**Summary of the Deed for Sale of Improvements Only**

The purpose of this summary is to explain the Deed for Sale of Improvements Only in plain English. It is not a substitute for legal advice.

1. **What does “Deed for Sale of Improvements Only” mean?**

The Deed is the publicly-filed, legal document that indicates who owns property. A typical Deed would convey ownership of both the home and the land underneath the home. In the CLT context, the non-profit organization (here, GNDC) holds onto the ownership of the land, and the homeowner purchases only the home. In legal language, “Improvements” is used to refer to the home and any other buildings on the land and “Real Property” is used to refer to land. The “Deed for Sale of Improvements Only” makes clear to all that the homeowner is purchasing title to the home, but not the land, which is owned by GNDC. The homeowner will own the home and will lease the land from GNDC for a monthly fee.

1. **What does all the formal legal language in the Deed mean?**

In the “Now, Therefore” paragraph, GNDC promises to the homeowners that the home and other buildings are being sold and conveyed to the homeowner with good, clear title. GNDC is also promising to guaranty good title to the home forever, against anyone who might claim otherwise.

1. **What are the Attachments to the Deed?**

Attachment A describes the home that will be owned by the homeowner. Attachment B describes the land that will be owned by GNDC and leased to the homeowner. Attachment C includes the Ground Lease (and Exhibits) that are signed by GNDC and the homeowner. Exhibit 9.10 to the Ground Lease is the Resale Formula Price Schedule which sets out the maximum price at which the homeowner can sell the home when it comes time to sell. The maximum sales price for the home is calculated using a fixed rate of increase per year (typically 2%) above the initial sales price, capped at a set number of years of increase (typically capped at 30 years). By looking at the Resale Formula Price Schedule for their home, the homeowner can see how much they can sell the home for in future years. The purpose of the Resale Formula Price Schedule is to allow individual homeowners to profit from the equity that has been built up over the years that they have owned the home, while also maintaining the home’s long-term affordability for future homeowners.

The Travis Central Appraisal District looks at the Resale Formula Price Schedule to determine how much to appraise the home each year, which is why it is important to record the entire Ground Lease, including Exhibit 9.10, and the Travis Central Appraisal District uses the monthly ground lease fee to determine how much to appraise the land each year, which is another reason that it is important to record the entire Ground Lease.