

LAND BANK DEPOSITORY AGREEMENT PROGRAM

The Program consists of transactions pursuant to a Banking Agreement in which a grantor transfers real property to the Land Bank, and the property is held by the Land Bank pending a transfer back to the original grantor; to a grantee identified in the banking agreement; or to a third party selected by the Land Bank. The Land Bank Board has full discretion and authority to agree or decline to enter into a Banking Agreement.

A “Banking Agreement” is a written agreement between a Grantor and the Land Bank that identifies the property, the length of the banking term, the potential Grantee, the range of permissible uses of the property following transfer by the Land Bank, the permitted encumbrances on the property, the rights and duties of the parties, the responsibility of the Grantor for the Holding Costs, the forms of the instruments of conveyance, and other matters as appropriate.

Property that is eligible for Banking Agreement must be unimproved real property. A property containing improvements that are to be demolished or removed may be eligible as long as adequate and sufficient funds are placed in escrow to assure that all improvements will be demolished and removed within 60 days of closing.

Parties eligible to be a Grantor or a Grantee are governmental entities and nonprofit housing corporations.

Unless otherwise agreed in the Banking Agreement, property shall be transferred in fee simple title. A policy of title insurance must be issued in favor of the Land Bank as the insured party at the time of closing. A mortgage to secure debt may encumber the property at the time of transfer to the Land Bank, provided that the obligations do not require payment of sums by the Land Bank to the mortgagee. Under no circumstances will the Land Bank have direct liability to a mortgage pursuant to a security instrument.

A Banking Agreement may permit a maximum banking term of 36 months for transactions in which the Grantor is a nonprofit entity, and 60 months for transactions in which the Grantor is a governmental entity.

A Grantor may request transfer of property from the Land Bank at any time during the banking term. Prior to transfer, any holding costs attributable to the property shall be paid to the Land Bank.

The Land Bank in its sole discretion shall have the right to request that the Grantor or its designee accept a transfer of property from the Land Bank. If the Grantor is unwilling or unable

to accept the transfer and pay holding costs, the Land Bank shall have the right to terminate the Banking Agreement and dispose of the property pursuant to Land Bank policy.

All property held by the Land Bank and transferred to a Grantee pursuant to a Banking Agreement shall be subject to restrictions providing that the property is to be used for the production of housing; for community improvements; or other public purposes consistent with Land Bank mission and goals. Each Banking Agreement will specify the range of permissible uses and the manner in which each restriction is secured.