



THE LEASE PROCESS

After a Buy/Sell Contract Has Been Signed

After signing a buy/sell contract, you will need to initiate a Fairhope Single Tax Corporation Lease Transfer. Local real estate organizations and banks understand our lease process and will assist lessees. Our transfer procedures are on our web site.

The procedure is as follows:

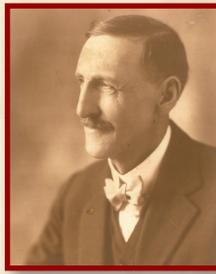
- Provide a Transfer Request Letter (Seller)
- Provide a Certified Appraisal (Buyer or Seller)
- Schedule a Lease Orientation session at the Fairhope Single Tax Corporation Office in order to understand how our leaseholds are managed and your role in the process (Buyer)

The Fairhope Single Tax staff will be happy to answer any questions the lessee may have and assist through the lease transfer process.

The Fairhope Single Tax website is a great source of information.
www.fairhopesingletax.com



FAIRHOPE SINGLE TAX CORPORATION
336 Fairhope Avenue, Fairhope AL 36532
251-928-8162
transfers@fairhopesingletax.com



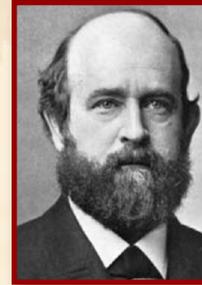
Fairhope can trace its founding to Des Moines, Iowa, in 1894 and to an idealistic young man, Ernest Berry Gaston, who wanted to form a model community as a Colony where people could isolate themselves from

exploitation and enjoy the full benefits of their labor. He was in a circle of other populist reformists who were anxious to join him. They agreed to form an association which would own the colony land to demonstrate the Single Tax principle based on the ideas set forth by economist and politician, Henry George, in his book *Progress and Poverty*.

Paid membership in the corporation (\$100) gave members the right to lease Colony land for an annual rent. The corporation would be run by directors and officers, and by vote of the members. All members (men and women) had the right to vote. Soon, non-members were also able to lease Colony land.

The work to build Fairhope was hard, but the founders were intelligent and dedicated and made progress quickly. In 1904, the corporation was reincorporated in Alabama as the Fairhope Single Tax Corporation and continued to thrive.

People living on non-Colony land increased, so a Fairhope City municipality was formed in 1908. Today, Fairhope is a growing community that attracts people from across the nation as residents.



INFORMATION FOR PROSPECTIVE LESSEES



THE LEGACY OF THE FAIRHOPE SINGLE TAX CORPORATION

FOUNDED 1894



WHAT IS A SINGLE TAX LEASE?



This pamphlet has been prepared for those who are considering leasing a lot owned by the Fairhope Single Tax Corporation. Your realtor will let you know if the lot you are considering is on FSTC lands (also known as “Colony” lands). There are over 3,000 Single Tax lessees in Fairhope.

The Corporation is a 501(c)(4), nonprofit, tax-exempt corporation administering approximately 4,400 acres in Fairhope. Lots are leased for 99 years and the lease can be renewed or inherited. The FSTC holds title to the land; the lessee owns all the improvements on the land. When the improvements on the land are sold, the FSTC processes the transfer of the lease between the buyer and seller, thus initiating a new 99-year lease.

Lessees pay annual rent to the FSTC which includes all property taxes due on the land and improvements. An administration fee (currently \$105*) is also included in the rent each year, plus a reasonable demonstration fee (currently .002%* of the land value).

The latter of the fees enables the FSTC to continue to adhere to its founding principles of the Single Tax Colony by using the fees collected to invest in projects that benefit the entire community.

* The FSTC reserves the right to make changes without notice.

CONTRIBUTIONS OF THE FAIRHOPE SINGLE TAX CORPORATION

Parks are one of the most visible benefits provided to the City of Fairhope for the use of the community. There are 20 different nature and sporting parks in Fairhope. The parks were deeded by the Fairhope Single Tax Corporation to the City in the 1930s with the stipulation that they would be kept for the benefit of all. Major funding of the Fairhope Public Library, the Fairhope Museum of History, Thomas Hospital, and Faulkner State Community College’s Performance Arts Pavilion are good examples of building projects. The Corporation has also provided Fairhope with sidewalks in many areas of Fairhope, projects that benefit local schools, and many other projects that provide financial assistance that make a difference. A large part of Fairhope’s character is built on the principles and contributions of the Fairhope Single Tax Corporation.



LIVING ON COLONY LAND

Those who live on Colony land take pride in being there. They are living in a community that was founded as an experiment with “Single Tax” principles. Fairhope has become a very unique community and many feel the spirit of 1894 remains. The 99-year lease on the land is as secure as a deed.

Buying and selling a house on leased land is the same process as a standard real estate transaction, except that the lessee receives a 99 year lease on the land and bill of sale for the improvements rather than a deed. Transfer of the lease to a new owner is a routine administrative process through the Fairhope Single Tax Corporation office. Mortgages work just as well as with deeded property.

All aspects of paying your rent and being a lessee are fully explained on our website (www.fairhopesingletax.com) and during a short orientation at the Single Tax office when you complete the lease process.

WANT TO BECOME A MEMBER OF THE SINGLE TAX CORPORATION?

The Fairhope Single Tax Corporation welcomes new members to participate in all corporate activities just as it did in 1894, and the cost is still \$100. Prospective members are expected to be knowledgeable and support the Single Tax theory and the history of Fairhope as a Single Tax experiment by completing an 11-week class on those topics. After completing the course, the prospective member must apply for membership, interview with the membership committee, and then be considered and accepted by the Board of Directors.