leased Premises, then the proceeds paid or payable by reason of such taking shall be allocated as follows:

- (a) First, if the then holder or holders of Permitted Mortgage(s) shall require that the balance of the proceeds be applied against the mortgage indebtedness, that application shall be made.
- (b) Second, if the Home and the Improvements may reasonably be restored to a residential use consistent with this Lease, Lessor may in its discretion allocate same or all of the proceeds to enable Lessee to repair and restore that which may remain thereof.
- (c) Any remainder after the use of such proceeds as set forth in (a) or (b) above shall be paid over in accordance with an allocation made as provided above in part I (b) of this Section.

Any and all proceedings brought by Lessee in connection with the claim or claims for damages as a result of any taking referred to in this Section shall be conducted by and at the sole expense of Lessee. If any provision of law now or hereinafter in effect shall require that said proceedings be brought by or in the name of any owner of the Leased Premises, Lessor shall join in such proceedings or permit the same to be brought in its name. Lessor covenants and agrees to do any and all acts and to execute any and all documents which may be required to enable Lessee to maintain such proceedings. If Lessor shall incur any cost or expense in connection with such proceedings, Lessor shall be entitled to reimbursement for the reasonable amount thereof and same shall likewise constitute a first charge against any award after payment to Permitted Mortgagee as hereinbefore provided.

8.7 SOLE REMEDY: The remedies specified in 8.6 shall constitute Lessee's sole remedy in this event and shall not give rise to any cause of action by Lessee against Lessor for damages.

ARTICLE IX: INTENTIONALLY OMITTED

ARTICLE X: ASSIGNMENT AND SUBLEASE

Except as otherwise provided in Article VII regarding the Permitted Mortgages and Article IX, regarding transfers, Lessee shall not assign, sublease, sell or otherwise convey any of Lessee's rights under this Lease without the prior written consent of Lessor. Lessee agrees that Lessor shall have broad and full discretion to withhold such consent in order to further the mutual purposes and goals set forth herein.

ARTICLE XI: DEFAULT

11.1 EVENTS OF DEFAULT: It shall be an Event of Default if:

- a) Lessee shall fail to pay the Lease Fee or other charges for which provision is made herein within thirty (30) days after Lessor has sent to Lessee notice of such default and such default is not cured by any Permitted Mortgagee within thirty (30) days after a subsequent notice from Lessor to such Permitted Mortgagee or Lessee's failure to cure such default within the initial 30-day grace period. However, if Lessee shall make a good faith partial payment of the Lease Fee during such initial 30-day grace period, then such period shall be extended one additional 30 day period, or
- b) Lessee shall fail to perform or observe any other term or condition in this Lease and such failure is not cured by Lessee or a Permitted Mortgagee within one hundred twenty days (120) after notice thereof from Lessor to Lessee and such Permitted Mortgagee. However, in the case where Lessee or Permitted Mortgagee has commenced to cure such default within such one hundred twenty (120) day period and is continuing such cure with all reasonable due diligence but cannot by the exercise of due diligence cure such default within such period, such period may be extended for an additional period of thirty (30) days to complete the cure of default.
- c) If the estate hereby created shall be taken on execution or by other process of law, or if Lessee shall be judicially declared bankrupt or insolvent according to law, or if any assignment shall be made of the property of Lessee for the benefit of creditors, or if a receiver, guardian, conservator, trustee in involuntary bankruptcy or other similar officer shall be appointed to take charge of all or any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition shall be filed for the

reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee shall file a petition for such reorganization or for arrangements under any provisions of the Bankruptcy Act now or hereinafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts.

In any of said cases and upon the expiration of any applicable cure period, Lessor may immediately or at any time thereafter, initiate summary proceedings or any other appropriate legal proceedings against Lessee. Pursuant to such proceeding, without demand or notice, Lessor may enter into and upon the Leased Premises or any part thereof in the name of the whole and repossess the same, and expel Lessee and those claiming through or under Lessee and remove its or their effects without being guilty of any manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant. Upon entry as aforesaid, Lessor shall have the right, by suitable notice to Lessee, forthwith to terminate this Lease.

11.2 NEW LEASE TO PERMITTED MORTGAGEE: If this Lease shall be terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor will enter into a new lease of the Leased Premises with the Permitted Mortgagee or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval shall not be unreasonably withheld not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease shall be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee shall make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be, and such written request shall be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the lessee thereunder, and the Permitted Mortgagee shall have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section shall have the same priority with respect to other interests in the premises as the Lease. The provisions of this Section shall survive the termination, rejection or disaffirmance of the Lease and shall continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee, and the Permitted Mortgagee.

11.3 LESSOR'S DEFAULT: Lessor shall in no event be in default in the performance of any Lessor's obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days, or such additional time as is reasonable required to correct any such default, after notice by Lessee to Lessor properly specifying wherein Lessor has failed to perform any such obligation. In the event of a default by Lessor, Lessee agrees it shall look solely to Lessor's interest in the Leased Premises for any recovery of a money judgment from Lessor.

11.4 NO SURRENDER: During the period a Permitted Mortgage is in place, Lessor shall not accept a voluntary surrender of the Lease without the prior written consent of the Permitted Mortgagee.

ARTICLE XII: ARBITRATION

12.1 ARBITRATION PROCESS: Should any grievance or dispute arise between Lessor and Lessee concerning the terms of this Lease which cannot be resolved by normal interaction, the following arbitration procedure shall be used:

Lessor or Lessee shall notify the other by written notice of its selection of a disinterested arbitrator. Within fifteen (15) days of receipt of this written notice, the other party may by written notice to the initiator of the arbitration process appoint a disinterested arbitrator of its own choice. These two arbitrators shall select a third arbitrator of their own choice. If the other party fails to timely name an arbitrator in response to the receiving of the written notice from the initiator, the party seeking arbitration shall be entitled to its reasonable cost: including attorney's fees, to obtain compliance with the foregoing procedure.

The arbitrator or arbitrators shall hold a hearing within thirty (30) days after the selection of the third arbitrator. At the hearing Lessor and Lessee shall have an opportunity to present evidence and question witnesses in the presence of each other.

As soon as reasonably possible, and in no event later than fifteen (15) days after the hearing, the arbitration panel shall make a written report to Lessor and Lessee of its findings and decisions. The arbitrators shall decide the dispute or claim in accordance with this Lease, and the substantive law of the State of Connecticut. The decisions and awards of most of the arbitration panel shall be binding and final between Lessor and Lessee.

12.2 ARBITRATION BEFORE LEGAL ACTION: Both parties agree to submit any disputes concerning their respective rights and duties under the terms of this Lease to arbitration, as provided above, and expressly waive their right to a civil trial, except as herein provided. Judgment upon the arbitral award may be entered in any court having jurisdiction over the parties or the Lease Premises. Notwithstanding the foregoing, arbitration shall not be required prior to filing suit or taking other legal action based upon an Event of Default under Sections 11.1(a) or 11.1(c) hereof.

12.3 COSTS: Each party shall bear its own costs, if any, in any arbitration pursuant to this Article; provided, however, that the arbitration panel shall have the power to award all or a portion of costs against a party found to have pursued the grievance or dispute in bad faith or for undue delay.

ARTICLE XIII: GENERAL PROVISIONS

13.1 NOTICES: Whenever this 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, to the party at the address set forth below, or such other address designated by like written notice:
If to Lessor:

URBAN SUBURBAN AFFORDABLES, INC.
47 Vine Street
Hartford, CT 06112

If to Lessee:

All notices, demands and requests shall be effective upon being deposited in the United States Mail or in the case of personal delivery, upon actual receipt.

13.2 NO BROKERAGE: In no event shall Lessee subject Lessor's interest or Lessor to the payment of a real estate brokerage commission.

13.3 INVALID PROVISIONS: If any clause, Article, Paragraph, or subparagraph of this Lease shall be unenforceable or invalid, such material shall be read out of this Lease and shall not affect the validity of any other clause, Article, Paragraph, or Subparagraph, or give rise to any cause of action of either party to this Lease against the other, and the remainder of this Lease shall be valid and enforced to the fullest extent permitted by law.

13.4 WAIVER: The waiver by Lessor of, or the failure of Lessor to take action with respect to, any breach of any term, covenant, condition, provision, restriction, or reservation herein contained, shall not be deemed to be a waiver of such term, covenant, condition, provision, restriction, or reservation of subsequent breach of same, or of any other term, covenant, condition, provision, restriction, or reservation herein contained. Lessor may grant waivers in the terms of this Lease, but such must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Lease Fee payments hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, condition, provision, restriction, or reservation of this Lease, other than the failure of Lessee to pay the particular Lease Fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such Lease Fee payment.

13.5 LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but shall be under no duty or obligation, to prosecute or defend, in its own or Lessee's name, any actions or proceedings appropriate or necessary to the protection of its title to, and Lessee's occupancy, use, and possession of or interest in the Lease Premises. Whenever requested by Lessor, Lessee shall give Lessor all reasonable aid in any such action or proceeding.

13.6 CONSTRUCTION: Whenever in this Lease a pronoun is used, it shall be construed to represent the singular or the plural, masculine or feminine as the case shall demand.

13.7 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify the terms, covenants, conditions, provisions, restrictions, or reservations of this Lease.

13.8 PARTIES BOUND:

This Lease sets forth the entire agreement between the parties hereto with respect to the leasing of the Leased Premises and purchase and sale of the Home and the Improvements; is binding upon and inures to the benefit of the parties hereto and, in accordance with the provisions hereof, their respective successors in interest, heirs and assigns. This Lease may be altered or amended only by written notice executed by the parties hereto or their legal representatives or, in accordance with the provisions hereof, their successors in interest.

13.9 GOVERNING LAW: This Lease shall be interpreted in accordance with and governed by the laws of the State of Connecticut. The language in all parts of this Lease shall be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

13.10 RECORDING OF LEASE: It is the intention of the parties that this Lease Agreement or a notice of lease be recorded on the Land Records of the Town in which the Leased Premises are located.

13.11 THIS AGREEMENT is being executed in at least two counterparts, each of which shall be considered a duplicate original with one original to Lessor to be placed at its office at 47 Vine Street, Hartford, Connecticut; and one original to the herein named Lessee.

13.12 SAVING CLAUSE: If for any reason the term of this Lease, or any renewal thereof, or any substantive provision thereof, shall be found to be unenforceable, illegal or violative of public policy, this Lease shall automatically be amended to conform to the applicable decision, and each party hereto expressly agrees to execute any amendment necessary to effectuate the goals and purposes of this lease.

13.13 ADMINISTRATIVE FEE: In the event that an Assignment and Assumption Agreement is entered into by Lessor, Lessee, a Permitted Mortgagee, HUD and/or any other party; Lessor shall be entitled to an administrative fee of Five Hundred and 00/100 Dollars (\$500) for the preparation and execution of said Assignment and Assumption Agreement. Said administrative fee shall be paid at the time of closing by Lessee, a Permitted Mortgagee, HUD and/or any other party to Lessor.

13.14 EXHIBITS: This Ground Lease includes the following Exhibits, if checked:

 X Exhibit A “LEASED PREMISES”.

 Exhibit B “FANNIE MAE UNIFORM COMMUNITY LAND TRUST
GROUND LEASE RIDER”.

STATE OF CONNECTICUT)
) ss. _____, _____, 2023
COUNTY OF HARTFORD)

On this ____ day of _____, before me, the undersigned officer personally appeared _____ Signer and Sealer of the foregoing instrument, and acknowledged that he/she executed the same for the purposes therein contained as his/her free act and deed.

Commissioner of the Superior Court
Notary Public
My Commission Expires:

EXHIBIT A

[Property description]