

# LEASE

THIS LEASE, MADE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, BY AND BETWEEN FAIRHOPE SINGLE TAX CORPORATION, "LESSOR", OF FAIRHOPE, BALDWIN COUNTY, ALABAMA, AND \_\_\_\_\_

\_\_\_\_\_ OF \_\_\_\_\_, HEREINAFTER DESIGNATED AS THE "LESSEE."

WITNESSETH: THAT THE SAID FAIRHOPE SINGLE TAX CORPORATION; FOR AND IN CONSIDERATION OF THE ANNUAL RENTALS AND COVENANTS HEREINAFTER SET FORTH HAS THIS DAY LEASED TO AND SAID LESSEE TAKEN POSSESSION OF THE FOLLOWING DESCRIBED PARCEL OF LAND, TO WIT:

FOR THE TERM OF NINETY-NINE (99) YEARS FROM THIS DATE SUBJECT TO THE TERMS, CONDITIONS AND COVENANTS HEREIN STATED. PROTECTIONS INDICATED FOR MORTGAGEE(S) WILL BE ENFORCED IF MORTGAGE INSTRUMENTS ARE RECORDED IN PROBATE.

(1) The Lessee shall pay to the Fairhope Single Tax Corporation, its successors or assigns, in equal payments, on the first days of January and July each year, the rental value of said land to be determined by the corporation through its Executive Council, under its avowed principle of so fixing the rentals of its lands as to equalize the varying advantage of location and natural qualities of different tracts and convert into the treasury of the Corporation all values attaching to such lands. If the Lessor receives information which causes the Lessor to believe the appraised value and/or taxes on the leased property will be different than those that had been predicted, the Lessor may submit a corrected bill for rent which more accurately takes account of the likely appraised value and/or taxes, and the Lessee shall be obligated to pay this bill within 30 days after the date of the bill. The lessee hereby expressly agrees that the rent shall be determined by the Corporation upon the principle stated, and shall be expended by the Corporation, subject to the conditions hereinafter stated.

(2) Lessee agrees not to authorize or permit any nuisance in the leasehold land, to comply with any applicable laws and ordinances of the City of Fairhope, County of Baldwin, and State of Alabama, and further agrees that the Lessee will, by no act or omission to act, render Lessor liable for any violation of such city laws or ordinances or county or state laws.

(3) In consideration of the agreement of the Lessee to pay the rentals herein provided, the Fairhope Single Tax Corporation will pay all taxes upon the land leased and the improvements and personal property (moneys and credits excepted) held by Lessee upon the land herein leased; or will accept from the Lessee on rent, receipts of the taxing authorities, for taxes paid to State, County, School Districts, or City upon the improvements and personal property (moneys and credit excepted) held by Lessee upon the land herein leased or if all rent due be paid, will give a certificate in amount equal to such acceptable tax receipts remaining, receivable from bearer at face value on rent, or in discharge of any indebtedness to the Corporation; provided that the Lessee will appoint whomsoever may be designated by the Corporation as lessee's agent to return Lessee's property for taxation where permitted by law so to do; that in no event shall the Corporation be bound to accept tax receipts on more than a fair assessed valuation of the property, on the basis required by law, or to a greater amount for any year than the rent for that year on the land on which such improvements and personal property are held.

(4) The Fairhope Single Tax Corporation agrees in consideration of the covenants of said lease herewith evidenced, that no part of the rents paid by Lessee upon the land herewith leased, shall be appropriated as dividends to its members or any other persons, but that all shall be administered as a trust fund for the equal benefit of those leasing its lands.

(5) The Corporation further agrees, that in the distribution of the benefits which its purpose is to secure for residents upon its lands, no distinction shall be made between individuals who are members of the Corporation, with the exception of the right of members as participants in the government of the Corporation; all shall be treated with strict equality.

(6) It is mutually agreed that time is of the essence of this lease. In the event Lessee shall fail to pay rent when same is due or violate any of the other conditions of this lease and said breach remains uncorrected for a period of (90) days, Lessor may declare a default and give written notice thereof by registered mail, or its equivalent, to Lessee and to any mortgagee (of the improvements of the leased land) at the last address of such mortgagee known to Lessor and will add interest on said rent payment from due date, not to exceed the then legal interest rate declared by the State of Alabama; the Lessor shall have a lien for the rent and the interest thereon to the date of reinstatement of the lease or sale as herein provided, which ever last occurs. In the event Lessee fails to correct a rent deficiency within 90 days of any breach thereof, Lessor agrees to notify mortgagee and/or Lessee by registered mail, at the last known address provided to the Corporation, of such default and Lessor hereby grants to mortgagee and/or lessee 60 days beginning from the date of such notice, to cure Lessee's default. Further, the mortgagee and/or lessee will be given 30 days' written notice of the time, place, and terms of sale of the property. In such event, the Lessor reserves the right (and Lessee agrees) at the Lessor's option to re-enter the leased land, sell said mortgaged improvements, and to take possession of the leasehold. Said sale shall be held at public sale at the front door of the Baldwin County Courthouse in Fairhope, Alabama, for cash to the highest bidder, after giving 30 days written notice of the time, place, and terms of sale together with a description of the property to be sold by publication once a week, for three consecutive weeks, in a newspaper of general circulation in Fairhope, Alabama, and Lessor, its agent or attorney, may conduct such sale and execute in the name of the Lessee proper conveyance of the property to the purchaser. The proceeds of said sale shall apply first to the payment of the cost of said sale, including a reasonable attorney's fee, second to the payment of the amount of said indebtedness (including a reasonable attorney's fee) and interest which is secured by mortgages, to the holders thereof, third to the payment of any indebtedness to the Corporation, and the balance, if any, to be paid to the Lessee. The sale of the improvements by the foregoing procedure shall terminate all rights under this lease. However, the purchaser at such sale, at purchaser's option, may remove any improvements on the land within a reasonable time. The remedies contained herein are not exclusive and the Lessor reserves the right to pursue any remedies available to it at law. In such event, the Lessor shall be entitled to recover a reasonable attorney fee. Any and all expenses associated with any deficiency, notices, mailings, collection efforts, etc. become the responsibility and obligation of the Lessee.

(7) The Fairhope Single Tax Corporation agrees that in case of its dissolution, either by voluntary act of its members or otherwise, and the division of its assets among its members, the Lessee, if a member, shall be entitled to have the land herein described and leased- or so much of it as the lessee may designate- included in the lessee's portion, at its actual value at the time, exclusive of improvements thereon, and if it exceeds in value such portion, to purchase the excess at such valuation. If not a member, the Lessee may at such time acquire title to the land herein leased by paying to the Corporation its actual value exclusive of improvements upon it.

(8) The Fairhope Single Tax Corporation believes its title to the lands herein leased to be good, and will use every proper means in its power to maintain the same; but it is distinctly understood that the Corporation, acting only with the benevolent purpose to secure land and administer it for the benefit of those who may desire its use, shall not be held liable for any losses resulting from defects in its title.

(9) The Fairhope Single Tax Corporation reserves the right to resume possession of all or any portion of the land herein described, for public purposes only, on payment of the appraised value of the improvements thereon. The terms of this paragraph do not apply during the time a mortgage exists on the leasehold interest and the improvements thereon.

(10) Should it become necessary to determine the value of said land, or of the improvements thereon, in compliance with the provisions of clauses 3, 7, or 9, of this lease, the same shall be determined by three appraisers certified by the State of Alabama, to be selected as follows: The Corporation and the Lessee each choosing one, and the third to be selected by the two. Should any lessee fail to name his choice within thirty days after written notice by registered mail to do so, the Corporation may name one for him.

(11) Upon written request of the Lessee, this lease and any leasehold interest evidenced hereby will be assigned to individuals, corporations, partnerships or associations. Request will indicate monetary consideration, if any, mortgagee, if applicable, and will be accompanied by an appraisal recently completed by a State of Alabama certified appraiser. If comparison of sales price and appraisal indicates additional land value is included in sales price, then additional rent may be charged in consonance with Paragraph 1 pending reappraisal by Baldwin County Revenue Commissioner. If a mortgage exists, then the mortgagee must approve assignment. Should the Lessee desire to place any form of restrictions or restrictive covenants upon the leasehold interest, other than those imposed by any zoning ordinances, the lessee shall first obtain the prior written consent of the Lessor. An orientation on the lease must be completed by new Lessee prior to issuance of new lease. Upon assignment of this lease agreement, the Lessor reserves the right to issue its current lease.

(12) Surface rights only are hereby leased. All oil, gas and mineral rights are reserved by Lessor.

(13) The Lessee shall not grant or convey any easement, public or private, in, on, or under the leasehold interest without first obtaining the express written consent of the Lessor.

(14) This lease may be terminated by the Lessee after six months' notice in writing to the Corporation and the payment of all rent due to the end of such six months period. A Lessee having filed the required notice of desire to surrender, may dispose of any improvements thereon, (subject to the Corporation's lien for rent) but if not so disposed of, the land shall come to the Corporation, together with any improvements remaining thereon, without any claim of the surrendering Lessee on account of such improvements; the Corporation may decline to accept a partial surrender of a leasehold where the portion surrendered or retained, would not, in its opinion, be desirable to other Lessees. The terms of this paragraph do not apply during the time a mortgage exists on the leasehold interest and improvements thereon or to a mortgagee that takes title as a result of foreclosure action or by bill-of-sale in lieu of foreclosure. If mortgagee desires, a new lease will be issued to mortgagee without requirement for orientation cited in Paragraph 11. When mortgagee sells the leasehold interest and improvements then paragraph 11 applies.

(15) This lease shall be binding upon the heirs, representatives, successors and assigns of the lessee.

IN WITNESS WHEREOF, THE PARTIES HERE UNTO HAVE SET THEIR HANDS IN DUPLICATE

THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_

BY ORDER EX. COUNCIL \_\_\_\_\_, \_\_\_\_\_ FAIRHOPE SINGLE TAX CORPORATION

\_\_\_\_\_  
Lessee \_\_\_\_\_ President

\_\_\_\_\_  
Lessee \_\_\_\_\_ Secretary

STATE OF ALABAMA )  
BALDWIN COUNTY )

I, the undersigned Notary Public in and for said County in said State, hereby certify that \_\_\_\_\_ and \_\_\_\_\_ President and Secretary of Fairhope Single Tax Corporation, a corporation signed to the foregoing conveyance and who are known to me, acknowledged before me on this day, that, being informed of the contents of the conveyance, they as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
*Notary Public*

STATE OF ALABAMA )  
BALDWIN COUNTY )

I, \_\_\_\_\_, A Notary Public, in and for said County in said State, hereby certify that

whose name(s) is (are) signed to the foregoing instrument and who is (are) known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he (she) (they) executed the same voluntarily on the day the same bears date.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
*Notary Public*