

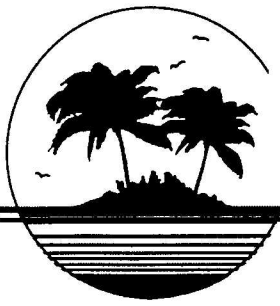
9. **OLD BUSINESS**

- c. **RESOLUTION 09-016 APPROVING FIRST AMENDMENT TO GROUND LEASE AND ASSOCIATED MEMORANDUM OF GROUND LEASE, AND GROUND LEASE AND ASSOCIATED MEMORANDUM OF GROUND LEASE, ALL WITH THE CITY AS LANDLORD AND COMMUNITY HOUSING AND RESOURCES, INC., AS TENANT; AND PROVIDING AN EFFECTIVE DATE** (this resolution approves long-term ground leases requested by CHR for Below Market Rate Housing locations where the land is owned by the City and the units are owned by CHR, with the Mahogany Way, Airport Way, Woodhaven and Casa Mariposa locations being for a 50 year term and the Whitehall Rd and Beach Rd locations being for a 135 year term, such long term ground leases requested to facilitate equity-type and similar financing arrangements for BMRH clients)

OUTLINE OF ATTACHED DOCUMENTS **RELATING TO CHR**

This is a summary of the attached documents. Please review all documents for the specific provisions.

1. Letter from Community Housing & Resources, Inc. (CHR) president and executive director requesting Council approval of the below-described lease documents for purposes of the housing/tenant financing goals of CHR.
2. An adopting resolution approving the following attached four documents:
 - a) First Amendment to Ground Lease. In October 2003, the City (as Landlord) leased to CHR (as Tenant), for a fifteen year period, land (only) generally described as 700-750 Mahogany Way, 403-405 Airport Way, 465 Whitehall Road and 975-991 Beach Road. The primary purpose of the First Amendment to Ground Lease is to extend the lease term for the land at 700-750 Mahogany Way and 403-405 Airport Way to a fifty year lease term, and the land at 465 Whitehall Road and 975-991 Beach Road to a one hundred thirty-five year lease term. The First Amendment also makes it clear that the long term leases are for the benefit of the City's Below Market Rate Housing (BMRH) program and should the program provider (CHR) ever change, the leases would be assigned to the new program provider, or terminated if the City is the direct BMRH provider.
 - b) Memorandum of the Ground Lease. This is an abbreviated memorandum summarizing certain key parts of the First Amendment to Ground Lease, the purpose of which is to record evidence of the First Amendment to Ground Lease in the Official Records of Lee County.
 - c) Ground Lease. This is a second lease document which provides for a fifty year lease term for the land (only) for the properties generally known as Woodhaven, 800 Casa Ybel Road, and Casa Mariposa, 2301 Periwinkle Way.
 - d) Memorandum of Ground Lease. This a second abbreviated memorandum summarizing key parts of the Ground Lease described immediately above, the purpose of which is to record evidence of the Ground Lease in the Official Records of Lee County.



Community Housing & Resources, Inc.

Coast & Islands Community Land Trust, Inc.

2401 Library Way, Sanibel, FL 33957 • 239-472-1189 • Fax 239-472-2695

Mailing address: 800 Dunlop Road • Sanibel, FL 33957

e-mail: sanibelchr@earthlink.net web: www.sanibelhousing.org

December 24, 2008

Mr. Ken Cuyler, City Attorney
City of Sanibel
800 Dunlop Road
Sanibel, FL 33957

Dear Atty. Cuyler,

First we would like to express our sincere appreciation for the diligent work of your office with CHR and our attorney since mid March of 2008 in the update of the ground lease arrangement with the City of Sanibel and it's Housing Foundation, CHR. This should correct and complete the process that sets a long term agenda for Below Market Rate Housing on the Island and establishes the first opportunities for limited equity ownership of selected units and sites.

There are two issues in this situation. The first has to do with the majority of housing that will remain as traditional rental units. These ground leases are established for fifty (50) years following the new adoption of such a term by the State of Florida substantiating local commitments to affordable rental housing. The locations involved under this scenario are Mahogany Way, Airport Way, Casa Mariposa, Woodhaven, and potentially Algiers Way (still in deliberation with U.S. Government lien requiring approval of that body). The land at Woodhaven will have to be conveyed from CHR to the City of Sanibel, pursuant with the grant agreement covering the development of that property.

The second issue has been more complex and involves the locations at Beach Road and Sanibel Highlands (Whitehall Road). These two complexes comprise eight residential units of which six are targeted for eventual conversion from rental to limited equity ownership. To accomplish this, a longer period of ground lease is necessary to follow emerging precedents of real property transactions on leased land. The standard is ninety-nine (99) years in Florida. Other States vary but this demonstrated term is universally accepted as a general standard.

We face the likely transfer of ownership during the term of the lease, which left at 99 years is shorter than the standard following the first day after signatures. We explored means and measures of automatic renewals leaving the 99 year term essentially in perpetuity but faced some legal case law that inhibited such actions. We tried an automatic renewal at the end of 99 years for another 99 years but this negated transactions of ownership in the first 99 year term. With pragmatism succeeding over frustration we decided to establish a term of one hundred thirty-five years (135) with a renewal option that should be looked at when a subsequent purchasers 99 year term to allow a real property transaction would be jeopardized.

The ground lease of the land trust requires owners to sell back to CHR/CICLT at the maximum of an indexed rate of 3% annually up to ten years. A prudent owner would sell at or before that

time and purchase something else, if economic eligibility were maintained, to restart and indexing process. Subsequent transactions are likely for investment and upgrading purposes or to transcend the limited equity process by entering the private unsubsidized non Below Market Rate Housing philosophy on or off the Island.

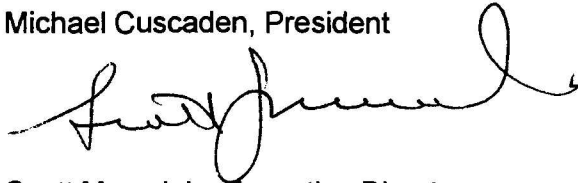
Predicating all of this is the community established goal to provide affordable opportunities for the local workforce and, in particular essential workers including City workers, while providing a ladder for upward mobility and maintaining a lifestyle involvement in the village in which they work. We think this has been established with the steps taken here.

We and our Attorney will be present at the City Council meeting when this issue is heard. Please contact us sooner if any issues arise.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Cuscaden".

Michael Cuscaden, President

A handwritten signature in cursive script, appearing to read "Scott Marcelais".

Scott Marcelais, Executive Director

CITY OF SANIBEL

RESOLUTION 09-016

A RESOLUTION APPROVING FIRST AMENDMENT TO GROUND LEASE AND ASSOCIATED MEMORANDUM OF GROUND LEASE, AND GROUND LEASE AND ASSOCIATED MEMORANDUM OF GROUND LEASE, ALL WITH THE CITY AS LANDLORD AND COMMUNITY HOUSING AND RESOURCES, INC., AS TENANT; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Community Housing and Resources, Inc., (CHR) has requested that the current fifteen year ground lease be amended to provide for a fifty year lease term for 700-750 Mahogany Way and 403-405 Airport Way, and a 135-year lease term for 465 Whitehall Road and 975-991 Beach Road, Sanibel; and

WHEREAS, CHR has requested that the City provide a fifty year lease term for the land located at Woodhaven, 800 Casa Ybel Road, and Casa Mariposa, 2301 Periwinkle Way, Sanibel; and

WHEREAS, City Council finds that the long-term leases are necessary to facilitate the goals of the City and CHR in providing for Below Market Rate Housing (BMRH) within the City of Sanibel with CHR acting as the City's BMRH provider; and

WHEREAS, CHR has represented to the City that the long-term leases allow for equity-type financing of BMRH tenants in some cases and provide other financing advantages which facilitate the BMRH program; and

WHEREAS, City Council finds that the long-term leases of land only, upon which CHR-owned units are located, are unique and best suited for Below Market Rate Housing purposes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sanibel that:

SECTION 1. The attached (1) First Amendment to Ground Lease, (2) associated Memorandum of Ground Lease, (3) Ground Lease, and (4) associated Memorandum of Ground Lease, are hereby approved.

SECTION 2. The City Manager is hereby authorized to execute such documents on behalf of the City.

SECTION 3. Based on the unique circumstances and the limited potential uses for the land described in the above-referenced leases, City Council finds that the most appropriate purposes for such land is to facilitate the BMRH Program and any solicitation of bids or bidding procedures that might otherwise be applicable to the long-term lease of such land are hereby waived.

SECTION 4. Effective date.

This Resolution shall take effect immediately upon adoption.

DULY PASSED AND ENACTED by the Council of the City of Sanibel, Lee County, Florida, this 3rd day of February, 2009.

AUTHENTICATION:

Mick Denham, Mayor

Pamela Smith, City Clerk

APPROVED AS TO FORM:

Kenneth B. Cuyler 1/28/09
Kenneth B. Cuyler, City Attorney Date

Vote of Council members:

Denham _____
Ruane _____
Harrity _____
Jennings _____
Pappas _____

Date filed with City Clerk: _____

FIRST AMENDMENT TO
GROUND LEASE

(Relating to land at Mahogany Way, Airport Way, Whitehall Road & Beach Road)

FIRST AMENDMENT TO GROUND LEASE

THIS FIRST AMENDMENT TO GROUND LEASE (“First Amendment”) is made and entered into this ____ day of February, 2009, by and between Community Housing & Resources, Inc., a Florida non-profit corporation, having an address of 2401 Library Way, Sanibel, Florida 33957 (the “Tenant”), and the City of Sanibel, a Florida municipal corporation, having an address of 800 Dunlop Road, Sanibel, Florida 33957 (the “Landlord”).

W I T N E S S E T H:

A. The Landlord and the Tenant entered into that certain Ground Lease, dated October 7, 2003, (the “Lease”), whereby the Landlord leased to the Tenant certain real property more particularly described in Exhibit “A-1” attached hereto (hereinafter referred to as the “Premises”) and the Tenant retained ownership of the buildings, structures and other improvements (except for certain described wastewater lift stations) then existing or thereafter constructed on the Premises (sometimes hereinafter referred to as the “Tenant Improvements”); and

B. Landlord and Tenant confirm and acknowledge that the Premises was conveyed to Landlord, subject to the Lease, by Special Warranty Deed dated October 30, 2003, and recorded June 3, 2004, in Official Records Book 4321, Pages 2753 through 2755, inclusive, as corrected by Quit Claim Deed dated October 30, 2003, and recorded on June 3, 2004, in Official Records Book 4321, Pages 2750 through 2752, inclusive, both of the Public Records of Lee County, Florida; and

C. The Landlord and the Tenant have agreed to amend and modify certain terms and conditions of the Lease; and

D. All terms defined in the Lease shall have the same meanings as contained herein.

NOW, THEREFORE, in consideration of the Lease and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Landlord and the Tenant hereby agree as follows:

1. The Landlord and Tenant acknowledge that the above recitals are true and correct and are incorporated herein by reference.

2. Section 1.A. of the Lease is hereby amended as follows (deletions shown by strikethrough, insertions by underscore):

A. Definition of Premises. For purposes of this Lease, the term “Premises” refers to the land described herein and any improvements upon the land that have not been retained in ownership by the Tenant at the time the land was conveyed to Landlord, except for wastewater, Lift Stations, and related facilities. It also includes any improvements placed upon the land in the future that are not owned by Tenant. For clarification purposes, the term “Premises” shall mean whatever portion of the Premises remains subject to the Lease at any point in time during the term of this Lease according to Sections 2.A. and 2.B. of this Lease.

3. Section 2.A. of the Lease is hereby deleted in its entirety and the following substituted in its place and stead:

A. Term. This Lease shall be for an initial term of fifty (50) years for only that portion of the Premises described on Exhibit "C" attached hereto (the "50 Year Premises"), and for an initial term of one hundred thirty-five (135) years for only that portion of the Premises described on Exhibit "D" attached hereto (the "135 Year Premises"). The initial term for the 50 Year Premises shall commence on November 1, 2003, and expire at 11:59 on October 31, 2053. The initial term for the 135 Year Premises shall commence on November 1, 2003, and expire at 11:59 on October 31, 2138. For clarification purposes, the phrase "term of this Lease", or the term "Lease Term" or terms of similar import shall mean, for purposes of this Lease, any term of this Lease, whether an initial term, or any Extension Period (as defined in Section 2.B.(iii), below) thereof, governing either of the 50 Year Premises or the 135 Year Premises, then in full force and effect according to this Section 2.A.

4. Section 2.B. of the Lease is hereby deleted in its entirety and the following is substituted in its place and stead:

B. Perpetual Option to Extend.

(i) 50 Year Premises. The initial term for the 50 Year Premises shall perpetually automatically extend from the date of expiration of the initial term, or from the date of expiration of the term of any Extension Period (as defined below), for unlimited successive periods of five (5) years each, on the same terms and conditions as contained elsewhere in this Lease, unless at least ninety (90) days prior to the expiration of the initial term, or at least ninety (90) days prior to the expiration of any Extension Period (as defined below), either party shall give to the other written notice of its election not to extend this Lease for the 50 Year Premises ("Notice of No-Extension") upon expiration of the initial term or any such Extension Period (as defined below).

(ii) 135 Year Premises. The initial term for the 135 Year Premises shall perpetually automatically extend from the date of expiration of the initial term, or from the date of expiration of the term of any Extension Period (as defined below), for unlimited successive periods of five (5) years each, on the same terms and conditions as contained elsewhere in this Lease, unless at least ninety (90) days prior to the expiration of the initial term, or at least ninety (90) days prior to the expiration of any Extension Period (as defined below), either party shall give to the other written notice of its election not to extend this Lease for the 135 Year Premises ("Notice of No-Extension") upon expiration of the initial term or any such Extension Period (as defined below).

(iii) Extension Period. For purposes of this Lease, the term "Extension Period" shall mean each individual five (5) year extension period for the 50 Year Premises and/or the 135 Year Premises, as the context requires.

(iv) Notice of No Extension. Upon a timely Notice of No-Extension by either party, that portion of the Premises subject to the Notice of No-Extension (being either of the 50 Year Premises or the 135 Year Premises) shall no longer be subject to the terms and conditions of this Lease.

5. Section 3 of the Lease is hereby amended as follows (deletions shown by strikethrough, insertions shown by underscore)

RENT, TAXES AND INSURANCE.

- A. Base Rent. Beginning upon the commencement of this Lease, Tenant agrees to pay Landlord, as base rent for the Premises, the sum of ONE DOLLAR (\$1.00) per year, payable in advance, with the first such annual rental installment due and payable on the commencement date of this Lease, and subsequent installments due and payable on the same day of each successive year thereafter.
- B. Taxes. Landlord represents and warrants to Tenant that the Premises are exempt from ad valorem property taxes as of February , 2009, the commencement of this Lease.
- C. Insurance. Tenant shall be responsible for obtaining and maintaining in effect at all times during the term of this Lease and any extension hereof, at Tenant's own expense, policies of fire, hazard, wind and flood insurance covering the buildings on the Premises in such amounts and on such terms as reasonably determined by Tenant. Tenant shall be responsible for obtaining and maintaining in effect at all times during the term of this Lease and any extension hereof, at Tenant's own expense, policies of general liability insurance for death, bodily injury and property damage occurring on or about the Premises. In such amounts and with such coverages as reasonably determined by Tenant. Liability insurance policies shall name Landlord as an additional insured.

6. Section 11 of the Lease is hereby amended as follows (deletions shown by strikethrough, insertions by underscore):

11. ASSIGNMENT; AUTOMATIC ASSIGNMENT AND TERMINATION; SUBLEASE

A. Tenant's Right to Assign. Tenant shall not assign any or all of its rights and obligations under this Lease without Landlord's prior written consent.

B. Automatic Assignment and Termination. The parties hereto mutually acknowledge that: (i) this Lease is for the sole benefit of the BMRH Program; and (ii) the BMRH Contract is for a shorter duration than the term of this Lease. In the event that Tenant is no longer the operator and administrator of the BMRH Program as evidenced by a written termination of the BMRH Contract by and between Tenant and Landlord, Tenant's rights and obligations hereunder shall automatically terminate and have no further force and effect, and said rights and obligations shall automatically be assigned, transferred and conveyed to the new operator and administrator of the BMRH Program. In such event, Tenant shall convey to the new operator and administrator of the BMRH Program the Tenant Improvements. Notwithstanding anything in the foregoing to the contrary, if the Landlord elects to operate and administer the BMRH program, the Landlord, in its sole discretion, has the right to terminate this Lease without the consent of the Tenant, subject to subparagraph C. below.

C. Subleases. Tenant shall have the right to sublease all or any portion of the Premises, from time to time, with Landlord's consent in connection with Tenant's operation and administration of the BMRH Program. All rental and other income received from such subleasing of all or part of the Premises shall be collected, received and accounted for in accordance with the BMRH Contract. If this Lease is terminated for any reason whatsoever, such termination shall not act as a merger, and Tenant's interest as sublessor in any sublease shall be deemed automatically assigned, transferred and conveyed to the owner of Landlord's interest; and, from and after such termination, the holder of Landlord's interest in this Lease (as well as any sublessee) shall be bound by the provisions of any sublease then in force and effect. It is the intention hereof to provide that the termination of this Lease shall not in any way, by reason of such termination, terminate any sublease or modify the rights of any sublessee.

7. Section 16. of the Lease is hereby amended as follows (deletions shown by strikethrough, insertions by underscore):

16. Termination and Surrender. Unless Tenant exercises its option to repurchase the Premises as set forth in Section 17 below, upon expiration or sooner termination of this Lease, Tenant agrees to redeliver possession of that portion of the Premises subject to such expiration or termination to Landlord in substantially the same condition that existed immediately prior to Tenant's entry on the that portion of the Premises subject to such expiration or termination, reasonable wear and tear, damage by the elements, acts of God, war and any act of war, excepted. Upon expiration or termination (for any reason) of this Lease ~~for any reason~~, and provided Tenant has not exercised its option to re-purchase the Premises as set forth in Section 17 below, ~~all buildings, structures and other improvements~~ the Tenant Improvements shall remain with that portion of the Premises subject to such expiration or termination and be the property of Landlord, and Tenant shall have no further claim thereto.

8. Section 17. of the Lease is hereby amended as follows (deletions shown by strikethrough, insertions by underscore):

17. Option to Repurchase. At the ~~end~~ expiration of this Lease, whether the original term, any ~~Extension term~~ Period thereof, or upon any sooner termination of this Lease by the Landlord, Tenant shall have a 180 day option to repurchase that portion of the Premises subject to such expiration or termination ~~the land~~ and improvements located thereon not owned by Tenant, with the exception of the sewer lift stations. The purchase price for that portion of the Premises subject to such expiration or termination ~~the land~~ shall be the ~~Landlord's purchase price plus a CPI adjustment to the date of closing of the repurchase~~ fair market value as determined by a good faith appraisal performed by an independent appraiser mutually agreed upon by Landlord and Tenant. In the event that Landlord and Tenant cannot agree upon a single independent appraiser to perform the good faith appraisal, the Landlord shall select one appraiser, the Tenant shall select one appraiser, and the two appraisers selected shall select a third appraiser, all of whom shall perform a fair market value appraisal on the premises to be purchased. The purchase price shall be deemed to be the average of the three good faith fair market value appraisals. The purchase price for any improvements not owned by Tenant, with the exception of the sewer lift station, shall be the fair market value of the improvement at the time of the repurchase as determined through the appraisal method set forth above in this paragraph. All costs related to the appraisal(s) shall be shared equally by Landlord and Tenant.

9. Landlord and Tenant acknowledge that a short memorandum of the Lease was not recorded in the Public Records of Lee County, Florida, as contemplated by Section 19.B. of the Lease. The parties intend to record a short memorandum of lease evidencing the Lease as amended by this First Amendment in the Public Records of Lee County, Florida, subsequent to the execution of this First Amendment.

10. Exhibit "A" to the Lease is hereby deleted in its entirety and replaced with Exhibit "A-1" attached hereto and incorporated herein.

11. Except as specifically modified and amended herein, all other terms and conditions of the Lease shall continue and remain in full force and effect, and are hereby ratified and confirmed.

12. In the event of any conflict between the premises of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall govern and control.

IN WITNESS WHEREOF, the Landlord and the Tenant have executed this First Amendment to Lease as of the day, month and year first above written. Signed, sealed and delivered In the presence of:

"LANDLORD":

(Witness Sign Name)

CITY OF SANIBEL,
a Florida municipal corporation

(Witness Print Name)

By: _____

(Witness Sign Name)

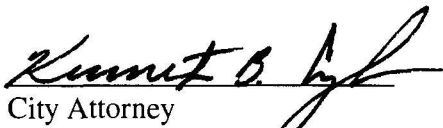
Name: _____

(Witness Print Name)

Title: _____

Attest: _____

Approved as to form:


City Attorney

"TENANT":

(Witness Sign Name)

COMMUNITY HOUSING & RESOURCES,
INC., a Florida non-profit corporation

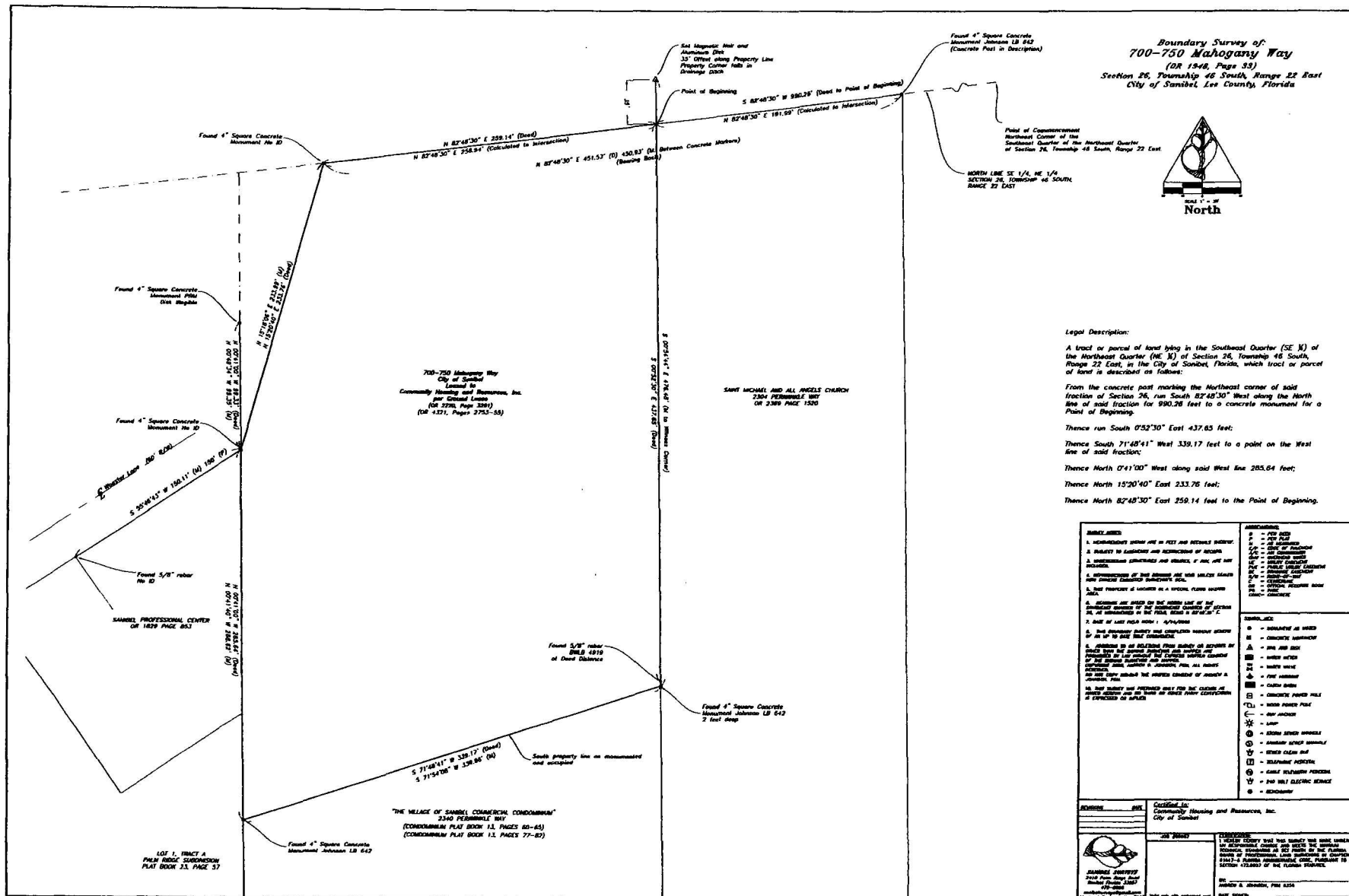
(Witness Print Name)

By: _____

(Witness Sign Name)

Michael Cuscaden, President

(Witness Print Name)







*Boundary Survey of:
465 Whitehall Road
Lots 9 through 16, Block 12,
Sanibel Highlands
(Plat Book 7, Page 74)
Section 25, Township 46 South, Range 22 East
City of Sanibel, Lee County, Florida*

Legal Description:

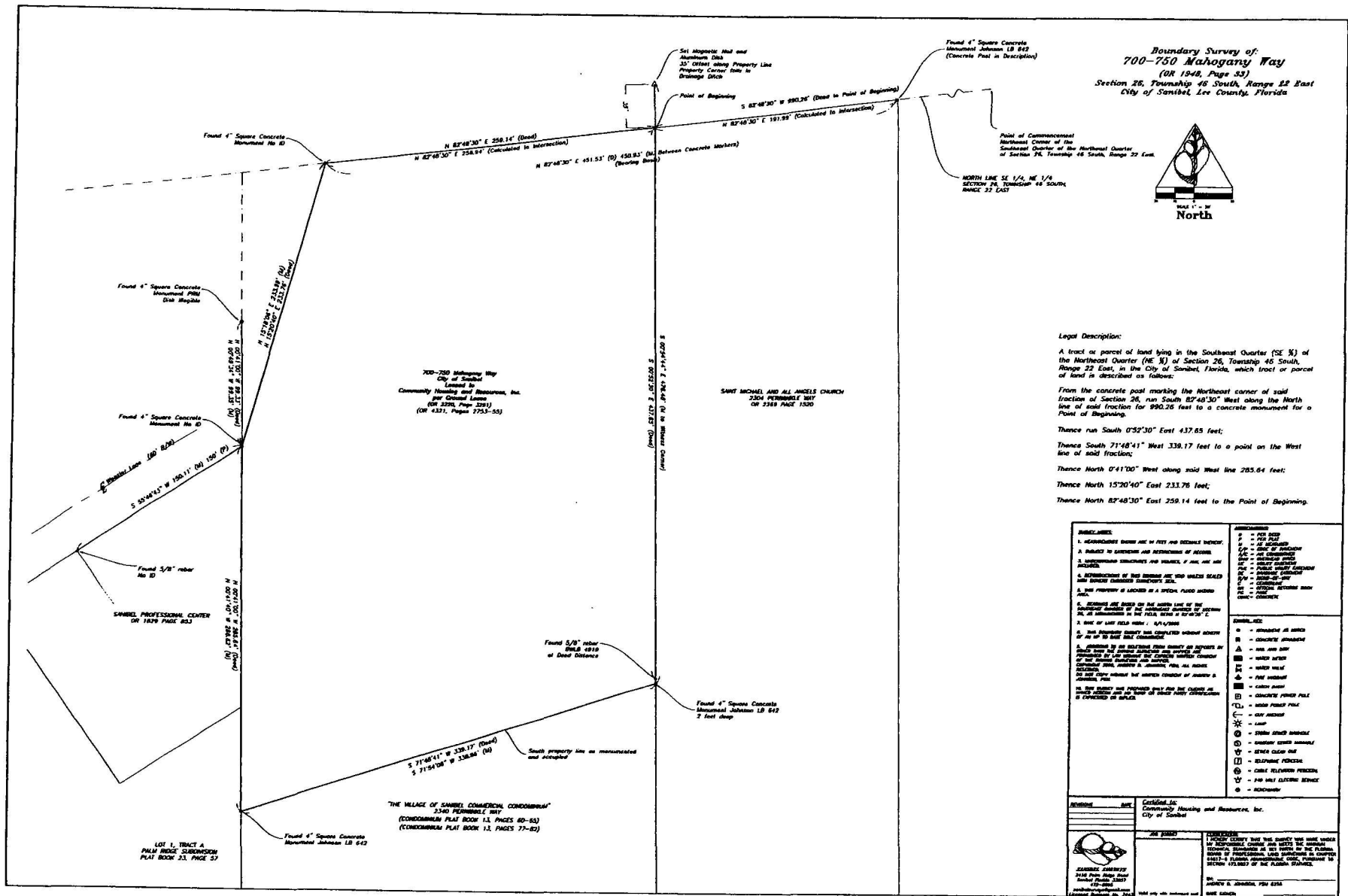
Lots 8, 10, 11, 12, 13, 14, 15, and 16, Block 12, Sanibel Highlands, according to the Plat thereof recorded in Plat Book 7, Page 74, Public Records of Lee County, Florida;

All that part of Lot 12, Block 12, Seaboard Highlands, Section 25, Township 46 South Range 22 East, adjoining to the East Channel as recorded in Plat Book 7, Page 18, Public Records of Lee County, Florida, lying Southwesterly of Coosa West Road (40 feet wide) and boundary of the following described land:

From the Northwest corner of the Southwest quarter (SW 1/4) of the Southwest quarter (SE 1/4) of said Section 25 to the NW 1/4 of said SW 1/4; thence South 64° 15' 00" East to the South line of said Southwest Highlands Subdivision for 17.43 feet to the Southwest corner of said Lot 12;

From said Point of Beginning run North 00°45'10" West along the Northerly prolongation of the East line of a roadway 66 feet wide for 13.97 feet to the Southeasterly line of Cass Road and the end of the herein described line.

[illegible]





MEMORANDUM OF GROUND LEASE
(Relating to First Amendment to Ground Lease)

Property Tax ID #: _____

This instrument was prepared
without opinion of title by
and After Recording Return to:
Michele W. Gazica, Esq.
Roetzel & Andress
850 Park Shore Drive
Third Floor
Naples, Florida 34103
(239) 649-6200

(space above this line for recording data)

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE is made and entered into by and between COMMUNITY HOUSING & RESOURCES, INC., a Florida non-profit corporation (hereinafter sometimes referred to as "Tenant"), whose address is 2401 Library Way, Sanibel, Florida 33957, and THE CITY OF SANIBEL, a Florida municipal corporation (hereinafter sometimes referred to as "Landlord"), whose address is 800 Dunlop Road, Sanibel, Florida 33957.

WHEREAS, Tenant and Landlord entered into that certain Ground Lease effective October 7, 2003, as amended by First Amendment of Ground Lease effective February __, 2009 (collectively, the "Ground Lease"), for the lease of the real property described on Exhibit "A" attached hereto (the "Premises"); and

WHEREAS, simultaneously with and to evidence the Ground Lease, Tenant and Landlord entered into that certain Memorandum of Ground Lease dated October 7, 2003 ("Original Memorandum"), but inadvertently failed to record the Original Memorandum in the Public Records of Lee County, Florida, as required by Section 19.B. of the Ground Lease; and

WHEREAS, Tenant and Landlord now desire to record this Memorandum of Ground Lease to reaffirm and acknowledge the continued existence and effectiveness of the Ground Lease since the date of its original execution on October 7, 2003, notwithstanding the parties' failure to record the Original Memorandum in said Pubic Records.

NOW, THEREFORE, in consideration of the above premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The above recitals are true and correct and are incorporated herein by reference.

2. **DEFINITION OF PREMISES.** For purposes of the Ground Lease, the term "Premises" refers to the land described herein and any improvements upon the land that have not been retained in ownership by the Tenant at the time the land was conveyed to Landlord, except for

wastewater, Lift Stations, and related facilities. It also includes any improvements placed upon the land in the future that are not owned by Tenant. For clarification purposes, the term "Premises" shall mean whatever portion of the Premises remains subject to the Ground Lease at any point in time during the term of the Ground Lease according to Sections 4.(a) and 4.(b), below.

3. **LEASE.** Landlord has leased to Tenant, and Tenant has leased from Landlord, for the term, the Premises described on Exhibit "A" attached hereto, together with all appurtenances thereto, subject to the terms and conditions contained in the Ground Lease, which terms and conditions are incorporated herein by reference.

4. **LEASE TERM.**

(a) **Term.** This Ground Lease shall be for an initial term of fifty (50) years for only that portion of the Premises described on Exhibit "B" attached hereto (the "50 Year Premises"), and for an initial term of one hundred thirty-five (135) years for only that portion of the Premises described on Exhibit "C" attached hereto (the "135 Year Premises"). The initial term for the 50 Year Premises shall commence on November 1, 2003, and expire at 11:59 on October 31, 2053. The initial term for the 135 Year Premises shall commence on November 1, 2003, and expire at 11:59 on October 31, 2138. For clarification purposes, the phrase "term of the Ground Lease", or the term "Ground Lease Term" or terms of similar import shall mean, for purposes of the Ground Lease, any term of the Ground Lease, whether an initial term, or any Extension Period (as defined in Section 4.(b), below) thereof, governing either of the 50 Year Premises or the 135 Year Premises, then in full force and effect according to this Section.

(b) **Perpetual Option to Extend.** The initial term for the 50 Year Premises and for the 135 Year Premises shall perpetually automatically extend from the date of expiration of the initial term, or from the date of expiration of the term of any Extension Period (as defined herein), for unlimited periods of five (5) years each (each individual five (5) year period shall hereinafter be referred to as an "Extension Period"), on the same terms and conditions as contained elsewhere in the Ground Lease, unless at least ninety (90) days prior to the expiration of the initial term, or at least ninety (90) days prior to the expiration of any Extension Period, either party shall give to the other written notice of its election not to extend the Ground Lease ("Notice of No-Extension") upon expiration of the initial term or any such Extension Period. Upon a timely Notice of No-Extension by either party, that portion of the Premises subject to the Notice of No-Extension (being either of the 50 Year Premises or the 135 Year Premises) shall no longer be subject to the terms and conditions of the Ground Lease.

(c) **Holdover.** If Tenant shall hold over after the expiration of the Ground Lease Term or any extension thereof, such tenancy shall be from month-to-month on all the terms, covenants, and conditions of the Ground Lease.

5. **OWNERSHIP OF BUILDINGS AND OTHER STRUCTURES.** With the exception of the sewer lift stations and related facilities previously conveyed by a Bill of Sale by Tenant in favor of Landlord, Tenant is the owner of all buildings, structures, and other improvements now or hereinafter located on or in connection with the Premises. Upon termination of the Ground Lease for any reason, and in the event Tenant has not exercised its right to repurchase the Premises or exercised its right of first refusal as set forth below, all buildings, structures and improvements shall become the property of the Landlord.

6. **OPTION TO REPURCHASE.** At the expiration of the Ground Lease, whether the original term, any Extension Period thereof, or upon any sooner termination of the Ground Lease by the Landlord, Tenant shall have a 180 day option to repurchase that portion of the Premises subject to such expiration or termination and improvements located thereon not owned by Tenant, with the exception of the sewer lift stations. The purchase price for that portion of the Premises subject to such expiration or termination shall be the fair market value as determined by a good faith appraisal performed by an independent appraiser mutually agreed upon by Landlord and Tenant. In the event that Landlord and Tenant cannot agree upon a single independent appraiser to perform the good faith appraisal, the Landlord shall select one appraiser, the Tenant shall select one appraiser, and the two appraisers selected shall select a third appraiser, all of whom shall perform a fair market value appraisal on the premises to be purchased. The purchase price shall be deemed to be the average of the three good faith fair market value appraisals. The purchase price for any improvements not owned by Tenant, with the exception of the sewer lift station, shall be the fair market value of the improvements at the time of the repurchase as determined through the appraisal method set forth above in this paragraph. All costs related to the appraisal(s) shall be shared equally by Landlord and Tenant.

7. **FIRST RIGHT OF REFUSAL.** Landlord and Tenant both agree that in the event Landlord receives a bona fide offer to purchase the Premises or any part thereof during the term of the Ground Lease or any extensions or renewals thereof, and Landlord decides to accept said offer, Tenant shall have a right of first refusal to purchase the Premises or portion thereof at the same price and upon the same terms and conditions as offered by any such prospective buyer. Before acceptance of any bona fide offer to purchase, Landlord shall, immediately upon receiving said offer, notify Tenant by certified mail setting forth in such notice the name and address of the prospective purchaser of the Premises or portion thereof and providing the full details and copies of any contracts to purchase or any other documents relating to such purchase offer. Tenant shall have thirty (30) days after receipt of such notice in which to notify Landlord of its election to purchase under the same terms and conditions of said offer as set forth in said notice.

8. **PROHIBITION OF LIENS ON FEE OR LEASEHOLD INTERESTS.** Tenant shall not suffer or permit any construction liens to be filed against the fee of the Premises nor against Tenant's leasehold interest in the land nor any buildings or improvement of the Premises by reason of any work, labor, services, or materials, supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part hereof through or under Tenant.

9. **TERMINATION OF MEMORANDUM OF LEASE.** On the expiration or sooner termination of the Ground Lease Term, Landlord and Tenant shall execute a notice of termination in recordable form stating that the Ground Lease is of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this _____ day of _____, 2009.

Signed, sealed and delivered
In the presence of:

(Witness Sign Name)

(Witness Print Name)

(Witness Sign Name)

(Witness Print Name)

“TENANT”:

COMMUNITY HOUSING & RESOURCES,
INC., a Florida non-profit corporation

By: _____
Michael Cuscaden, President

STATE OF FLORIDA)
) ss:
COUNTY OF LEE)

THE FOREGOING INSTRUMENT was acknowledged before me this _____ day of _____, 2009, by Michael Cuscaden as President of COMMUNITY HOUSING & RESOURCES, INC., a Florida non-profit corporation, on behalf of said corporation, who (____) is personally known to me, or (____) has produced _____ as identification.

NOTARY SEAL

Notary Public

Printed Name: _____

Commission No.

Expiration Date

“LANDLORD”:

CITY OF SANIBEL,
a Florida municipal corporation

(Witness Sign Name)

(Witness Print Name)

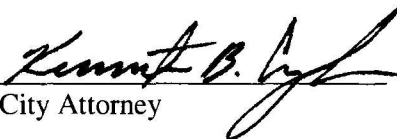
(Witness Sign Name)

(Witness Print Name)

By: _____

Attest: _____

Approved as to form:


City Attorney

STATE OF FLORIDA)

) ss:

COUNTY OF LEE)

THE FOREGOING INSTRUMENT was acknowledged before me this _____ day of _____, 2009, by _____ as _____ for THE CITY OF SANIBEL, a Florida municipal corporation, on behalf of said political subdivision, who (_____) is personally known to me, or (_____) has produced _____ as identification.

Notary Public

Printed Name: _____

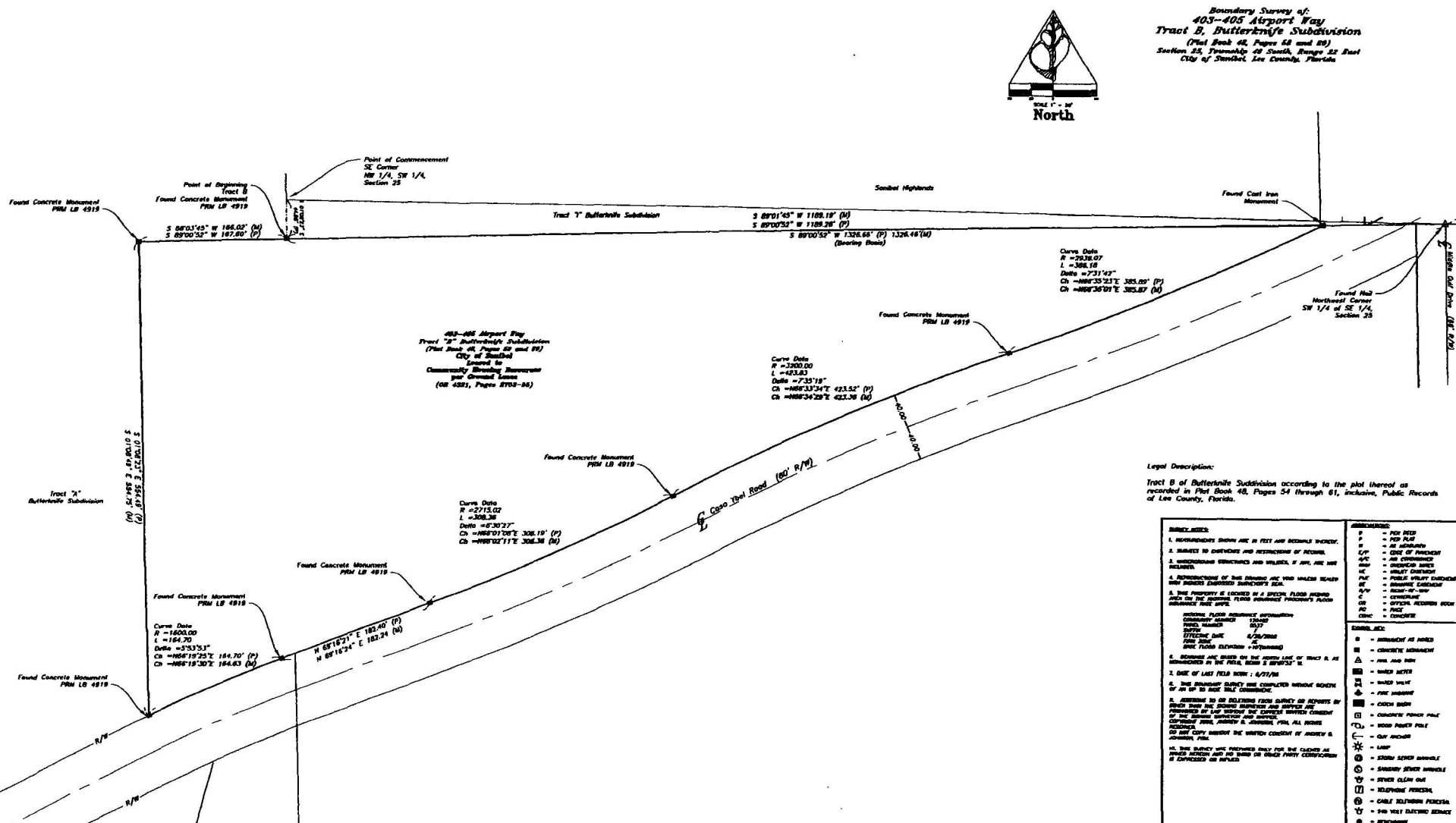
NOTARY SEAL

Commission No.

Expiration Date

Thence North 82°48'30" East 259.14 feet to the Point of Beginning.

Exhibit "A"
Page 1 of 4



Boundary Survey of:
403-405 Airport Way
Tract B, Butterknife Subdivision
 (Plot Book 48, Pages 68 and 69)
 Section 25, Township 49 South, Range 22 East
 City of Seaside, Lee County, Florida



Legal Description:

Tract B of Butterknife Subdivision according to the plot thereof as recorded in Plot Book 48, Pages 54 through 61, inclusive, Public Records of Lee County, Florida.

ABBREVIATIONS: 1. MEASUREMENTS SHOWN ARE IN FEET AND DECIMAL THEREOF. 2. SURVEYED TO CORNER AND INTERSECTION OF RECORD. 3. UNDEVELOPED STRUCTURES AND UTILITIES, IF ANY, ARE NOT RECORDED. 4. REPRESENTATION OF THIS SURVEY AND THE WHOLE THEREOF ARE NOT RECORDED. 5. THIS PROPERTY IS LOCATED IN A SPECIAL FLOOD HAZARD AREA ON THE FLOODING FLOOD INSURANCE RATE MAP. 6. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 7. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 8. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 9. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 10. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 11. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 12. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 13. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 14. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 15. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 16. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 17. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 18. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 19. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 20. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 21. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 22. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 23. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 24. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 25. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 26. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 27. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 28. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 29. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 30. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 31. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 32. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 33. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 34. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 35. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 36. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 37. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 38. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 39. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 40. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 41. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 42. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 43. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 44. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 45. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 46. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 47. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 48. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 49. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 50. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 51. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 52. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 53. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 54. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 55. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 56. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 57. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 58. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 59. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 60. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 61. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 62. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 63. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 64. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 65. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 66. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 67. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 68. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 69. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 70. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 71. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 72. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 73. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 74. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 75. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 76. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 77. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 78. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 79. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 80. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 81. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 82. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 83. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 84. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 85. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 86. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 87. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 88. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 89. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 90. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 91. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 92. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 93. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 94. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 95. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 96. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 97. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 98. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 99. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED. 100. THE SURVEYOR'S CERTIFICATE OF THIS SURVEY IS NOT RECORDED.	ABBREVIATIONS: P - FOR PLOT M - FOR MEASUREMENT C - FOR CORNER W - FOR WIDTH H - FOR HEIGHT D - FOR DISTANCE A - FOR AREA V - FOR VOLUME T - FOR TIME S - FOR SURFACE B - FOR BOUNDARY L - FOR LINE R - FOR ROAD F - FOR FENCE G - FOR GROUND W - FOR WATER A - FOR AIR S - FOR SOIL R - FOR ROCK L - FOR LIME S - FOR SAND G - FOR GRAVEL C - FOR COAL O - FOR OIL N - FOR NITROGEN P - FOR PHOSPHORUS K - FOR POTASSIUM Ca - FOR CALCIUM Mg - FOR MAGNESIUM Fe - FOR IRON Zn - FOR ZINC Cu - FOR COPPER Ni - FOR NICKEL Co - FOR COBALT Mn - FOR MANGANESE B - FOR BORON Mo - FOR MOLYBDENUM Sr - FOR STRONTIUM Y - FOR YTIUM Zr - FOR ZIRCONIUM Nb - FOR NIOBIUM Sn - FOR TIN Pb - FOR LEAD Bi - FOR BISMUTH Po - FOR POLONIUM At - FOR ASTATINE Rn - FOR RADON Ac - FOR ACTINIUM Th - FOR THORIUM Pa - FOR PROTACTINIUM U - FOR URANIUM Np - FOR NEPTUNIUM Pu - FOR PLUTONIUM Am - FOR AMERICIUM Cm - FOR CURIUM Bk - FOR BERKELIUM Cf - FOR CALIFORNIUM Es - FOR EISENHOWERIUM Fm - FOR FERMIUM Md - FOR Mendelevium No - FOR NIOBIUM Lr - FOR LAWRENCIUM Rf - FOR RUTHERFORDIUM Db - FOR DUBNIUM Sg - FOR SEABERGIUM Bh - FOR BOHR Hs - FOR HASENBERG Mt - FOR MEITNERIUM Nb - FOR NIOBIUM Mo - FOR MOLYBDENUM Tc - FOR TECHNETIUM Ru - FOR RUTHENIUM Rh - FOR RHODIUM Pd - FOR PALLADIUM Ag - FOR SILVER Cd - FOR CADMIUM In - FOR INDIUM Sn - FOR TIN Sb - FOR ANTIMONY Te - FOR TELLUR I - FOR IODINE Xe - FOR XENON Ba - FOR BARIUM La - FOR LANTHANUM Ce - FOR CELESIUM Pr - FOR PRASEODYMIUM Nd - FOR NIOBIUM Pm - FOR PROMETHIUM Sm - FOR SAMARIUM Eu - FOR EUROPEUM Gd - FOR GADOLINIUM Tb - FOR TERBIUM Dy - FOR DYSprosIUM Ho - FOR HOLLANDIUM Er - FOR ERBIUM Tm - FOR THULIUM Yb - FOR YtterBIUM Lu - FOR LUTETIUM Hf - FOR HAFNIUM Ta - FOR TANTALUM W - FOR WOLFRAM Re - FOR RhenIUM Os - FOR OSMIUM Ir - FOR IRIDIUM Pt - FOR PLATINUM Au - FOR GOLD Hg - FOR MERCURY Tl - FOR THALLIUM Pb - FOR LEAD Bi - FOR BISMUTH Po - FOR POLONIUM At - FOR ASTATINE Rn - FOR RADON Ac - FOR ACTINIUM Th - FOR THORIUM Pa - FOR PROTACTINIUM U - FOR URANIUM Np - FOR NEPTUNIUM Pu - FOR PLUTONIUM Am - FOR AMERICIUM Cm - FOR CURIUM Bk - FOR BERKELIUM Cf - FOR CALIFORNIUM Es - FOR EISENHOWERIUM Fm - FOR FERMIUM Md - FOR Mendelevium No - FOR NIOBIUM Lr - FOR LAWRENCIUM Rf - FOR RUTHERFORDIUM Db - FOR DUBNIUM Sg - FOR SEABERGIUM Bh - FOR BOHR Hs - FOR HASENBERG Mt - FOR MEITNERIUM
--	---

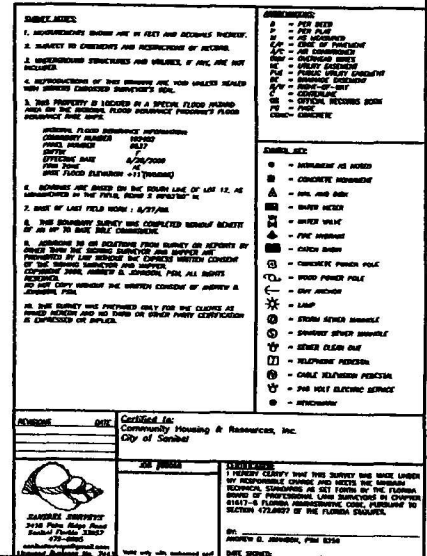
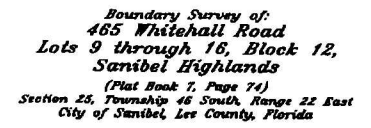
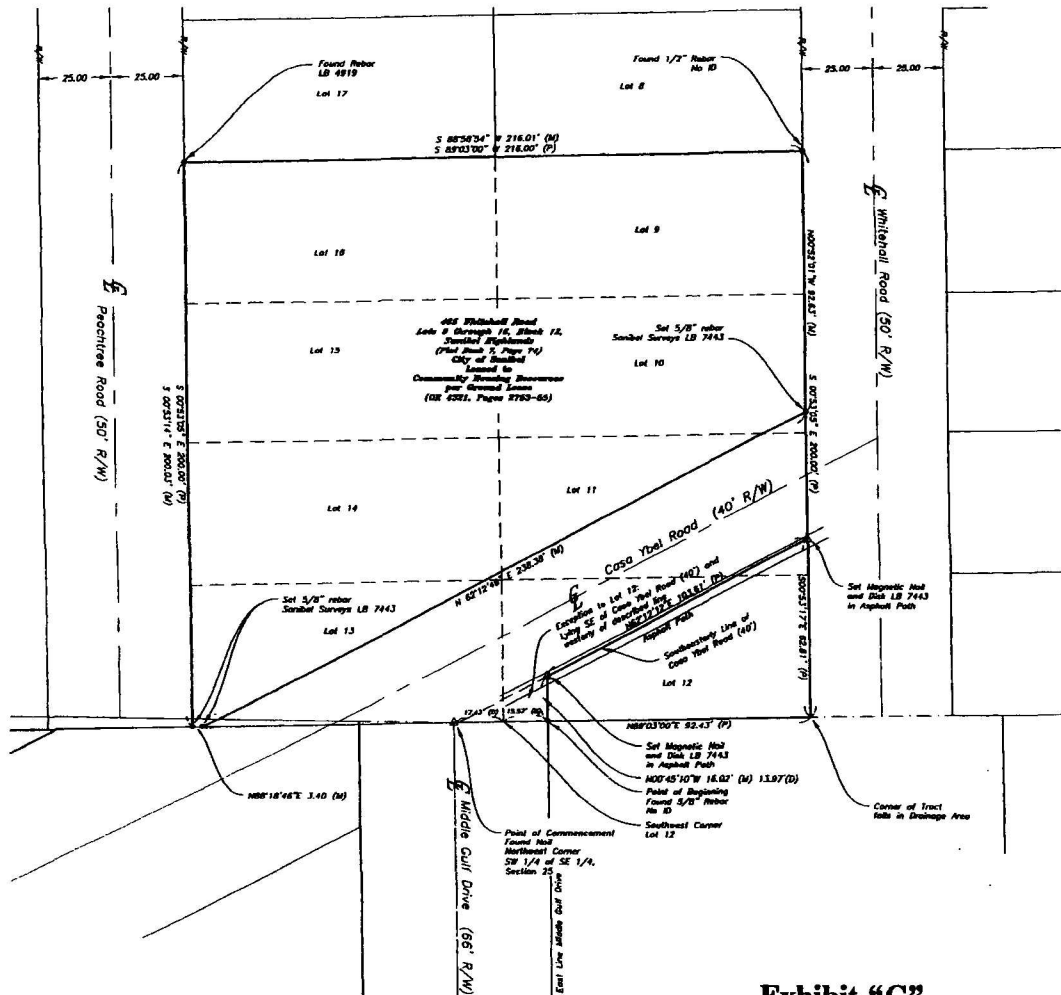


Exhibit "A"
Page 3 of 4



**Boundary Survey of:
465 Whitehall Road
Lots 9 through 16, Block 12,
Sanibel Highlands
(Plat Book 7, Page 74)
Section 25, Township 46 South, Range 22 East
City of Sanibel, Lee County, Florida**



Legal Description:

Lots 9, 10, 11, 12, 13, 14, 15, and 16, Block 12, Sanibel Highlands, according to the Plat thereof recorded in Plat Book 7, Page 74, Public Records of Lee County, Florida;

Less the following:

All that part of Lot 12, Block 12, Sanibel Highlands, Section 25, Township 46 South Range 22 East, according to the Plat thereof as recorded in Plat Book 7, Page 74, Public Records of Lee County, Florida, being Southeasterly of Coss Ybel Road (40 feet wide) and Westerly of the following described line:

From the Northwest corner of the Southwest quarter (SW 1/4) of the Southeast quarter (SE 1/4) of said Section 25 run North 89°03'00\"/>

Thence continue North 89°03'00\"/>

From said Point of Beginning run North 05°45'10\"/>

SYMBOLS	ABBREVIATIONS
1. MONUMENTS SHOWN ARE IN FEET AND DECIMALS THEREOF.	P - POST BEED
2. SUBJECT TO EASEMENTS AND INCUMBRANCES OF RECORD.	W - WOOD POST
3. MONUMENTS STRUCTURES AND UTILITIES, IF ANY, ARE NOT RECORDED.	C - CONCRETE
4. REPRESENTATION OF THIS SURVEY ARE WHO UNLESS NOTED OTHERWISE EXCLUDED SURVEYOR'S SEAL.	PA - PUBLIC UTILITY LAYOUT
5. THIS PROPERTY IS LOCATED IN A SPECIAL FLOOD HAZARD AREA ON THE FLOODING FLOOD INSURANCE PREMIUM'S FLOOD INSURANCE RATE MAP.	ST - STREET LIGHT
6. MONUMENTS ARE SHOWN ON THE STATION LINE OF LOT 12, AS INDICATED IN THE FIELD, BEING A SURVEYOR'S W.	CO - CONCRETE
7. DATE OF LAST FIELD WORK: 6/2/2016	
8. THIS SURVEY WAS COMPLETED WITHOUT REVIEW BY AN UP TO DATE SURVEYOR.	
9. REFERENCE TO AN EASEMENT FROM SURVEY OR RECORDS IN THIS SURVEY AND ANY EASEMENT AND SURVEY ARE OF THE SURVEYOR'S OWN KNOWLEDGE AND BELIEF.	
10. THIS SURVEY WAS COMPLETED WITHOUT REVIEW BY AN UP TO DATE SURVEYOR.	
11. THIS SURVEY WAS COMPLETED WITHOUT REVIEW BY AN UP TO DATE SURVEYOR.	
12. THIS SURVEY WAS COMPLETED WITHOUT REVIEW BY AN UP TO DATE SURVEYOR.	

Exhibit "C"
Page 1 of 2

GROUND LEASE

(Relating to Woodhaven & Casa Mariposa Land)

GROUND LEASE

THIS GROUND LEASE (the "Lease") is made and entered into by and between COMMUNITY HOUSING & RESOURCES, INC., a Florida non-profit corporation (hereinafter sometimes referred to as "Tenant"), whose address is 2401 Library Way, Sanibel, Florida 33957, and THE CITY OF SANIBEL, a Florida municipal corporation (hereinafter sometimes referred to as "Landlord"), whose address is 800 Dunlop Road, Sanibel, Florida 33957.

WHEREAS, Tenant operates and administers the Landlord's Below Market Rate Housing Program (the "BMRH Program") pursuant to a separate agreement between Landlord and Tenant ("BMRH Contract"); and

WHEREAS, Landlord is the owner of the land portion of certain real estate more particularly described on Exhibit "A" ("Premises") and certain described wastewater lift stations and related improvements located thereon to Landlord (collectively, "Lift Station and Facilities"). Tenant is the owner of all buildings, structures and improvements located on the Premises that are necessary for providing residential dwelling units for the BMRH Program, and

WHEREAS, the Premises, and all buildings structures and improvements located thereon, constitute part of the BMRH Program being operated and administered by Tenant; and

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Premises in order for Tenant to operate and administer the BMRH Program, subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the above premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. LEASE AND DESCRIPTION OF PREMISES.

A. Definition of Premises. For purposes of this Lease, the term "Premises" refers to the land described herein and any improvements upon the Premises that were not owned by Tenant at the time the Premises was leased to Tenant by Landlord pursuant to the terms of this Lease, except for that Lift Station and Facilities. It also includes any improvements placed upon the Premises in the future that are not owned by Tenant.

B. Lease. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term, the Premises, together with all appurtenances thereto, subject to the terms and conditions contained herein.

C. Landlord's Warranty of Quiet Enjoyment. Landlord covenants and agrees that Tenant, on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Tenant's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Premises during the term of this Lease without hindrance.

D. Ownership of Buildings and Other Structures. With the exception of the Lift Station and Facilities, if any, located on the Premises, Tenant is the owner of all buildings, structures, and other improvements now or hereinafter located on or in connection with the Premises (sometimes hereinafter referred to as "Tenant Improvements"). Upon expiration or earlier termination of this Lease for any reason, and in the event Tenant has not exercised its right to repurchase the Premises or exercised its right of first refusal as set forth below, the Tenant Improvements shall become the property of the Landlord. Tenant shall continue to collect, receive and account for all rental and other income from the Tenant Improvements and the Premises under the BMRH Program pursuant to the BMRH Contract

2. LEASE TERM.

A. Term. This Lease shall be for an initial term of fifty (50) years, commencing on February __, 2009, and expiring at 11:59 p.m. on February __, 2059, as extended pursuant to Section 2.B., below (collectively, the "Lease Term").

B. Perpetual Option to Extend. The Lease Term shall perpetually automatically extend from the date of expiration of the initial Lease Term, or from the date of expiration of the term of any Extension Period (as defined herein), for unlimited successive periods of five (5) years each (each individual five (5) year period shall hereinafter be referred to as an "Extension Period"), on the same terms and conditions as contained elsewhere in this Lease, unless at least ninety (90) days prior to the expiration of the initial Lease Term, or at least ninety (90) days prior to the expiration of any Extension Period, either party shall give to the other written notice of its election not to extend this Lease upon expiration of the initial Lease Term or any such Extension Period.

C. Holdover. If Tenant shall hold over after the expiration or earlier termination of the Lease Term, such tenancy shall be from month to month on all the terms, covenants, and conditions of this Lease.

3. RENT, TAXES, AND INSURANCE.

A. Base Rent. Beginning upon the commencement of this Lease, Tenant agrees to pay Landlord, as base rent for the Premises, the sum of ONE DOLLAR (\$1.00) per year, payable in advance, with the first such annual rental installment due and payable on the commencement date of this Lease, and subsequent installments due and payable on the same day of each successive year thereafter.

B. Taxes. Landlord represents and warrants to Tenant that the Premises are exempt from ad valorem property taxes as of the commencement date of this Lease.

C. Insurance. Tenant shall be responsible for obtaining and maintaining in effect at all times during the term of this Lease at Tenant's own expense, policies of fire, hazard, wind and flood insurance covering the buildings on the Premises in such amounts and on such

terms as reasonably determined by Tenant. Tenant shall be responsible for obtaining and maintaining in effect at all times during the term of this Lease at Tenant's own expense, policies of general liability insurance for death, bodily injury and property damage occurring on or about the Premises, in such amounts and with such coverages as reasonably determined by Tenant. Liability insurance policies shall name Landlord as an additional insured.

4. USE OF PREMISES.

A. Use. Tenant shall use the Premises only for the BMRH Program and any and all uses incidental thereto.

B. Other Uses. Tenant shall not use the Premises for purposes other than those set forth above, without the prior written consent of Landlord.

5. CONSTRUCTION BY TENANT.

A. Tenant's Right to Build - General Conditions. Tenant shall have the right, at any time and from time to time during the term of this Lease, to erect, maintain, alter, remodel, reconstruct, rebuild, replace, relocate and remove buildings and other improvements on the Premises, subject to the following conditions:

(i) The cost of any construction, reconstruction, demolition, or of any change, alteration, or improvements shall be borne and paid for by Tenant.

(ii) The Premises shall at all times be kept free of construction and materialmen's liens.

(iii) Landlord shall receive copies of architects' drawings and the plans and specifications showing the exterior appearance and dimensions of major improvements and shall have the right to approve same.

(iv) Landlord shall be notified at the time of commencement of any work.

(v) If the improvement is made at the request of Landlord, the cost shall be borne by Landlord.

B. Joinder of Landlord.

(i) Easements and Dedications. In order to provide for more orderly development of the Premises, it may be necessary, desirable, or required that street, water, sewer, drainage, gas, power line, and other easements and similar rights be granted or dedicated over or within portions of the Premises. As one of the considerations to Tenant for the execution of this Lease, Landlord shall, upon request of Tenant, promptly join with Tenant in executing and delivering such documents, from time to time, and throughout the term of this Lease, as may be

appropriate, necessary, or required by any governmental agency, public utility, or company for the purpose of granting such easements and dedications.

(ii) Zoning, etc. In the event that Tenant deems it necessary or appropriate to obtain use, zoning, subdivision or site plan approval or permits for the Premises, or any part thereof, Landlord agrees, from time to time upon request of Tenant, to promptly execute such documents, petitions, applications, and authorizations as may be appropriate or required to submit the Premises, or any part thereof, for the purposes of obtaining such conditional use permits, zoning or re-zoning, tentative or final plat or site plan approval. Landlord agrees to process any permits under the same conditions and terms as if the permit were a project or improvement of the Landlord.

(iii) Expenses: In each of the foregoing instances, Landlord shall be without expense therefor, the cost and expense thereof to be borne solely by Tenant.

C. Tenant's Ownership of Improvements and Fixtures.

(i) It is expressly understood and agreed that any buildings, improvements, fixtures, machinery, and equipment of whatever nature at any time constructed, placed, or maintained upon any part of the Premises shall be and remain the exclusive property of Tenant.

(ii) Tenant shall have the right at any time during the term of this Lease, to remove any and all buildings, improvements, fixtures, machinery and equipment owned or placed by Tenant or its sublessees in, under, or upon the Premises, but Tenant shall not be obligated to do so.

6. ENCUMBRANCE OF LEASEHOLD ESTATE. Tenant may, at any time or from time to time during the term of this Lease, encumber by mortgage or other security instrument, by way of assignment, or otherwise, Tenant's interest under this Lease and the leasehold estate hereby created for any purpose, with the consent of Landlord. If such consent is given by the Landlord, Landlord agrees to execute any such consent or other instrument required by any lender providing financing to Tenant to be secured by the leasehold estate or the Tenant Improvements on the Premises; provided, however, that no such instrument shall work to divest Landlord of its fee simple title to the Premises. Funds secured by the mortgage or other security instrument shall be used for the BMRH Program.

7. REPAIRS. Tenant, at Tenant's own cost and expense at all times during the term of this Lease, agrees to keep and maintain, or cause to be kept and maintained, all buildings and improvements which may be erected upon the Premises in a good state of appearance and repair, reasonable wear and tear excepted.

8. DAMAGE OR DESTRUCTION. If any building, structure or other improvement shall at any time be destroyed or damaged by fire or other casualty, Tenant shall, with the proceeds from insurance, repair or replace such building, structure or improvement in accordance

with plans and specifications acceptable to Tenant and approved by Landlord. Tenant shall bear all other costs associated with such repair or replacement, and shall pursue such repair or replacement in accordance with all applicable laws and in a lien free manner. Notwithstanding the above, Tenant may, in Tenant's discretion, [and subject to any contrary requirements or obligations of Tenant under the BMRH Contract,] determine not to replace or repair any building, structure or improvement that is substantially damaged or destroyed during the term of this Lease.

9. CONSTRUCTION LIENS.

A. Prohibition of Liens on Fee or Leasehold Interest. Tenant shall not suffer or permit any construction liens to be filed against the fee of the Premises nor against Tenant's leasehold interest in the land nor any buildings or improvements of the Premises by reason of any work, labor, services, or materials, supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part thereof through or under Tenant.

B. Removal of Liens by Tenant. If any such construction liens shall be recorded against the Premises, or any improvements thereon, Tenant shall promptly cause the same to be removed at Tenant's expense. Failure to remove construction liens within 180 days, without justification, shall constitute a breach of this Lease.

10. CONDEMNATION.

A. Interests of Parties of Condemnation. In the event the Premises or any part thereof shall be taken for public purposes by condemnation by a condemning authority other than Landlord as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, the interests of Landlord and Tenant in the award or consideration for such transfer and the effect of the taking or transfer upon this Lease shall be as provided by this Section.

B. Total Taking-Termination. If at any time during the term of this Lease, title to the whole or materially all of any parcel of property constituting part of the Premises shall be taken by exercise of the right to condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all such proceedings being collectively referred to herein as a "taking in condemnation"), this Lease shall terminate as to such parcel only. In the event of the taking of the whole or substantially all of any parcel of property constituting part of the Premises during the term of this Lease, the rights of Landlord and Tenant to share in the net proceeds of any award on any such taking, shall be as follows:

(i) Landlord shall be entitled to receive that portion of the award as shall represent compensation for the value of such parcel of real property constituting part of the Premises, considered as vacant and unimproved land, such value being hereinafter referred to as the "land value".

(ii) Tenant shall be entitled to receive that portion of the award as shall represent compensation for the value of the Tenant Improvements on such parcel of real property constituting part of the Premises, such value being hereinafter referred to as the "building value".

C. Partial Taking-Continuation. In the event of a taking or transfer of only a part of any parcel of real property constituting part of the Premises leaving the remainder of such parcel in such location and in such form, shape, and size as to be used effectively and practicably for the purpose of operation thereon of Tenant's activities, this Lease shall continue in full force and effect as to the portion of the Premises not so taken or transferred. Landlord shall be entitled to receive any compensation for the land value, and Tenant shall be entitled to receive any compensation for the building value so taken as a result of such partial taking or transfer in lieu thereof.

D. Condemnation by Landlord. If the Tenant's interest is taken by the Landlord, for another public purpose, Landlord shall pay Tenant the just and lawful value of Tenant's interest. Landlord will also make a good faith effort to provide for a reasonable and comparable alternative site within the City for the same number of below market rate dwelling units. Said alternate site shall be subject to Tenant's approval, such approval not to be unreasonably withheld.

E. Voluntary Conveyance. A voluntary conveyance by Landlord to a utility, agency, or authority under threat of taking under the power of eminent domain in lieu of formal proceedings shall be deemed a taking within the meaning of this Article.

11. ASSIGNMENT; AUTOMATIC ASSIGNMENT AND TERMINATION; SUBLEASE.

A. Tenant's Right to Assign. Tenant shall not assign any or all of its rights and obligations under this Lease without Landlord's prior written consent.

B. Automatic Assignment and Termination. The parties hereto mutually acknowledge that: (i) this Lease is for the sole benefit of the BMRH Program; and (ii) the BMRH Contract is for a shorter duration than the term of this Lease. In the event that Tenant is no longer the operator and administrator of the BMRH Program as evidenced by a written termination of the BMRH Contract by and between Tenant and Landlord, Tenant's rights and obligations hereunder shall automatically terminate and have no further force and effect, and said rights and obligations shall automatically be assigned, transferred and conveyed to the new operator and administrator of the BMRH Program. In such event, Tenant shall convey to the new operator and administrator of the BMRH Program the Tenant Improvements. Notwithstanding anything in the foregoing to the contrary, if the Landlord elects to operate and administer the BMRH program, the Landlord, in its sole discretion, has the right to terminate this Lease without the consent of the Tenant, subject to subparagraph C. below.

C. Subleases. Tenant shall have the right to sublease all or any portion of the Premises, from time to time, with Landlord's consent in connection with Tenant's operation and

administration of the BMRH Program. All rental and other income received from such subleasing of all or part of the Premises shall be collected, received and accounted for in accordance with the BMRH Contract. If this Lease is terminated for any reason whatsoever, such termination shall not act as a merger, and Tenant's interest as sublessor in any sublease shall be deemed automatically assigned, transferred and conveyed to the owner of Landlord's interest; and, from and after such termination, the holder of Landlord's interest in this Lease (as well as any sublessee) shall be bound by the provisions of any sublease then in force and effect. It is the intention hereof to provide that the termination of this Lease shall not in any way, by reason of such termination, terminate any sublease or modify the rights of any sublessee.

12. EXOTIC VEGETATION.

A. Exotic Vegetation. In addition to the obligations and responsibilities of Landlord as set forth elsewhere in this Lease, Landlord shall within one (1) year of the commencement of this Lease, remove or cause to be removed and cleared all exotic vegetation and trees on the Premises, at Landlord's expense, in accordance with all applicable laws. Landlord shall maintain the Premises free from exotic vegetation and trees at all times during the term of this Lease. If Landlord shall fail to remove or maintain the Premises free from exotics in accordance with this Section, which default shall continue for more than thirty (30) days after written notice from Tenant, then Tenant may, but shall not be obligated to, remove such exotics and Landlord shall immediately on demand reimburse Tenant for any and all costs incurred by Tenant in removing such exotics.

13. ADDITIONAL RESPONSIBILITIES OF TENANT.

A. Performance Standards Relating to BMRH Program. During the term of this Lease, Tenant shall provide Landlord with the following: (i) annual audits of Tenant relating to the BMRH Program within ninety (90) days of each fiscal year end of Tenant; (ii) quarterly internally prepared financial statements of Tenant relating to the BMRH Program within twenty (20) days of each fiscal quarter end of Tenant; (iii) an annual narrative report of Tenant relating to the BMRH Program on or before August 1 of each year; (iv) on a continuing basis as reasonably determined by Landlord, copies of all materials required to operate the BMRH Program, including applicant and tenant recommendations, point systems, rent ranges, income limits, rent surveys, and such other materials reasonably determined by Tenant and (v), commitment to remain in conformance with standards set forth in the CHR/City Agreement, as amended from time to time.

B. Failure to Provide Information. If Tenant shall fail to provide the above information, which default shall continue for more than ninety (90) days after written demand from Landlord (or such longer period of time if deemed warranted by Landlord), then Tenant shall be in default hereunder.

14. TENANT'S RIGHT TO PARTICIPATE IN ANNUAL REVIEW. Tenant shall have the right to participate in Landlord's Planning Commission's annual evaluation of the BMRH Program. If at any time the Planning Commission report indicates an item or issue of

“noncompliance” or “ineffectiveness,” Tenant shall have ninety (90) days to rectify that item, the failure of which shall constitute a default hereunder. Notwithstanding, if such item is of a nature that it can not be rectified within such ninety (90) day period, Tenant may seek an extension from Landlord to rectify such item, Tenant’s request for such extension to be submitted not more than sixty (60) days from the finding on noncompliance or ineffectiveness.

15. DEFAULT AND REMEDIES. No failure to perform any condition or covenant of this Lease shall entitle Landlord to terminate this Lease unless (a) such failure shall have continued for ninety (90) days after notice in writing requiring the performance of such condition or covenant shall have been given to Tenant (or such longer period of time as may be specified elsewhere in this Lease), and (b) if such default is of a nature that it cannot be remedied within such time, then, unless Tenant shall fail to cure such default within such additional time as is reasonably necessary to cure the default, provided that Tenant shall commence to cure the default within such time period and thereafter shall diligently continue the curing of the default. In the event of such a default by Tenant which shall remain uncured, then Landlord shall be entitled to terminate this Lease as its sole and exclusive remedy.

16. TERMINATION AND SURRENDER. Unless Tenant exercises its option to repurchase the Premises as set forth in Section 17 below, upon expiration or sooner termination of this Lease, Tenant agrees to redeliver possession of the Premises to Landlord in substantially the same condition that existed immediately prior to Tenant's entry on the Premises, reasonable wear and tear, damage by the elements, acts of God, war and any act of war, excepted. Upon expiration or termination (for any reason) of this Lease, and provided Tenant has not exercised its option to repurchase the Premises as set forth in Section 17 below, all buildings, structures and other improvements shall remain with the Premises and be the property of Landlord, and Tenant shall have no further claim thereto.

17. OPTION TO REPURCHASE. At the expiration of this Lease, whether the original Lease Term or any Extension Period thereof, or upon any sooner termination of this Lease by the Landlord, Tenant shall have a 180 day option to repurchase the Premises and improvements not owned by Tenant, with the exception of the Lift Station and Facilities. The purchase price for the Premises shall be the fair market value as determined by a good faith appraisal performed by an independent appraiser mutually agreed upon by Landlord and Tenant. In the event that Landlord and Tenant cannot agree upon a single independent appraiser to perform the good faith appraisal, the Landlord shall select one appraiser, the Tenant shall select one appraiser, and the two appraisers selected shall select a third appraiser, all of whom shall perform a fair market value appraisal on the premises to be purchased. The purchase price shall be deemed to be the average of the three good faith fair market value appraisals. The purchase price for any improvements not owned by Tenant, with the exception of the sewer lift station, shall be the fair market value of the improvement at the time of the repurchase as determined through the appraisal method set forth above in this paragraph. All costs related to the appraisal(s) shall be shared equally by Landlord and Tenant.

18. GENERAL PROVISIONS.

A. First Right of Refusal. Landlord and Tenant both agree that in the event Landlord receives a bona fide offer to purchase the Premises or any part thereof during the term of this Lease, and Landlord decides to accept said offer, Tenant shall have a right of first refusal to purchase the Premises or portion thereof at the same price and upon the same terms and conditions as offered by any such prospective buyer. Before acceptance of any bona fide offer to purchase, Landlord shall, immediately upon receiving said offer, notify Tenant by certified mail setting forth in such notice the name and address of the prospective purchaser of the Premises or portion thereof and providing the full details and copies of any contracts to purchase or any other documents relating to such purchase offer. Tenant shall have thirty(30) days after receipt of such notice in which to notify Landlord of its election to purchase under the same terms and conditions of said offer as set forth in said notice.

B. Conditions and Covenants. All of the provisions of this Lease shall be deemed as running with the land, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

C. No Waiver of Breach. No failure by either Landlord or Tenant to insist upon the strict performance by the other of any covenant, agreement, term, or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term or condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

D. Time of Essence. Time is of the essence of this Lease, and each provision hereof.

E. Computation of Time. The time in which any act provided by this Lease is to be done, is computed by excluding the first day and including the last, unless the last day is a Saturday, Sunday, or legal holiday, and then it also is excluded.

F. Unavoidable Delay-Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Lease by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws, or regulations or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of such delay.

G. Successors in Interest. Each and all of the covenants, conditions, and restrictions in this Lease shall inure to the benefit of and shall be binding upon the assignees, transferees, subtenants, licensees, and other successors in interest of Tenant.

H. Entire Agreement. This Lease contains the entire agreement of the parties with respect to the matters covered by this Lease, except for the City/CHR operating agreement

and no other agreement, statement, or promise has been made by any party, or to any employee, officer, or agent of any party.

I. Partial Invalidity. If any term, covenant, condition, or provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

J. Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, and neither the method of computation of rent nor any other provisions contained in this Lease nor any acts of the parties shall be deemed to create any relationship between Landlord and Tenant, other than the relationship of lessor and lessee.

K. Interpretation and Definitions. The language in all parts of this Lease shall in all cases be simply construed according to its fair meaning and not strictly for or against Landlord or Tenant. Unless otherwise provided in this Lease, or unless the context otherwise requires, the following definitions and rules of construction shall apply to this Lease.

(i) Number and Gender: In this Lease the neuter gender includes the feminine and masculine, and the singular number includes the plural, and the word "person" includes a corporation, partnership, firm, association or other entity wherever the context so requires.

(ii) Mandatory and Permissive: "Shall", "will" and "agrees" are mandatory; "may" is permissive.

(iii) Captions: Captions of the articles, sections, and paragraphs of this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease.

(iv) Term Includes Extensions: All references to the term of this Lease, or the Lease Term, shall include any Extension Periods thereof.

(v) Parties: Parties shall include the Landlord and Tenant named in this Lease.

(vi) Sublessee: As used herein, the word "sublessee" shall mean and include in addition to a sublessee and subtenant, a licensee, concessionaire, or other occupant or user of any portion of the Premises or buildings or improvements thereon.

L. Attorney's Fees. In the event either Landlord or Tenant shall bring any action or proceedings for damages for an alleged breach of any provision of this Lease, to recover

rents, or to enforce, protect, or establish any right or remedy of either party, the prevailing party shall be entitled to recover as a part of such action or proceedings reasonable attorney's fees and court costs, both at trial and appeal.

M. Modification. This Lease may be modified by a written instrument signed by both parties.

N. Delivery of Rent and Notices-Method and Time. All rents or other sums, notices, demands, or requests from one party to another shall be personally delivered or sent by mail, certified or registered, postage prepaid, to the addresses stated in the first paragraph of this Lease and shall be deemed to have been given at the time of personal delivery, or if by mail, at the end of the third business day following the date of mailing. Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this Section.

O. Brokers' Commission. Each of the parties represents and warrants that there are no claims for brokers' commissions or finder' fees in connection with the execution of this Lease.

P. Alternative Dispute Resolution. In the event of any dispute under this Lease, the parties agree to implement alternative dispute resolution processes in order to save time and expense. The procedures shall include mediation by a qualified mediator to be named by the Chief Judge of the Circuit Court for the 20th Judicial District, and if mediation fails, by arbitration under the Florida Arbitration Code, by an arbitrator appointed by said Chief Judge. Nothing in this section prohibits the parties from mutually agreeing upon another method of resolving the dispute at the time the dispute arises.

19. EXECUTION AND RECORDING.

A. Counterparts. This Lease may be executed by the parties in several counterparts, each of which shall be deemed to be an original.

B. Recording. The parties shall simultaneously with the execution of this Lease execute, acknowledge and record in the public records a short Memorandum of this Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this _____ day of _____, 20_____.

Signed, sealed and delivered
In the presence of:

“LANDLORD”:

CITY OF SANIBEL,
a Florida municipal corporation

APPROVED AS TO FORM:


CITY ATTORNEY

Attest: _____
City Clerk

By: _____

Print Name and Title

Signed, sealed and delivered
In the presence of:

“TENANT”:

COMMUNITY HOUSING &
RESOURCES, INC., a Florida nonprofit
corporation

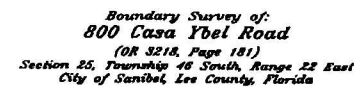
Attest: _____
Corporate Secretary

By: _____
Michael Cuscaden, President

EXHIBIT "A"

REAL PROPERTY LEGAL DESCRIPTIONS

CASA YBEL ROAD
PERIWINKLE WAY



Startups are based on the East line of the Northwest one quarter of said Section 23 at bearing N07°01'30"W.

[illegible]

APPROVED	DATE	Certified by: Community Housing and Resources, Inc. City of San Jose
----------	------	--

 JANORAL SERVICE 1430 Palm Ridge Road Bunkie, Florida 33567 477-6868 www.janoralservice.com	ALL RIGHTS	ADDITIONAL: 1 HENDER COUNTY that THIS SURVEY WAS MADE UNDER OF REGISTERED OWNER AND ACRES THE REMAINS EIGHTH-SIXTEEN AS SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS IN CHAPTER 81017-6 FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECURE 47LANDS OF THE FLORIDA STATUTES.
	Held only with returned and	By: ANDREW S. JENNISON, PRR 6258 DATE: 09/01/01

Exhibit "A"
Page 1 of 2

MEMORANDUM OF GROUND LEASE
(Relating to Woodhaven & Casa Mariposa Land)

Property Tax ID #: _____

This instrument was prepared
without opinion of title by
and After Recording Return to:
Michele W. Gazica, Esq.
Roetzel & Andress
850 Park Shore Drive
Third Floor
Naples, Florida 34103
(239) 649-6200

(space above this line for recording data)

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE is made and entered into by and between COMMUNITY HOUSING & RESOURCES, INC., a Florida non-profit corporation (hereinafter sometimes referred to as "Tenant"), whose address is 2401 Library Way, Sanibel, Florida 33957, and THE CITY OF SANIBEL, a Florida municipal corporation (hereinafter sometimes referred to as "Landlord"), whose address is 800 Dunlop Road, Sanibel, Florida 33957.

WHEREAS, Tenant and Landlord entered into that certain Ground Lease effective February __, 2009, (The "Ground Lease"), for the lease of the real property described on Exhibit "A" attached hereto (the "Premises"); and

WHEREAS, as required by 19.B of the Ground Lease, Tenant and Landlord desire to enter into and record this Memorandum of Ground Lease to evidence the existence of the Ground Lease.

NOW, THEREFORE, in consideration of the above premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **RECITALS**. The above recitals are true and correct and are incorporated herein by reference.

2. **DEFINITION OF PREMISES**. For purposes of the Ground Lease, the term "Premises" refers to the land described herein and any improvements upon the Premises that were not owned by Tenant at the time the Premises was leased to Tenant by Landlord pursuant to the terms of the Ground Lease, except for wastewater lift stations, and related facilities (the "Lift Station and Related Facilities). It also includes any improvements placed upon the Premises in the future that are not owned by Tenant.

3. **LEASE.** Landlord has leased to Tenant, and Tenant has leased from Landlord, for the Lease Term (as defined in Section 4(a), below), the Premises, together with all appurtenances thereto, subject to the terms and conditions contained in the Ground Lease, which terms and conditions are incorporated herein by reference.

4. **LEASE TERM.**

(a) **Term.** The Ground Lease shall be for an initial term of fifty (50) years, commencing on February __, 2009, and expiring at 11:59 p.m. on February __, 2058, as extended pursuant to Section 4(b), below (collectively, the "Lease Term").

(b) **Perpetual Option to Extend.** The Lease Term shall perpetually automatically extend from the date of expiration of the initial Lease Term, or from the date of expiration of the term of any Extension Period (as defined herein), for unlimited successive periods of five (5) years each (each individual five (5) year period shall hereinafter be referred to as an "Extension Period"), on the same terms and conditions as contained elsewhere in the Ground Lease, unless at least ninety (90) days prior to the expiration of the initial Lease Term, or at least ninety (90) days prior to the expiration of any Extension Period, either party shall give to the other written notice of its election not to extend the Ground Lease upon expiration of the initial Lease Term or any such Extension Period.

(c) **Holdover.** If Tenant shall hold over after the expiration or earlier termination of the Lease Term, such tenancy shall be from month-to-month on all the terms, covenants, and conditions of the Ground Lease.

5. **OWNERSHIP OF BUILDINGS AND OTHER STRUCTURES.** With the exception of the Lift Station and Related Facilities, if any, located on the Premises, Tenant is the owner of all buildings, structures, and other improvements now or hereinafter located on or in connection with the Premises. Upon expiration or earlier termination of the Ground Lease for any reason, and in the event Tenant has not exercised its right to repurchase the Premises or exercised its right of first refusal as set forth below, all buildings, structures and improvements shall become the property of the Landlord.

6. **OPTION TO REPURCHASE.** At the expiration of the Ground Lease, whether the initial Lease Term, any Extension Period thereof, or upon any sooner termination of the Ground Lease by the Landlord, Tenant shall have a 180 day option to repurchase the Premises and improvements located thereon not owned by Tenant, with the exception of the Lift Station and Related Facilities. The purchase price for the Premise shall be the fair market value as determined by a good faith appraisal performed by an independent appraiser mutually agreed upon by Landlord and Tenant. In the event that Landlord and Tenant cannot agree upon a single independent appraiser to perform the good faith appraisal, the Landlord shall select one appraiser, the Tenant shall select one appraiser, and the two appraisers selected shall select a third appraiser, all of whom shall perform a fair market value appraisal on the premises to be purchased. The purchase price shall be deemed to be the average of the three good faith fair market value appraisals. The purchase price for any improvements not owned by Tenant, with the exception of the sewer lift station, shall be the fair market value of the improvements at the time of the repurchase as determined through the appraisal method set forth above in this paragraph. All costs related to the appraisal(s) shall be shared equally by Landlord and Tenant.

7. **FIRST RIGHT OF REFUSAL.** Landlord and Tenant both agree that in the event Landlord receives a bona fide offer to purchase the Premises or any part thereof during the Lease Term, and Landlord decides to accept said offer, Tenant shall have a right of first refusal to purchase the Premises or portion thereof at the same price and upon the same terms and conditions as offered by any such prospective buyer. Before acceptance of any bona fide offer to purchase, Landlord shall, immediately upon receiving said offer, notify Tenant by certified mail setting forth in such notice the name and address of the prospective purchaser of the Premises or portion thereof and providing the full details and copies of any contracts to purchase or any other documents relating to such purchase offer. Tenant shall have thirty (30) days after receipt of such notice in which to notify Landlord of its election to purchase under the same terms and conditions of said offer as set forth in said notice.

8. **PROHIBITION OF LIENS ON FEE OR LEASEHOLD INTERESTS.** Tenant shall not suffer or permit any construction liens to be filed against the fee of the Premises nor against Tenant's leasehold interest in the land nor any buildings or improvement of the Premises by reason of any work, labor, services, or materials, supplied or claimed to have been supplied to Tenant or anyone holding the Premises or any part hereof through or under Tenant.

9. **TERMINATION OF MEMORANDUM OF LEASE.** On the expiration or sooner termination of the Ground Lease, Landlord and Tenant shall execute a notice of termination in recordable form stating that the Ground Lease is of no further force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this _____ day of _____, 2009.

[SIGNATURE AND NOTARY BLOCKS ON FOLLOWING PAGES]

Signed, sealed and delivered
In the presence of:

(Witness Sign Name)

(Witness Print Name)

(Witness Sign Name)

(Witness Print Name)

“TENANT”:

COMMUNITY HOUSING & RESOURCES,
INC., a Florida non-profit corporation

By: _____
Michael Cuscaden, President

STATE OF FLORIDA)
) ss:
COUNTY OF LEE)

THE FOREGOING INSTRUMENT was acknowledged before me this _____ day of _____, 2009, by Michael Cuscaden, as President of COMMUNITY HOUSING & RESOURCES, INC., a Florida non-profit corporation, on behalf of said corporation, who (____) is personally known to me, or (____) has produced _____ as identification.

NOTARY SEAL

Notary Public

Printed Name: _____

Commission No.

Expiration Date

"LANDLORD":

CITY OF SANIBEL,
a Florida municipal corporation

(Witness Sign Name)

(Witness Print Name)

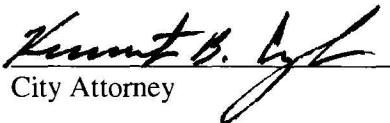
(Witness Sign Name)

(Witness Print Name)

By: _____

Attest: _____

Approved as to form:


City Attorney

STATE OF FLORIDA)
) ss:
COUNTY OF LEE)

THE FOREGOING INSTRUMENT was acknowledged before me this _____ day of _____, 2009, by _____ as _____ for THE CITY OF SANIBEL, a Florida municipal corporation, on behalf of said political subdivision, who (_____) is personally known to me, or (_____) has produced _____ as identification.

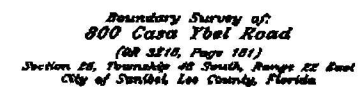
Notary Public

Printed Name: _____

NOTARY SEAL

Commission No.

Expiration Date



Subject Description

A piece of land situated in the State of Florida, County of Lee, City of Panama, being a part of Section 23 Township 49 South, Range 26 East and better located and described as follows:

Beginning at the Southeast corner of the Northwest one quarter (SW 1/4) of the Northeast one quarter (NE 1/4) of said Section 23,

There is also a listing for the first day of July between the 1930s and is the Western corner of a street situated in East Rock Hill on Page 147.

These contain ~~SECRET~~ along the Gateway line of document passed (first sheet 248 page 247 for 248.3) and in the Gateway right of the 2nd of Class Two Sheet 248.6 has been the copyright.

These ~~SECRET~~ along with Gateway right of the 2nd for 482.27 and in the Page of Registry.

These affidavits along with further report of WFO dated 10/24/67 sent to the Assistant Commissioner of the State Department dated 1/24/68 at page 1044.

NOTE: 20724727 along with that one for 130-25 code
NOTE: 20724727 to the 68123 fed to the Point of Engineering
Add the January 15 doc.

Startups are based on the cost of the National are quarter of each dollar \$1 in savings 100%.

[illegible]

Student	Faculty
	Facilities for Community Housing and Recreation, Inc. City of Portland

	City of Seattle	
	JAN 20 1976	12-11-75



American Embassy
716 Park Road S.W.
Washington, D.C.

[illegible]

Exhibit "A"
Page 1 of 2

