

T R A S K
D A I G N E A U L T
LLP
A T T O R N E Y S

THOMAS J. TRASK, B.C.S.*
JAY DAIGNEAULT, B.C.S.*
ERICA F. AUGELLO, B.C.S.*
RANDY D. MORA, B.C.S.*
ROBERT ESCHENFELDER, B.C.S.*
DAVID PLATTE
JEREMY SIMON
NANCY S. MEYER

** Board Certified by the Florida Bar in
City, County and Local Government Law*

MEMORANDUM

DATE: October 28, 2021

TO: Mayor Chris Alahouzos
Vice Mayor Jacob Karr
Commissioner Townsend Tarapani
Commissioner Connor Donovan
Commissioner Costa Vatikiotis

CC: Mark LeCouris, City Manager
Ron Haring, Finance Director

FROM: Thomas J. Trask, City Attorney *JOM/KR*

RE: Savannah Cove Ground Lease

On October 8, 2021 I received the attached letter. Evidently the City entered into a long term (50 year) Ground Lease in 2003 with Savannah Cove Limited Partnership. That Ground Lease was amended in 2004. As a result the City receives monthly payments from Savannah Cove in the amount of \$6,125.00, as well as the sale tax. As part of the original deal the City received a Promissory Note for \$200,000.00. The note is a no interest note and matures on March 17, 2054. As you can see from the attached letter, Savannah Cove is assigning its interest in the Ground Lease and needs the City's consent. That consent is reflected in the Assignment. After the Assignment is signed the City will receive the rent and sales tax from the new Tenant. The Ground Lease also requires the City, when requested, to sign a Certificate that confirms that Savannah has not defaulted under the lease. The Assignment and Certificate need to be approved by the Board of Commissioners. During the review and negotiation of the Assignment and Certificate documents a discussion ensued about the Promissory Note. Savannah wants to pay off the note early (33 years early). Since the Note is interest free the City Manager, the Finance Director, the Attorney for Savannah and I have been discussing a discounted payoff. The discount is directly related to the present dollar value of a \$200,000.00 promissory note that is not due until 2054. Mr. Haring calculated the present value at \$107,847.52. This value was also confirmed by using a bond present value site. The purpose of the memo is obtain the Board of Commissioner's authorization to sign the Assignment and Certificate and to accept the \$107,847.52 in return for satisfaction of the Promissory Note.

STEARNS WEAVER MILLER
WEISSLER ALHADEFF & SITTERSON, P.A.

Carl Eldred
106 East College Avenue, Suite 700
Tallahassee, FL 32301
Direct: (850) 354-7621
Email: celdred@stearnsweaver.com

October 8, 2021

Via Email and Certified Mail

Thomas Trask
City of Tarpon Springs, City Attorney
Trask Daigneault, LLP
1001 S. Fort Harrison Ave., Suite 201
Clearwater, FL 33756-3941
tom@cityattorneys.legal

Re: Assignment of Ground Lease

Dear Mr. Trask:

Our firm represents Savannah Cove Limited Partnership (“Savannah Cove”), Lessee under the Ground Lease with the City of Tarpon Springs (“City”), dated April 1, 2003 (“Original Ground Lease”), as amended by the First Amendment to Ground Lease, dated March 17, 2004 (collectively, the “Ground Lease”). A copy of the Ground Lease is attached. Savannah Cove has entered into a Purchase and Sale Agreement with SCG Global Holdings, L.L.C. (“Starwood”) for the sale of certain developments, including the Savannah Cove Apartments in Tarpon Springs which is subject to the Ground Lease. I am writing to provide notice of Savannah Cove’s intent to assign the Ground Lease and respectfully request that the City approve and execute the attached Assignment of Ground Lease and Certificate Regarding Ground Lease.

In reviewing the Ground Lease, I note that Section 20.02 allows Savannah Cove to assign the lease in its entirety and without the City’s written consent “provided that at all times the Project shall be managed by an entity with a demonstrated managerial and operational capacity for managing and operating rental projects similar to the project.” The very next section, however, suggests that Savannah Cove must provide written notice to the City and provide certain information for the assignment to be valid. Given the inconsistency between these two sections, and as a courtesy to the City, Savannah Cove provides the following information as requested in Section 20.03:

1. Name and address of Assignee:

SREIT Savannah Bay, L.L.C.
c/o Starwood Capital Group Global, L.P.
591 West Putnam Avenue
Greenwich, CT 06830
ATTN: Matthew Guttin, Esq.
Email: mguttin@starwood.com

2. The nature of the transaction is a sale of the development and assignment of the Ground Lease.
3. Copies of the Assignment of Ground Lease and Certificate of Ground Lease are attached for review and approval.
4. Summary of Assignee's experience: SREIT Savannah Bay, L.L.C. is an affiliate of Starwood. Founded in 1991, Starwood is one of the world's leading private real estate firms, with over \$80 billion in assets under management. Starwood has raised nearly \$60 billion of equity capital and has sponsored 16 private opportunistic real estate funds, 15 co-investments, and 8 public companies since its inception. Over the past 29 years, Starwood has invested in nearly every real estate asset class, acquiring over \$115 billion of real estate assets since inception.

Starwood has extensive experience in both the affordable housing and multifamily sectors. Through its affiliates, Starwood owns or is under contract on nearly 37,000 affordable housing units in the United States. The total affordable housing portfolio is valued at over \$5.5 billion, making Starwood a top 3 affordable housing owner in the country and the most active acquirer over the past 5 years, according to Affordable Housing Finance. Starwood's affordable portfolio consists of over 21,000 units in Florida across 86 properties. Starwood has been approved by Florida Housing in every single one of these acquisitions, including as recently as June 18, 2021. Starwood has successfully owned and managed these properties since acquisition and is interested in growing its affordable housing platform through this transaction. Additionally, Starwood currently owns nearly 13,000 conventional multifamily units valued in excess of \$3.2 billion in Florida. In summary, Starwood is intimately familiar with this asset class.

As you can see, Starwood possesses the requisite experience to take over the project and assume the responsibilities under the Ground Lease. I ask, therefore, that the City review and execute the attached Assignment of Ground Lease and the Certificate at its earliest opportunity. Should you need any additional information, please request such information at your earliest convenience. Thanks.

Sincerely,



Carl Eldred

Enclosures: Ground Lease – City of Tarpon Springs to Savannah Cove
First Amendment to Ground Lease
Assignment of Ground Lease
Certificate Regarding Ground Lease

Thomas Trask
Trask Daigneault, LLP
October 8, 2021
Page 3

cc (via email): Brian McDonough
 Marc Plonskier
 Roger Yorkshaitis
 (w/enclosures)

KARLEEN F. DE BLAKER, CLERK OF COURT
PINELLAS COUNTY, FLORIDA (727) 464-8616

N1057635 05-08-2003 09:59:57 RJB
51 AGR-SAVANNAH COVE
3010 - 00000466
I#:03185947 BK:12731 SPG:0001 EPG:0046
RECORDING 046 PAGES 1 \$208.50

TOTAL: \$208.50
CHARGE AMOUNT: \$208.50
BY _____ DEPUTY CLERK

03-185947 MAY- 8-2003 10:00AM
PINELLAS CO BK 12731 PG 1

GROUND LEASE

CITY OF TARPON SPRINGS, FLORIDA

Lessor

TO

SAVANNAH COVE LIMITED PARTNERSHIP

Lessee


Dated: As of April 1, 2003

PAGES	46
ACCT	466
REC	208.50
DR219	_____
DS	_____
INT	_____
FEES	_____
MTF	_____
P/C	_____
REV	_____
TOTAL	208.50
- CK BAL	0
CHG AMT	208.50

I, KATHY M. ALESAFIS, City Clerk and Collector of the City of Tarpon Springs, Florida, hereby certify that the attached and foregoing is a full, true, complete and correct copy of the original of which is now in the original records of the City.

IN WITNESS WHEREOF, I have hereunto, set my hand and affixed the official Seal of the City of Tarpon Springs, Florida, this 2nd day of July, 2003

Kathy M. Alesafis
KATHY M. ALESAFIS, CMC
CITY CLERK & COLLECTOR

em to:

 City Clerk's Office
 P.O. Box 5004
 Tarpon Springs, FL
 34688-5004

BA

GROUND LEASE

Table of Contents

	<u>Page</u>
ARTICLE 1 <u>DEFINITIONS</u>	1
ARTICLE 2 <u>PREMISES; CONDITION AND USE OF LAND</u>	6
ARTICLE 3 <u>INVESTIGATION PERIOD; TITLE MATTERS; POSSESSION</u>	6
ARTICLE 4 <u>RENT</u>	11
ARTICLE 5 <u>IMPOSITIONS</u>	12
ARTICLE 6 <u>ADJOINING LAND</u>	13
ARTICLE 7 <u>CONSTRUCTION AND OWNERSHIP OF THE PROJECT</u>	14
ARTICLE 8 <u>ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS</u>	15
ARTICLE 9 <u>USE</u>	15
ARTICLE 10 <u>UTILITIES AND SERVICES</u>	16
ARTICLE 11 <u>REPAIRS; COMPLIANCE WITH LAWS</u>	17
ARTICLE 12 <u>INDEMNITY; INSURANCE</u>	17
ARTICLE 13 <u>FIRE OR OTHER CASUALTY; LESSEE'S DUTY TO REPAIR; NO ABATEMENT</u>	19
ARTICLE 14 <u>CONDEMNATION</u>	20
ARTICLE 15 <u>DEFAULT</u>	22
ARTICLE 16 <u>LESSOR'S RIGHT TO CURE LESSEE'S DEFAULTS</u>	23
ARTICLE 17 <u>WAIVER OF JURY TRIAL; ARBITRATION</u>	24
ARTICLE 18 <u>NOTICES</u>	24
ARTICLE 19 <u>BROKERAGE REPRESENTATION</u>	24
ARTICLE 20 <u>LIENS; ASSIGNMENT; SUBLETTING</u>	25
ARTICLE 21 <u>ACCESS TO PREMISES</u>	26
ARTICLE 22 <u>NO SUBORDINATION</u>	27
ARTICLE 23 <u>NO WAIVER BY LESSOR</u>	27
ARTICLE 24 <u>SURRENDER OF PREMISES</u>	28
ARTICLE 25 <u>MISCELLANEOUS</u>	28
ARTICLE 26 <u>NO MERGER OF TITLE</u>	29
ARTICLE 27 <u>LEASEHOLD MORTGAGE</u>	29
ARTICLE 28 <u>CITY'S SOVEREIGN RIGHTS</u>	34

+

**CITY OF TARPON SPRINGS, FLORIDA,
LESSOR,
and SAVANNAH COVE LIMITED PARTNERSHIP,
a Florida Limited Partnership,
LESSEE**

GROUND LEASE

Dated: As of April 1, 2003

Ground Lease ("Lease") made between CITY OF TARPON SPRINGS, FLORIDA, a political subdivision of the State of Florida, having its principal office at 324 E. Pine Street, Tarpon Springs, Florida 34689, Attention: City Manager ("Lessor"), and SAVANNAH COVE LIMITED PARTNERSHIP, a Florida limited partnership, having an office at Cabot Business Park, 120 Forbes Boulevard, Mansfield, MA 02048 ("Lessee").

WITNESSETH

WHEREAS, Lessor holds title to vacant land located east of Pinellas Trail on the north side of Curlew Place, which real property is legally described in Exhibit "A" attached hereto; and

WHEREAS, Lessee desires to lease the land described in Exhibit "A" upon which it will build an elder housing apartment complex with approximately 160 units plus related amenities, together with other improvements, fixtures and structures; and

WHEREAS, Lessor recognizes the potential for public and private benefit through the development of this land for such use.

WHEREAS, the lease of the Land has been approved by referendum vote of the electors of the City of Tarpon Springs on February 4, 2003, pursuant to Resolution Number 2002-63 adopted on November 26, 2002, and pursuant to the requirements of Section 3 of the Charter of the City of Tarpon Springs.

NOW THEREFORE, Lessor and Lessee agree as follows:

ARTICLE 1

DEFINITIONS



The terms defined in this Article shall, for all purposes of this Lease and all agreements supplemental hereto or modifying this Lease, have the meaning herein specified unless that context requires otherwise.

1.01 "Additional Deposit" means the sum of Fifteen Thousand Dollars (\$15,000), together with all interest earned on said sum while it is held in escrow by Escrow Agent in accordance with this Lease.

1.02 "Additional Rent" means all payments, other than Base Rent, to be made by Lessee under this Lease to Lessor whether or not such payments shall be designated as Additional Rent, and shall be payable on demand unless other payment dates are hereinafter provided; which Additional Rent, if not otherwise paid when due, shall be due and payable with the next succeeding installment of Base Rent, provided that Lessor shall have rendered to Lessee a statement of such Additional Rent due.

1.03 "Authorities" means all federal, state, county and city departments, agencies, bureau, officers and other subdivisions thereof, or other local governmental or quasi-governmental authorities, or any department, office, or agency of the foregoing now existing or hereafter created.

1.04 "Base Rent" means the sum of Seventy Three Thousand Five Hundred Dollars (\$73,500.00) per year, payable monthly in advance, as more fully set forth in Article 4 hereof.

1.05 "City" shall mean the City of Tarpon Springs acting in its sovereign capacity as a governmental authority and not in its status as Lessor.

1.06 "Close" shall mean the consummation of the transaction evidenced by the occurrence of all of the following:

1. payment of the lump sum rental payment;
2. granting of possession to Lessee;
3. the commencement of payment of Rent; and
4. the closing of Lessee's Housing Credits financing.

1.07 "Closing Date" shall mean the earlier of December 31, 2003, or the date upon which the last of the following events occur: (a) Lessee pays the \$300,000.00 lump sum rental payment (less credited amounts); (b) possession is granted to Lessee; (c) the parties have executed the Possession Date Certificate; and (d) Lessee Closes. Upon Lessee's payment of a non-refundable extension fee ("Extension Fee") in the amount of Twenty-Five Thousand Dollars (\$25,000.00) no later than December 30, 2003, the Closing Date may be extended until December 31, 2004, if Lessee does not receive an award of acceptable Housing Credits on or before December 31, 2003.

1.08 "Deposit" means the sum of Fifty Thousand Dollars (\$50,000) comprised of the Initial Deposit, the Additional Deposit and the Final Deposit, together with all interest earned on those sums while it is held in escrow by Escrow Agent in accordance with this Lease. All references herein to the "Deposit" shall be deemed to include all monies then deposited by Lessee in accordance with this Lease. However, interest earned on the principal sums of the Deposit, which interest is earned

upon the Deposit becoming non-refundable, shall not be credited at Closing toward the \$300,000.00 lump sum payment due at Closing.

1.09 "Easements" means those certain easements, cross easements, and other reciprocal easements which are Permitted Encumbrances (as defined herein), or are necessary or desirable in the development and use of the Premises for the Project and all other permitted uses.

1.10 "Effective Date" means April 1, 2003.

1.11 "Escrow Agent" means Lessor's Attorney.

1.12 "Excusable Delays" means delays caused by strikes, lock-outs, acts of God, inability to obtain labor or materials, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty or any other cause, whether similar or dissimilar, beyond the reasonable control of Lessor or Lessee.

1.13 "Final Deposit" means the sum of Twenty-Five Thousand Dollars (\$25,000), together with all interest earned thereon while it is held in escrow by the Escrow Agent in accordance with this Lease.

1.14 "Governmental Approvals" means all the necessary permits and approvals from all of the appropriate Authorities for the construction of the Project. The Governmental Approvals shall include, but shall not be limited to, planning and zoning approvals and issuance of building permits for the construction of the Project.

1.15 "Housing Credits" means housing tax credits allocated or reserved for the development of the Project from the Florida Housing Finance Corporation for the construction of multi-family rental units, which financing must be acceptable to Lessee. In this context, "acceptable" shall mean Housing Credits in amount(s) sufficient for the construction of the Project.

1.16 "Initial Deposit" means the sum of Ten Thousand Dollars (\$10,000) together with all interest earned on said sum while it is held in escrow by the Escrow Agent in accordance with this Lease.

1.17 "Investigation Period" means the period of time beginning on the Effective Date and ending on the date which is ninety (90) days thereafter.

1.18 "Impositions" means all duties, ad valorem real estate taxes, charges for water and sewer, governmental levies or excises, license fees, permit fees, inspection fees and other authorization fees, or similar rents, rates, charges, impact fees, assessments and payments, extraordinary as well as ordinary, whether foreseen or unforeseen (including all interest and penalties thereon), as shall, during the portion of the Term beginning with the Rental Commencement Date, be laid, levied, assessed or imposed upon, or become due and payable from liens upon, the Land or any rent therefrom or any estate, right, or interest thereon and/or the Premises or occupancy, use or possession of or any activity conducted on the Land, and/or Premises or any part thereof or any appurtenances thereto, the leasehold estate hereby created, the sidewalks, or streets in front of or adjoining the Premises or any utility vault thereunder, by virtue of any present or future Authorities, including but not limited to:



A. to the extent required by applicable law, all sales taxes or similar excise taxes or any taxes, assessments or charges of any kind from any Authorities, if any, that may now or hereafter be imposed upon, or with respect to the Lessee's leasehold interest or the Rent payable hereunder. It is the intent of the parties that Lessor shall not pay or be obligated to pay any funds whatsoever to any Authority for taxes, charges, assessments, exactions or any other monies whatsoever arising from this Lease or the privileges and rights granted hereunder. This provision shall be liberally construed to insure that no such charges, whether known or unknown as of the Commencement Date of this Lease, shall be paid by the Lessor;

B. any ad valorem taxes levied on the Premises and which are billed to Lessor.

1.19 "Institutional Lender" means a savings bank, savings and loan association, commercial bank, trust company, credit union, insurance company, college, real estate investment trust or other real estate investment entity, tax credit syndication entity, federal, state, county or municipal government agency or bureau, pension fund, or entity in the business of making loans secured by real estate. The term "Institutional Investor" also includes other lenders which perform functions similar to any of the foregoing.

1.20 "Insurance Requirements" means all terms of an insurance policy covering or applicable to the Land or Premises or any part thereof, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Land or Premises or any part thereof, or any use or condition of the Land or Premises or any part thereof.

1.21 "Interest Rate" means a rate per annum equal to twelve percent (12%).

1.22 "Investor Limited Partner" means Wachovia Bank, National Association.

1.23 "Land" means the parcel of land described in Exhibit "A" hereto (the "Land"), subject to each of the Permitted Encumbrances, as shall at the time be in effect and applicable to the Land; and all rights of way or use, servitudes, licenses, tenements, hereditaments, appurtenances and easements now or hereafter belonging or pertaining to the Land.

1.24 "Lease" means this agreement, together with the Exhibits annexed hereto, which are hereby made a part hereof, and all agreements supplemental to or modifying this agreement made contemporaneously herewith or subsequent hereto.

1.25 "Lease Year" means the successive periods of twelve (12) months each, beginning on the Rental Commencement Date, and on the same date of each calendar year thereafter, and ending on the last day of each 12-month period.

1.26 "Leasehold Mortgage" means a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's Leasehold Interest is mortgaged, conveyed, assigned, or otherwise transferred, to secure a debt or other obligation. The term "Leasehold Mortgagee" means a holder of a Leasehold Mortgage in respect to which the notice provided for by section 27.02 A.1 has been given and received and as to which the provisions of Article 27 are applicable.

1.27 "Legal Requirements" means laws, statutes and ordinances including building codes and zoning regulations and ordinances and the orders, rules, regulations, recorded agreements and requirements of all Authorities, which may be applicable to or have jurisdiction over the Land, or the



sidewalks or streets adjacent thereto and all requirements, obligations and conditions of all instruments of record on the date of this Lease.

1.28 "Lessee's Intended Use" shall mean an apartment complex and related uses, which meets the requirements described in the definition of "Project" below.

1.29 "Permitted Exceptions" means the encumbrances to which this Lease is or will become subject, including, but not limited to, all Easements, and any other title exceptions acceptable to Lessee which do not interfere with Lessee's Intended Use of the Land .

1.30 "Premises" means the leasehold estate in the Land together with the Project to be erected by Lessee on the Land.

1.31 "Project" means the elder housing project (as defined in the "Housing for Older Persons" exemption under the Federal Fair Housing Amendments Act, 42 U.S.C. § 3607 (the "Act")), which apartment project contains not more than 160 residential apartments located in multi-story apartment buildings, together with other improvements, fixtures, and structures related thereto, to be built on the Land.

1.32 "Possession Date" means the date Lessor hands over to Lessee possession of the Premises.

1.33 "Property Records" means copies of all the following documents relating to the Premises, if any, which are in Lessor's possession or can be readily obtained by Lessor: Any and all leases, licenses, environmental reports, geotechnical reports, wetland jurisdictional reports/surveys, certificates of use or occupancy, permits, authorizations and approvals issued by Authorities in accordance with Legal Requirements, current contracts relating to the operation of the Property, appraisals, title insurance policies, surveys, site plans, plats, soil tests, reports, engineering reports and similar technical data and information, environmental reports and audits, any and all wetland jurisdictional work related to the Premises, geotechnical reports, plans and specifications for proposed improvements to the Premises, and material correspondence (which shall mean correspondence, other than attorney/client privileged correspondence, which discloses claims, allegations or adverse information regarding the Premises or claims, allegations or adverse information that the Premises violates any Legal Requirements, that there is hazardous or toxic waste on or about the Premises, or that there are defects, deficiencies or hazardous conditions in or on the Premises).

1.34 "Rent" or "Rental" means all amounts payable by Lessee pursuant to this Lease including but not limited to the Base Rent and Additional Rent.

1.35 "Rental Commencement Date" shall be the Closing Date.

1.36 "Term" means the fifty (50) year period commencing on the Closing Date and ending fifty (50) years after the issuance of a final certificate of occupancy for all or a portion of the Project.

ARTICLE 2

PREMISES; CONDITION AND USE OF LAND

2.01 In accordance with Chapter 166, Florida Statutes, the powers granted to Lessor pursuant to the City of Tarpon Springs Charter, and Resolution No. 2002-63, passed on November 26, 2003, Lessor hereby leases to Lessee and the Lessee hereby hires from Lessor the Land for the Term, unless the Term shall sooner terminate as hereinafter provided. Lessee leases and takes from Lessor the Land, together with all the appurtenances, rights, privileges and hereditaments thereto, in "AS IS" condition, unconditionally and without reservation, waiving any claim against the Lessor arising from the condition of the Land, and subject only to (i) the terms and conditions of this Lease, and (ii) the matters set forth in Exhibit B (the "Title Matters") attached hereto and incorporated by reference herein. No mineral or mining rights shall be conveyed to the Lessee, which rights are retained by the Lessor.

2.02 Lessee is familiar with the physical condition of the Land and has received the same in good order and condition. Lessee may use said Land for the uses set forth in Article 9 hereof so long as such uses are (or were when built) in conformity with zoning and use restrictions affecting the Land, and Lessee will not do any action or thing which is contrary to any applicable legal or insurance requirement or which constitutes a public or private nuisance or waste.

2.03 On or before the Effective Date, Lessee shall deliver to Escrow Agent the Initial Deposit. Prior to Closing, Escrow Agent shall keep the Deposit in an interest-bearing escrow account with a commercial or savings bank doing business in Pinellas County or Hillsborough County, Florida. Lessee shall receive a credit at Closing for the amount of the Deposit and for the interest earned on any portion of the Deposit held in escrow pending Closing. When any portion of the Deposit becomes non-refundable hereunder, Escrow Agent may release that portion from escrow and pay it to Lessor.

ARTICLE 3

INVESTIGATION PERIOD; TITLE MATTERS; POSSESSION

3.01 During the Investigation Period, Lessee shall determine, in its sole and absolute discretion, whether the Property is suitable for Lessee's Intended Use of the Property. Concurrently with the Lessor's execution of this Lease, Lessor shall deliver to Lessee the Property Records. During the Investigation Period, and if Lessee elects to go forward with the Closing, from the end of the Investigation Period until the Closing Date, Lessee and its agents, representatives, employees and professionals retained by Lessee shall have the right to enter upon the Land and to make all inspections and investigations of the condition of the Land which it may deem necessary, including, but not limited to, soil borings, percolation tests, engineering and topographical studies, environmental audits, wetland jurisdictional surveys, and investigations of the availability of utilities, all of which inspections and investigations shall be undertaken at Lessee's cost and expense. Lessee shall provide to Lessor copies of all reports, studies and audits regarding the Land which Lessee receives in connection with its investigation of the Land. After completing its inspection of the Property, (a) if Lessee elects to go forward to Closing, Lessee shall make the Additional Deposit no later than the last day of the Inspection Period; and (b) if Lessee elects to terminate this Lease in accordance with this Article 3, Lessee shall leave the Land in substantially the condition existing on the Effective Date. Lessee agrees to indemnify Lessor from all liabilities, damages, claims, costs,



fees and expenses (including reasonable attorneys' fees and costs) caused by any such inspections or investigations.

3.02 Lessee may elect to terminate this Lease at any time before the end of the Investigation Period by written notice to Lessor and to Escrow Agent. Upon such a termination of this Lease, Escrow Agent shall return to Lessee the Deposit and thereafter this Lease shall be terminated, and except as otherwise specifically set forth in this Lease, neither Lessee nor Lessor shall have any further rights or obligations hereunder. If Lessee elects to proceed under this Lease and provided Lessor shall not be in default hereunder, the Deposit shall become non-refundable to Lessee as of the end of the Investigation Period; provided, however, that the Deposit shall remain refundable in the event (i) the Conditions to Closing set forth in Section 3.07 are not satisfied as of the Closing Date, or (ii) the Lessee is entitled to a refund of the Deposit pursuant to Sections 3.08. When any part of the Deposit becomes non-refundable hereunder, all interest earned thereon shall belong to Lessor.

3.03 No later than thirty (30) days after the Execution Date, Lessee shall obtain a title insurance commitment ("Title Commitment") at Lessee's expense, for issuance of an owner's/lessee's policy of title insurance insuring its leasehold interest, and shall promptly provide a copy thereof to Lessor.

A. In the event the Title Commitment discloses any defect(s) in the title to the Land which renders it unsuitable for Lessee's Intended Use or which are objectionable to Lessee, Lessee shall notify Lessor of the defects within thirty (30) days after receipt of the Title Commitment. Lessor shall use its diligent efforts to cure the defects. In the event Lessor is unable to cure the defects within one hundred twenty (120) days of Lessee's notice, Lessee shall have the option of accepting title in its then-present condition, or terminating this Lease, whereby Lessee shall receive back its Deposit, plus interest thereon, and both parties shall be released from any and all further obligations hereunder.

B. To Lessor's knowledge as of the Effective Date of this Lease, Lessor is the fee owner of the Land, which ownership is unencumbered by any lien or security interest, and there are no covenants, conditions, restrictions, rights-of-way and/or easements or other matters relating to or encumbering the Land which would interfere with the construction obligations of Lessee under Article 7 or the utilization of the Project for Lessee's Intended Use. The Title Commitment shall confirm that Lessor is the fee owner of the Land and shall further confirm that the Land is subject only to the Permitted Exceptions.

3.04 In the event Lessee elects to proceed under this Lease, Lessee, at Lessee's sole cost and expense, shall prepare applications for Housing Credits. Lessee shall be responsible for the payment of all costs incurred in the Housing Credits application and award process.

3.05 In the event Lessee elects to proceed under the Lease, Lessee, at Lessee's sole cost and expense, shall prepare applications for Governmental Approvals to be signed by Lessor as owner of the Land. Within ten (10) days after receipt of the applications from Lessee, Lessor shall execute and return the applications to Lessee for submission to the appropriate Authorities. Lessee shall diligently pursue the Governmental Approvals, but shall have no obligation to commence such process until after Closing. Lessee will keep Lessor advised of Lessee's progress in obtaining Governmental Approvals. Lessee shall be responsible for the payment of all costs incurred in the Governmental Approvals process; provided, however, that Lessor shall be responsible for its own Attorneys' Fees and other professionals' fees incurred in reviewing Lessee's submissions for



Governmental Approvals. Lessor agrees to cooperate fully and promptly in the permitting process including, but not limited to, joining in any permit application, plats, opinions of title, gap affidavits and other applicable applications or affidavits if required to do so, if it can do so in good faith.

3.06 Lessor covenants that Lessor shall maintain the Property in its current condition until the Closing Date. Lessee shall have the right to enter upon the Land at any time prior to the Closing to confirm that the Property has been maintained in the manner covenanted by Lessor. However, Lessor shall not be liable to Lessee hereunder if damage to the Property is the result of natural causes, such as sinkholes, flooding, or acts of third parties which acts are not authorized by Lessor. In such a case Lessor shall not be obligated to restore the Property to its prior condition or make any physical modifications to the Property prior to the end of the Investigation Period, and such naturally-caused damage shall not be considered a "Materially Different Condition" (as defined below). In the event that the condition of the Property at such time prior to Closing is materially different than it was at the time of the performance of the Lessee's inspections as contemplated herein (the "Materially Different Condition") so as to inhibit the use of the Land for Lessee's Intended Use or increase the cost of developing or using the Project, Lessee shall have the right to terminate this Lease by written notice to Lessor and to Escrow Agent, whereupon the Deposit shall be refunded to the Lessee, and neither Lessee nor Lessor shall have further rights or obligations hereunder. Further, if the material difference in the Land is due to Lessor's gross negligence or willful misconduct, Lessor shall reimburse Lessee for Lessee's actual out-of-pocket costs of investigation. Notwithstanding any other language in this Section 3.05, the Lessee's right to terminate this Lease under this Section 3.05 shall become effective two (2) weeks from the date that Lessee provides Lessor with written notice of the Materially Different Condition. During such two (2) week period, Lessor may attempt to cure the Materially Different Condition, and if cured, the parties shall proceed to Closing. Upon turning over possession of the Property to Lessee on the Possession Date, Lessor shall have no further liability for the condition of the Property.

3.07 Notwithstanding anything to the contrary contained herein, Lessee shall have the right to be released from its liability and obligations hereunder and to terminate this Lease prior to the Possession Date because (i) Lessee is unable to obtain the Government Approvals, (ii) changes to the plans and specifications for the Project required by any of the Authorities (including the City) render the Project economically unfeasible in the reasonable business judgment of Lessee, (iii) the Project cannot meet concurrency requirements under Section 163.3180, Florida Statutes (1997), or the costs of concurrency mitigation are, in the reasonable business judgment of Lessee, economically unfeasible, or (iv) Lessee, after good faith efforts, has been unable to obtain a full building permit for the Project pursuant to the plans and specifications submitted by it. In the event of termination of this Lease pursuant to this Section 3.07, each party shall bear its own costs and expenses incurred in connection with the Lease, Lessee shall receive back the refundable portion of its Deposit, plus interest thereon, and neither party shall have any further liability to the other.

3.08 Lessee and the City shall use good faith efforts to satisfy all of the aforesaid conditions precedent to Lessee's taking possession of the Land. It is recognized by the Parties hereto that it is not the intention of either party to encumber the Land with this Lease for an indefinite period of time during the period of attempting to satisfy the aforesaid conditions precedent and that therefore:

1. Any City review and/or approval required above shall be promptly undertaken by the City, and the period of time available to the City for such review and/or approval shall not exceed fifteen (15) Business Days from receipt by the City of such request, except for those approvals for which public hearings are conditions precedent, in which case the approval



process shall take a reasonable time. In the event that such review by the City requires additional or remedial action by the Lessee, the Lessee shall promptly undertake such additional or remedial action, but in no event shall the period of time available to the Lessee for such additional or remedial action exceed thirty (30) Business Days from receipt of the City's request; provided, however, that if such additional or remedial action cannot reasonably be cured within such 30-day period, that Lessee shall be provided such additional time as is necessary so long as Lessee shall be diligently and continuously endeavoring to complete such additional or remedial action.

2. Lessee shall proceed in a diligent manner to apply for the necessary approvals, permits, Housing Credits, and financing, and to satisfy the other conditions precedent required by this Lease.

3.09 Lessee shall be responsible for securing sufficient capital to construct the Project in such a manner as to meet its obligations under this Lease. Lessor acknowledges that Lessee's obligations hereunder are subject to Lessee's successful efforts to obtain the financing needed for the Project through application for and receipt of Housing Credits from Florida Housing Finance Corporation. Lessee shall have until December 31, 2003, to apply for and receive a firm commitment for acceptable Housing Credits sufficient to meet its obligations hereunder. In the event Lessee receives Housing Credits on or before December 31, 2003, Lessee shall make the Final Deposit within thirty (30) days of receipt of notice of same. In the event a firm commitment for such financing is not obtained by December 31, 2003, Lessee shall have the option of (a) terminating this Lease, whereupon the Deposit shall be retained by Lessor and both parties shall be released from any and all further obligations hereunder; (b) extending the Closing Date to a date not later than December 31, 2004, by payment of the non-refundable Extension Fee; or (c) proceeding to Closing notwithstanding the lack of a firm commitment for an award of Housing Credits but only so long as Lessee has obtained alternative financing sufficient to complete the Project. In the event of such extension of the Closing Date, Lessee shall again use diligent efforts to apply for and obtain a firm commitment for acceptable Housing Credits sufficient to meet its obligations under this Lease. In the event Lessee receives Housing Credits, Lessee shall make the final Deposit within five (5) days of receipt of such notice, and Closing shall occur no later than December 31, 2004. In the event a firm commitment for adequate financing is not obtained by December 31, 2004, and Lessee does not elect to proceed to Closing notwithstanding such lack of a firm commitment, this Lease shall terminate, Lessor shall be entitled to retain the entire Deposit, and both parties shall be released from any and all further obligations hereunder.

3.10 A. Lessor shall deliver possession of the Land to Lessee, and Lessee, subject to Excusable Delay, shall take possession thereof at Closing.

B. The date that the City delivers possession of the Land to Lessee in accordance with this Article, by notice in writing, shall be the "Possession Date." Lessor and Lessee agree to execute and record in the public records a Possession Date Certificate in the form of the certificate attached hereto as Exhibit D. In the event the Possession Date does not fall on the first day of the month, the Possession Date shall be adjusted to be the first day of the following month.

3.11 Notwithstanding anything herein to the contrary, prior to the Possession Date, the Lessee shall not be required to perform any of its obligations hereunder except as provided for in this Article 3 with respect to Lessee's entry upon the Land for purposes of conducting or causing the investigation and evaluation of the physical and environmental conditions at the Land, and Lessee's efforts to satisfy its conditions precedent to Closing, including Lessee's efforts to secure sufficient capital.



3.12 Lessor hereby represents and warrants to Lessee as of the Effective Date and shall reaffirm such representations and warranties as of the Closing Date as follows:

1. Lessor has full power and authority to own and lease the Land and to comply with the terms of this Lease. The execution and delivery of this Lease by Lessor and the consummation by Lessor of the transaction contemplated by this Lease are within Lessor's capacity.
2. The execution by Lessor of this Lease and the consummation by Lessor of the transaction hereby contemplated does not, and on the Closing Date will not (a) result in a breach of or default under any indenture, agreement, instrument or obligation to which Lessor is a party and which affects all or any portion of the Land, (b) result in the imposition of any lien or encumbrance upon the Land under any agreement or other instrument to which Lessor is a party or by which Lessor or the Land might be bound, or (c) constitute a violation of any Legal Requirement.
3. Lessor is not in default under any indenture, mortgage, deed of trust, loan agreement, or other agreement to which Lessor is a party and which affects any portion of the Land.
4. To the best of Lessor's knowledge, Lessor and the Land are in compliance with all Legal Requirements.
5. Lessor is the owner of marketable title to the Land, free and clear of all liens, encumbrances and restrictions of any kind, except the Permitted Exceptions.
6. There are no actions, suits, proceedings or investigations pending or threatened against Lessor or the Land affecting any portion of the Land, including but not limited to condemnation actions.
7. To the best of Lessor's knowledge, the Land has not in the past been used and is not presently being used for the handling, storage, transportation or disposal of Hazardous Material.
8. To the best of Lessor's knowledge, and solely as of the Effective Date, no portion of the Land is affected by any special assessments or impact fees imposed by any Authority. In the event that Lessor obtains knowledge of any such special assessments or impact fees, Lessor agrees to provide Lessee with copies of any such related documentation within five (5) days of Lessor's obtaining such knowledge. The parties acknowledge that as part of the planning, development and construction of the Project certain special assessments or impact fees will be imposed on the Land.
9. There are no parties other than Lessor in possession or with a right to possession of any portion of the Land.
10. To the best of Lessor's knowledge, there is no fact, condition or impediment which would prevent Lessee from obtaining all necessary building permits from the Authorities having jurisdiction thereof for the construction of the Project upon the Land.
11. No commitments relating to the Land have been made by Lessor to any Authority, utility company, school board or any homeowner or homeowners association or any other organization, group or individual which would impose an obligation upon Lessee or its



successors or assigns to make any contribution or dedication of money or land or to construct, install or maintain any improvements of a public or private nature on or off the Land; and no Authority has imposed any requirement that any developer of the Land pay directly or indirectly any special fees or contributions or incur any expenses or obligations in connection with the development of the Land.

12. Lessor agrees, at no cost to Lessor, to cooperate fully with Lessee, if Lessor can do so in good faith, with respect to Lessee's efforts to obtain Housing Credits, Zoning Approval, and such other approvals of any platting, zoning, permits, site planning, and other licenses and approvals required by Lessee in connection with Lessee's Intended Use of the Land, and upon receipt of written request therefor Lessor agrees to promptly execute, acknowledge, and deliver such applications, dedications, grants, plats, documents, instruments, and consents as may be reasonably required to obtain approval, if Lessor can do so in good faith. However, the agreement made in this sub-section 3.12.12 is made specifically subject to the provisions of Article 28 hereof.

13. From and after the Effective Date, Lessor will refrain from (a) performing any grading, excavation, construction, or making any other change or improvement upon or about the Land; (b) creating or incurring, or suffering to exist, any mortgage, lien, pledge, or other encumbrances in any way affecting the Land other than the Permitted Exceptions; and (c) committing any waste or nuisance upon the Land.

14. Lessor will advise Lessee promptly of any change in any applicable Legal Requirement which might affect the value or use of the Land to Lessee of which Lessor obtains knowledge.

15. In addition to the obligations required to be performed hereunder by Lessor at the Closing, Lessor agrees to perform such other acts, and to execute, acknowledge, and deliver subsequent to the Closing such other instruments, documents, and other materials as Lessee may reasonably request in order to effectuate the consummation of the transactions contemplated herein and to vest title to the Land in Lessee.

16. All of the representations and warranties of the Lessor set forth in this Lease shall be true at the time of execution of this Lease, and except as otherwise noted in subsection 3.12.8, shall be deemed to be repeated as of the Closing Date, and shall be true as of the Closing Date.

17. All representations and warranties are limited by Lessor's status as a government and nothing herein shall be deemed to change or otherwise limit its governmental powers or obligations.

ARTICLE 4

RENT

4.01 On the Closing Date, Lessee shall pay to Lessor a lump sum Rent payment in the amount of \$300,000.00 in consideration of the grant of this Lease.

4.02 Commencing on the Rental Commencement Date and continuing throughout the Term, Lessee shall pay to Lessor fixed annual Base Rent in the amount of \$73,500.00 at the office of the Finance Department of the City of Tarpon Springs, or such other place as Lessor may designate, in lawful money of the United States by check (subject to collection) drawn to Lessor's

order or by wire transfer. The Base Rent shall be payable in monthly installments, each in the amount of \$6,125.00, in advance, on the tenth day of each calendar month throughout the Term, commencing on the 10th day of the month following the month in which the Rental Commencement Date occurs. If the Rental Commencement Date shall be a date other than the tenth day of the calendar month, then on the Rental Commencement Date, Lessee shall pay the Base Rent for the fractional part of the month in which the Rental Commencement Date occurs, prorated on a thirty (30) day month basis.

4.03 It is the intention hereof that the Lessor shall receive the Rent without any setoff or deduction whatsoever, free from all taxes, charges, expenses, damages and deductions of every description, and that the Lessee shall pay all items of expense and damages which, except for the execution and delivery of this Lease, would have been chargeable against the Premises and payable by Lessor. It is further the intention of the parties that any monetary charges or costs arising from the Lessee's occupancy or use of the Land or Premises shall be paid by the Lessee pursuant to this Lease shall be net, net, net to the Lessor.

4.04 Subject to the provisions of Section 4.01 above, if Lessee shall fail to pay when due any installment of Rent for a period of thirty (30) days after such installment shall have become due, Lessee shall pay interest thereon at the Interest Rate from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed part of the Additional Rent. The provisions of this Section 4.03 are in addition to all other remedies available to Lessor for non-payment of Rent.

4.05 Commencing with the Rental Commencement Date, Lessee shall pay Additional Rent to Lessor or directly to third parties as required pursuant to the provisions of this Lease. Such Additional Rent payments shall include, but shall not be limited to: (i) all impositions set forth in Article 5 hereunder; (ii) all other demands and obligations which Lessee herein expressly assumes or agrees to pay as and when due; and (iii) interest at the Interest Rate on such of the foregoing amounts and obligations as are payable to the Lessor and which are not paid within thirty (30) days after the due date (or, if a demand thereof is required by the terms of this Lease, within thirty (30) days after the date of said demand until payment thereof).

4.06 Notwithstanding anything herein to the contrary, to the extent a Leasehold Mortgage shall require payment to Leasehold Mortgagee of all or part of the Additional Rent, such payment to Leasehold Mortgagee by Lessee shall be deemed compliance by Lessee with this provision.

ARTICLE 5

IMPOSITIONS

5.01 All Impositions shall be paid by Lessee as Additional Rent when the same shall become due and payable (before any penalty, fine or cost may be added thereto for non-payment) to the department, officer or bureau charged with the collection thereof. Nothing herein contained shall require Lessee to pay any inheritance, franchise, income, payroll, excise, privilege, rent, capital stock, estate or profit tax, or any tax of similar nature, that is or may be imposed upon the Lessor.

5.02 In the case of assessments for local improvements or betterments which may by law be payable in installments, Lessee shall only be obligated to pay such installments as fall due during the portion of the Term beginning with the Rental Commencement Date (payments falling due in

such portion of the Term but payable thereafter shall be Lessee's obligations), together with interest on deferred payments.

5.03 Lessee shall have the right to contest or review any and all Impositions by legal proceedings or in such manner as Lessee in its reasonable opinion shall deem advisable, which proceedings or other steps taken by Lessee if instituted shall be conducted diligently at its own expense and free of expense to Lessor. No such contest shall defer or suspend Lessee's obligations to pay the Impositions provided for herein pending the contest unless by law it is necessary that such payment be paid to preserve or perfect Lessee's contest, in which case the contest shall not be undertaken without there being first deposited with Lessor (or Leasehold Mortgagee if required by the terms of a Leasehold Mortgage) a sum of money equal to the amount of the Imposition that is the subject of the contest, to be held by Lessor (or Leasehold Mortgagee if required by the terms of a Leasehold Mortgage) as an indemnity fund to pay such Imposition (i) upon conclusion of the contest; or (ii) at any time if Lessor's interest in the Premises is in jeopardy due to non-payment, together with all costs thereof that may be imposed upon Lessor or the Premises.

5.04 Upon request from Lessor, Lessee shall forward copies of all bills for Impositions, together with copies of Lessee's checks in payment thereof, promptly after payment of such Impositions by Lessee.

5.05 Any Imposition relating to a fiscal period of the taxing authority, only a part of which is within the portion of the Term, shall (whether or not such Imposition is assessed, levied or imposed, or becomes a lien or shall become payable, during such portion of the Term) be apportioned and adjusted between Lessor and Lessee so that Lessor shall be responsible with respect to that proportion of such Imposition which corresponds to the part of such fiscal period as falls outside the Term, and Lessee's responsibility shall apply to the remainder of the Imposition.

ARTICLE 6

ADJOINING LAND

6.01 Lessor holds fee title to two parcels of land adjacent to the Land: (a) one parcel to the north of the Land ("Adjoining Parcel"), and (b) the other parcel on the northwest boundary of the Land upon which is situated a communications tower ("Tower Parcel"), which parcel is legally described on Exhibit "G" attached hereto and made a part hereof (the Adjoining Parcel and the Tower Parcel, collectively, the "Adjacent Parcels"). Lessor covenants that Lessor (a) shall not create or allow to exist a nuisance on the Adjacent Parcels; (b) shall not use or allow the use of the Adjacent Parcels for any purpose which would materially and adversely affect or interfere with Lessee's Intended Use of the Land, including but not limited to the following prohibited uses and purposes: trash or refuse facility, storage or repair of vehicles owned or leased by the City or any other Authority, warehouses having a truck parking area or loading dock visible from the road, jail or any other type of detention facility, or other use with the clear likelihood of materially diminishing Lessee's ability to attract and keep tenants in the Project; and (c) shall maintain the Adjacent Parcels in a clean and slightly condition reasonably free of trash and debris. The use of the Adjacent Parcels for traditional recreational uses shall be allowed.

ARTICLE 7

CONSTRUCTION AND OWNERSHIP OF THE PROJECT

7.01 Lessee shall proceed in a diligent manner to commence and complete the design, planning, development and construction of the Project. Commencement of construction shall be indicated by the filing of a notice of commencement in the public records of Pinellas County and shall be deemed timely and diligent hereunder if Lessee commences construction within one (1) year after the Possession Date. Completion of the Project shall be indicated by the issuance of a final certificate of occupancy for the Premises and shall be deemed timely and diligent hereunder if Lessee receives such final certificate of occupancy within three (3) years after the Closing Date. Failure of Lessee to meet these deadlines shall be a material event of default hereunder, entitling Lessor to exercise its remedies.

7.02 The Project shall be constructed in good and workmanlike manner and in accordance with all requirements of local ordinances, with the rules, regulations, and requirements of all departments, boards, bureaus, officials, and authorities having jurisdiction thereof, and Lessor shall have no liability in connection with such construction. All necessary permits shall be obtained by Lessee.

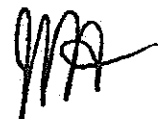
7.03 Lessee shall own the Project in fee simple as it is built "brick by brick." At all times while this Lease is in force, title to the Project shall belong solely to the Lessee. Upon the termination or expiration of this Lease, title to the Project then situated on the Land shall pass automatically to Lessor, without payment therefor, and Lessee shall have no further rights therein.

7.04 During the term of this Lease, Lessee alone shall be owner of the Project and shall be entitled to claim depreciation in the Project and all changes, additions and alterations therein, and all renewals and replacements thereof, for all taxation purposes.

7.05 At the completion of construction of the Project, Lessee shall provide to Lessor three (3) sets of "as-built" construction plans. Upon receipt of such "as-built" plans or at any earlier date mutually agreed to by the parties, Lessor shall cause the Land and the Premises to be designated as a separate tax parcel and Lessee agrees to cooperate in such efforts.

7.06 All persons are put upon notice of the fact that Lessee shall never, under any circumstances, have the power to subject the interest of Lessor in the Premises to any construction, mechanic's or materialmen's lien or liens of any kind. All persons who may hereafter, during the term of this Lease, furnish work, labor, services or materials to the Premises at the request or order of Lessee or any person claiming under, by or through Lessee, must look solely to the interest of Lessee and not to that of Lessor.

7.07 Lessee shall not permit or suffer to be filed or claimed against the Premises during the term of this Lease any lien or liens of any kind arising out of the action of the Lessee; and if any such lien be claimed or filed, the Lessee covenants to cause the Premises to be released from such claim or lien, either through the deposit into court pursuant to statute of the necessary sums of money, or in any way which is competent legally to effect the release of the Premises from the claim within thirty (30) days from the filing of such lien. Lessee hereby indemnifies Lessor from and against any fine, penalty, liability or cost arising out of the filing or claim of such a lien, including reasonable costs and attorneys' fees in connection with any proceeding to foreclose such a lien or one seeking any other remedy.



ARTICLE 8

ALTERATIONS; OWNERSHIP OF CERTAIN INSTALLATIONS

8.01 A. Lessee, after completion of the Project, may from time to time during the Term make such structural changes, alterations, additions, substitutions or improvements (collectively referred to as "Alterations") to the Project as Lessee may consider necessary and desirable to adapt or equip the Project for Lessee's use and occupancy. All such Alterations shall be done at Lessee's sole cost and expense and at such times and in such manner as Lessee may from time to time designate. The foregoing rights do not impair or modify Section 8.02, and Lessee further agrees to indemnify and hold Lessor harmless from any claims or liability arising by reason of doing the Alterations.

B. Alterations shall be performed in accordance with the following provisions:

1. All work shall be done in a good and workmanlike manner.

2. All such Alterations shall be performed in compliance with all Legal Requirements.

8.02 Lessee shall retain ownership of all trade fixtures and business equipment and furnishings from time to time installed in the Project by Lessee at its expense. Lessee may remove any of such fixtures, equipment or furnishings at any time during the Term and shall remove all thereof prior to the expiration of the Term. Any such property not removed at the expiration of the Term shall become the property of Lessor without payment to Lessee.

ARTICLE 9

USE

9.01 Subject to and in accordance with all Legal Requirements, the fire insurance rating organization and Board of Fire Insurance Underwriters, and any similar bodies having jurisdiction thereof, Lessee covenants and agrees that it shall use the Premises solely as a residential apartment complex which complies at all times with the "Housing for Older Persons" exemption under the Act, as the Act and applicable regulations may be amended from time to time, with not more than 160 one- and two-bedroom apartments plus related amenities, and for related uses. Lessee covenants that as of the Effective Date, compliance with such exemption under the Act requires that (i) 100% of the apartment units in the Project shall be intended for, and solely occupied by, persons 62 years of age or older, or (ii) 80% of the apartment units shall be occupied by, or held available for, at least one tenant that is 55 years of age or older. In addition, Lessee covenants that as of the Effective Date: (iii) in accordance with the Act, no apartment unit may be occupied by persons under the age of 18 (and Lessee covenants that its age restrictions for occupancy shall be the most restrictive allowed under the Act); and (iv) 100% of the apartment units will be occupied by, or held available for, persons with incomes no greater than 60% of the median income in the area.

9.02 The Lessee shall not use or occupy or permit the Premises or any part thereof to be used or occupied, nor do or permit anything to be done in or on the Premises, in whole or in part,

in a manner which would in any way (i) violate any of the covenants, agreements, provisions and conditions of this Lease, or (ii) violate any Legal Requirements, or (iii) constitute a public nuisance.

9.03 Lessee shall not violate the applicable restrictions regarding the use or occupancy of the Conservation Easement which encumbers the Land, which restrictions may include but are not limited to restrictions against degradation of the easement area, construction of improvements or encroachments thereon, and drainage across the easement area, except as permitted by applicable Authorities.

9.04 In connection with the development of the Project, Lessee anticipates that some or all of the financing of the construction and development will be provided by the syndication or sale of an allocation from the Agency of housing tax credits ("Tax Credit Financing"). The parties acknowledge that for the Project to be eligible for Tax Credit Financing, it must continuously meet certain criteria establish by federal law during a minimum of a 15-year compliance period (subject to longer periods as may be required by the governmental entity allocating tax credits, in order to successfully compete for Tax Credit Financing), including maintaining a prescribed level of apartment units for use by qualified residential tenants. The parties therefore expressly acknowledge and agree to reasonably and timely cooperate with each other in order to effectuate Tax Credit Financing and the development and construction of the Project.

ARTICLE 10

UTILITIES AND SERVICES

10.01 Lessee shall, at its sole cost and expense, arrange for the furnishing of all utilities, including electricity, water and sewer, necessary for the operation of the Project, and Lessee covenants and agrees to pay all charges therefor directly to the applicable public utility or governmental authority furnishing such service to the Premises.

10.02 Lessee shall have the right, at Lessee's cost and expense, to enter into agreements with utility companies creating easements or restrictions or use agreements in favor of such companies as are required in order to service the Land and the Premises and any improvements thereon, and Lessor covenants and agrees to consent thereto and to execute any and all documents, agreements and instruments in order to effectuate the same, provided, however, that in Lessor's reasonable business judgment as holder of the fee interest in the Land, that such easements are commercially reasonable and do not unduly restrict use of the Land. Lessor shall be responsible for its own Attorneys' Fees and other costs incurred in Lessor's review and execution of such documents, agreements and instruments.

10.03 Except as may be agreed by the parties or by Lessee and the City, Lessor shall not be required to furnish any utilities of any nature to the Premises during the term of this Lease, Lessee hereby assuming full and sole responsibility for obtaining the supply of and payment for all utilities, operational costs and services.

ARTICLE 11

REPAIRS; COMPLIANCE WITH LAWS

11.01 The Project, both outside and inside, together with all the equipment and installations therein and the appurtenances thereto, shall be put and kept by Lessee in good order, condition, maintenance and repair, ordinary wear excepted, so as to comply with the standard described below and with applicable building codes; and Lessee shall make all repairs and replacements, ordinary, as well as extraordinary, foreseen and unforeseen, structural or otherwise, at its sole cost and expense, which may be necessary or required so that at all times the Project, and all equipment, installations and appurtenances shall comply with applicable building codes. If Lessee fails to make such repairs, restoration or replacements, the same may be made by Lessor at the expense of Lessee and such expense or reimbursement shall be collectible as part of the Additional Rent and paid by Lessee within 30 days after Lessor renders a bill for same. The standard of condition, maintenance and the necessity for and adequacy of the repairs to the Project made or required to be made hereunder shall be measured by a commercially-reasonable standard appropriate for projects of similar construction, class and location and which contain similar facilities.

11.02 Throughout the Term of this Lease, Lessee shall, at its own cost and expense, promptly and diligently observe and comply with: (a) all Legal Requirements, whether or not such compliances herewith shall require structural repairs, changes or alterations in and about the Premises, or repairs, changes or alterations incident to or as the result of any use or occupation of the Premises or interfere with the use and enjoyment of the Land or any part thereof; (b) procure, maintain and comply with all permits, licenses, franchises and other authorizations legally required for any use of the Land or any part thereof then being made and for proper erection, installation, operation and maintenance of any improvements or any part thereof; and (c) comply with any instruments of record at the time in force affecting the Land or any part thereof.

Lessee shall pay all costs, expenses, claims, fines, penalties, and damages that may in any manner arise out of or be imposed because of the failure of Lessee to comply with this covenant.

11.03 Lessee will not do or permit or suffer any waste to or upon the Project or any part thereof.

ARTICLE 12

INDEMNITY; INSURANCE

12.01 During the Term, Lessee shall keep, save and hold harmless Lessor of and from any and all loss, damages, expenses, costs and liability for anything and everything whatsoever arising from the condition of the Premises or out of the occupancy by the Lessee or any subLessee of Lessee, and any accident, injury or damage whatsoever caused to any party in or on the Premises or the appurtenances thereof, and from any loss, damage, expenses, cost or liability, including reasonable costs and attorneys' fees, arising from any fault or negligence by Lessee or any failure on Lessee's part to comply with any of the covenants, terms and conditions herein contained, unless such injury or damage is attributable in whole or in part to the gross negligence or willful misconduct of Lessor, its agents or employees.



12.02 A. Lessee covenants and agrees that from the date hereof Lessee will carry and maintain, at its sole cost and expense, the following types of insurance, in the amounts specified and in the form hereinafter provided for:

1. Comprehensive broad form general public liability insurance in common use for commercial structures with extended coverage endorsement, naming both Lessor and Lessee as insured parties, which insurance protects Lessor and Lessee against any liability whatsoever and covering the Premises and Lessee's use thereof against claims for personal injury, death, and property damage occurring upon, in or about the Premises, such insurance to afford protection in an amount not less than that required by Leasehold Mortgagee, and to provide that the insurer shall give Lessor and Leasehold Mortgagees no less than thirty (30) days notice prior to any change, cancellation or lapse in such insurance coverage;

2. Until final completion of the Project and the obtaining of a permanent Certificate of Occupancy for the Project, builder's risk insurance, in broad form and containing such coverages and in such amounts which are not less than those required by Leasehold Mortgagees, for all work at the job site;

3. Workmen's compensation insurance covering all persons employed for such work;

4. Fire and extended coverage insurance covering the Premises, and all alterations, extensions and improvements thereto and on the Premises and replacements thereof, including all the appurtenances, whether on the Premises or extending beyond the boundaries thereof, against loss or damage by fire and the risks contemplated within the extended coverage endorsements, in an amount not less than the full actual replacement cost of the Premises and appurtenances, and sufficient to prevent Lessor or Lessee from becoming a co-insurer of any partial loss and the applicable provisions of the policies, or as otherwise required by Leasehold Mortgagees.

B. Lessor shall be deemed to have approved and accepted such forms and amounts of insurance and such insurers as a Leasehold Mortgagee may approve from time to time under the terms of a Leasehold Mortgage. Each such policy shall be issued in the names of Lessor and Lessee, their respective designees, and any other parties in interest from time to time designated in writing by Lessee. Said policies shall be for the mutual and joint benefit and protection of Lessor and Lessee and any such other parties in interest, and executed copies of each such policy of insurance or a certificate thereof shall be delivered to each of Lessor and any such other parties in interest prior to the commencement of the term of this Lease and thereafter within fifteen (15) days prior to the expiration of each policy. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Lessee in like manner and to like extent. All such policies of insurance shall contain provisions that the company writing said policy will give to Lessor and such other parties in interest at least thirty (30) days notice in writing in advance of any cancellations or lapses, or the effective date of any reduction in the amounts of insurance.

C. Notwithstanding anything to the contrary herein, Lessee shall not be required to maintain any insurance coverages which are generally more burdensome, or require higher levels of coverage, than those imposed by any Leasehold Mortgage.

12.03 A. Lessee expressly represents and warrants to the Lessor that (i) it has had an opportunity prior to its execution of this Lease to thoroughly inspect the Premises and obtain and fully

study the contents of any environmental reports received from Lessor or obtained by Lessee; (ii) the Premises shall not be used for the handling, storage, transportation or disposal of hazardous or toxic materials, or any asbestos-containing materials or oil or pesticides including without limitation any contaminant, pollutant, or other toxic or hazardous substance as defined by the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") 42 U.S.C. §9601 et sec., the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §6901 et seq., Florida Statutes Chapters 376 and 403, Florida Administrative Code Title 62, or any other law, rule or regulation of any governmental authority having jurisdiction over the Premises, as such laws, rules and regulations may change from time to time (the "Environmental Laws"), or which are otherwise dangerous, hazardous, a pollutant, or a nuisance (whether public or private) or which may void or increase the rate of any insurance in force ("Hazardous Substances"); and (iii) the Lessee will not permit any Hazardous Substances to be brought, held, stored or used on the Leases Premises except in strict compliance with the Environmental Laws.

B. Lessee agrees to indemnify, defend and hold the Lessor harmless from and against any claims, losses, damages, liabilities, penalties, fines, charges, interest, judgments, including without limitation reasonable attorneys' fees through all administrative, trial and appellate proceedings and any clean-up costs, incurred by the Lessor arising out of or in connection with Lessee's handling, storage, transportation or disposal of Hazardous Substances, or any spill, discharge, release, escape or cleanup of Hazardous Substances ("Hazardous Discharge") or failure to comply with any governmental law, rule or regulation, by the Lessee or any other user or operator of the Premises. For the purposes of this indemnity, any acts or omissions by Lessee or by its employees, agents, contractors or others acting for or on behalf of Lessee including, without limitation, others using or occupying the Premises by, through or under the Lessee (whether or not they are negligent or intentional) shall be strictly attributable to Lessee. The foregoing indemnity shall survive the expiration or earlier termination of this Lease but shall not apply to Hazardous Substances (i) which may exist on the Premises prior to the Rental Commencement Date, or (ii) first introduced to the Premises following termination or expiration of this Lease and Lessee's surrender of possession to Lessor, or (iii) migrating to the Premises from adjacent lands.

C. Lessor represents in good faith that, to the best of its knowledge and belief, there are no Hazardous Substances on, in or under the Land, and Lessor covenants not to bring onto the Land or the Premises any Hazardous Substances after the Effective Date and during the Term. The foregoing covenants shall survive the expiration of earlier termination or this Lease.

ARTICLE 13

FIRE OR OTHER CASUALTY; LESSEE'S DUTY TO REPAIR; NO ABATEMENT

13.01 If the Project or any other improvement at any time on the Land shall be damaged or destroyed by any cause whatsoever during the Term of this Lease, Lessee shall, with reasonable promptness, repair and replace the same at its own expense, to at least a condition substantially similar to that existing immediately prior to the damage or destruction, and shall do so, even though the proceeds of any insurance policies covering the loss shall be insufficient to reimburse Lessee therefor but only if required by the terms of any Leasehold Mortgage; provided, however, that if the proceeds of insurance are more than sufficient to pay the cost of the rebuilding, Lessee shall be entitled to retain that surplus.

13.02 Lessee shall not be entitled to any abatement of rent, nor shall its obligations under this Lease be terminated during the Term, notwithstanding any destruction or damage to the

Premises by any cause whatsoever; provided, however, that if the Premises are substantially destroyed by fire or other casualty at any time during the last ten (10) years of the Term, then Lessee may terminate this Lease by written notice given to Lessor within sixty (60) days after the date of such destruction, and the Rent, Additional Rent and other charges under this Lease will be apportioned as of the date of destruction and, provided that Lessee clears the Land of all debris, Lessee will be discharged from responsibility to repair the damage, but all proceeds of casualty insurance covering the loss and remaining after repayment of indebtedness to all Leasehold Mortgagees shall in that circumstance belong to the Lessor.

13.03 All insurance proceeds or condemnation proceeds or other expenses for repair or restoration or Alteration work on the Premises shall be paid in escrow to the first-priority Leasehold Mortgagee and disbursed in accordance with that Leasehold Mortgagee's standard construction lending practices and the terms of the Leasehold Mortgage; or if there is no Leasehold Mortgage, such proceeds shall be paid Lessee.

ARTICLE 14

CONDEMNATION

14.01 A. If any competent authority for any public or quasi-public use or purpose takes or condemns (hereafter "takes" or "taking") all or materially all of the Premises at any time during the term, Lessor and Lessee and all Leasehold Mortgagees shall have the absolute right to participate in the taking proceedings held by the taking authority ("Condemnor"), to present their proofs in such proceedings, and to attempt to be awarded a share in the net proceeds of any award. In the event the Condemnor does not apportion the award, then the respective rights of Lessor, Lessee and Leasehold Mortgagees in such award, and the damages upon the taking, are set forth below. "All or materially all of the Premises" shall be deemed to have been taken if the untaken portion or portions cannot be practically and economically used or converted for use by Lessee for the purpose for which the Premises were being used immediately prior to such taking. The proceeds of the taking shall be apportioned as follows:

B. First, Leasehold Mortgagees shall be entitled to receive an amount sufficient to repay all outstanding balances due on all Leasehold Mortgages.

C. Second, Lessor shall be entitled to receive, with interest thereon as allowed by the Condemnor, that portion of the award as shall represent compensation for the value of the Premises, considered as vacant and unimproved Land, ("Land Value"), plus consequential damages, if any, and costs proportionately attributable to that Land Value.

D. Third, Lessee shall be entitled to receive that portion of the award as shall represent the value of its leasehold estate, subtracting therefrom the amount paid to Leasehold Mortgagees pursuant to subsection B above, plus consequential damages, if any, and costs proportionately attributable to its leasehold interest.

E. Last, Lessor shall then be entitled to receive the entire balance of the award.

F. If the values of the respective interests of Lessor and Lessee shall be determined according to the provisions of this Article in the proceeding pursuant to which the Premises shall have been taken, the values so determined shall be conclusive upon Lessor and Lessee. If these values shall not have been thus separately determined, they shall be fixed by



agreement between the Lessor and Lessee or if they are unable to agree, then the controversy shall be resolved by arbitration under the procedure to govern in arbitration as set forth in Article 17.

14.02 If title to the all or materially all of the Premises shall be taken, this Lease shall terminate and Rent, Additional Rent, and other charges under this Lease shall be apportioned as of the date of vesting of title in such taking or proceedings.

14.03 A. In the event of a taking of less than materially all of the Premises, this Lease (except as hereinafter provided) shall nevertheless continue, but the Rent to be paid by Lessee shall thereafter be reduced by the ratio that the rental value of the portion of the Premises taken bears to the rental of the entire Premises at the time of the taking, and Lessee shall promptly restore the Premises. The award for the taking in respect to the Land shall belong to the Lessor, and the award balance shall belong to Lessee.

B. Should the partial taking (a) result in rendering the part of the Premises remaining unsuitable for the purposes for which the Project was designed, or (b) occur during the last ten (10) years of the term, then Lessee, in either event at its option, upon thirty (30) days' prior notice to Lessor given at any time within sixty (60) days after the vesting of title in the Condemnor, may terminate this Lease. Upon that termination the Rent and other charges under this Lease shall be apportioned as of the date of termination and the Lessee will be discharged from responsibility to restore the Premises. Subject to the rights of any Leasehold Mortgagee, the award shall be apportioned by the Condemnor as the parties' interests may appear.

14.04 In the event any controversy arises under Section 14.03 as to whether the remainder of the Premises are suitable for the purposes for which the Project was designed or if there be any controversy under this Article 14 as to whether there has been a taking of materially all of the Premises, the controversy shall be resolved by arbitration.

14.05 This Lease shall not be affected if the Condemnor, by the exercise of its power of eminent domain, shall take the use or occupancy of the Premises or any part thereof for a temporary period (hereafter, "temporary taking"). The Lessee shall continue to pay, in the manner and at the time specified in this Lease, the full amounts of the Rent and all Additional Rent and other charges payable by the Lessee under this Lease. Except only to the extent that the Lessee may be prevented from so doing pursuant to the terms of the order of the Condemnor, Lessee shall continue to perform and observe all its other obligations under this Lease, as though the temporary taking had not occurred. Lessee shall be entitled to receive the entire amount of any award made for the temporary taking, whether paid by way of damages, rent, or otherwise, unless the period of temporary use or occupancy shall extend to or beyond the expiration date of the Term of this Lease, in which case the award shall be apportioned between Lessor and Lessee as of the date of expiration of the Term, but Lessee shall in that circumstance receive the entire portion of the award that is attributable to physical damage to the Premises and the restoration thereof to the condition immediately prior to the taking. The Lessee covenants that, upon the termination of any temporary taking, prior to the expiration of the Term, it will, at its sole cost and expense, restore the Premises, as nearly as may be reasonably possible, to the condition in which the same was immediately prior to the temporary taking.

A. Should the City condemn the Premises or any portion thereof within the first fifteen (15) years following issuance of all certificates of occupancy for the Premises, it is expressly agreed by Lessor that full compensation to Lessee shall include any and all penalties (including so-

called "tax credit recapture payments"), taxes (including penalties and interest thereon), and other monies payable to or on behalf of Lessee's partners in the Premises.

B. The provisions of this Section regarding Lessee's compensation shall not be applicable to any proceeding other than a Taking by the City within the first fifteen (15) years following issuance of all certificates of occupancy for the Premises. The costs referred to in clause (2) above include but are not limited to legal fees; architectural, engineering, surveying, planning, and other consulting fees; accounting fees; brokerage fees in connection with leasing and financing; other financing costs; costs of infrastructure such as water, sewer, other utilities and road, drainage and other land improvements; a reasonable and fairly allocable share of Lessee's overhead costs related to the portion of the Premises that is taken; and interest from the date such costs were expended to the date of compensation at the prime rate from time to time in effect of Bank of Wachovia Bank, National Association, or its successor.

C. Lessor agrees that the City shall not condemn the Premises or any portion thereof except (i) in the event it is necessary for public health and safety, (ii) in good faith, (iii) when no other property is reasonably suitable for the public use the Lessor needs, and (iv) for a purpose other than either leasing or selling the condemned property to another person or entity engaging in Lessee's or any Sublessee's business of leasing office, commercial or residential space (or a combination of such uses). If there is a taking by Lessor of a portion of the Premises, Lessor shall not use the property it so acquires for any use detrimental to Lessee's remaining property, which prohibited uses include but are not limited to a trash transfer station, train repair or storage, bus storage or repair, warehouse having a truck parking area or loading dock visible from the road, jail or other use with the likelihood of diminishing Lessee's use and enjoyment of the remainder of the Premises. Lessor shall consult with and coordinate design of any improvements upon the land referred to in this paragraph with Lessee, so as to maintain architectural compatibility with the balance of the improvements located on the Premises, and so as to coordinate traffic.

ARTICLE 15

DEFAULT

15.01 Lessor shall be entitled to avail itself of the remedies hereinafter set forth, in each and every case, if any one or more of the following events (herein called "Event of Default") shall occur:

(i) If Lessee shall fail to pay any part of the Rent, or any other sum herein stipulated and agreed to be paid or any installment thereof, within thirty (30) days after the same shall be due and payable, and such failure to pay continues for a period of thirty (30) days after notice thereof from Lessor in writing ("Default Notice"); or

(ii) If Lessee materially fails in the observance or performance of any of its other material covenants, agreements, terms or conditions provided for in this Lease on Lessee's part to be observed or performed (whether or not particularly specified elsewhere herein as a default) and shall allow such material failure to continue for a period of ninety (90) days after receipt of a Default Notice thereof by or on behalf of Lessor, provided, however, that if such failure is incapable of practicably being cured with diligence within such ninety (90) day period and if Lessee shall proceed promptly to cure the same and thereafter shall prosecute such curing with diligence, then the time period within which such failure may be cured shall be extended for such period as may be necessary to complete the curing of the same with diligence.

15.02 If any Event of Default occurs, then and in each such case, Lessor may treat the occurrence of such Event of Default as a breach of this Lease, and Lessor may give notice at any time thereafter (but prior to the curing of such Events of Default) to Lessee specifying such Event(s) of Default and stating that this Lease and the Term shall expire and terminate on the date specified in the notice, which date shall be at least thirty (30) days after the giving of such notice ("Termination Notice"), and on the date specified in the Termination Notice the Lease and the Term thereof shall expire and terminate, and all rights of Lessee under the Lease shall expire and terminate, and Lessor may:

(i) declare all past-due installments of Rent to be due and payable immediately; or

(ii) re-enter and take possession of the Premises and exclude Lessee from possession; or

(iii) declare all sums due from Lessee under the Lease to be immediately due and payable, and may re-take possession of and re-let the Premises and apply sums received from such re-letting to amounts owed by Lessee.

15.03 If either Lessor or Lessee shall default in the performance of any covenant on its part to be performed by virtue of any provision in this Lease, and if in connection with the enforcement of the non-defaulting party's rights or remedies such non-defaulting party shall properly and reasonably incur fees and expenses for services rendered (including reasonable attorneys' fees), then such fees and expenses shall, if said non-defaulting party shall prevail in litigation, be immediately reimbursed by the defaulting party on demand.

15.04 No remedy herein conferred upon or reserved to Lessor is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Lease now or hereafter under law of in equity or by statute. No delay or omission to exercise any right or power accruing upon any Lessee default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE 16

LESSOR'S RIGHT TO CURE LESSEE'S DEFAULTS

16.01 Should Lessee fail to perform any of the covenants or terms of this Lease on its part to be performed within ninety (90) days after the giving of written notice to Lessee (but in any event, regardless of such notice or the lack thereof, promptly (i) before the accrual of any penalty as provided by law; or (ii) in an emergency), Lessor may (but is not obligated to) perform the same and add any such reasonable sum or sums paid or expended in such performance to any Rent then due or thereafter falling due with like effect as if an original part of such installment, and such sum or sums, together with interest thereon at the maximum legal rate for individuals from the date upon which the expense shall have been incurred, shall be and become Additional Rent.

ARTICLE 17

WAIVER OF JURY TRIAL; ARBITRATION

17.01 Lessor and Lessee, to the extent allowed by law, hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee, Lessee's use or occupancy of the Premises, any claim of injury or damage, or any emergency statutory or any other statutory remedy.

17.02 If a dispute shall arise with respect to the matters herein, such matters shall be arbitrated in the following manner: Lessor and Lessee shall each, within five days thereafter, select an arbitrator who shall be a disinterested person, with reasonable knowledge and experience relative to the subject to be arbitrated. The two arbitrators thus selected shall select a third arbitrator, likewise be a disinterested person having knowledge and experience relative to the subject to be arbitrated. The three arbitrators shall meet promptly and, by a majority vote, determine the matter subject to arbitration, and whether Lessor, Lessee or both shall pay the expenses of the arbitration, which determination shall be binding upon Lessor and Lessee. All selections and determinations shall be given promptly by written notice. The said arbitration's and determinations shall be conducted in Pinellas County, Florida, in accordance with the applicable provisions of the Uniform Arbitration Act of the State of Florida.

17.03 In each case specified in this Lease in which resort to arbitration shall be required, the decision and award of the arbitrators shall be in writing, shall be final and conclusive on the parties, and counterpart copies thereof shall be delivered to each of the parties. In rendering such decision and awards, the arbitrators shall not add to, subtract from or otherwise modify the provisions of this Lease. Judgment may be had on the decision and award of the arbitrators so rendered in any court of competent jurisdiction.

ARTICLE 18

NOTICES

18.01 To have any validity, notices by either party to the other must be in writing and must be sent by registered or certified mail return receipt requested, postage prepaid, addressed to Lessor or Lessee at their respective addresses hereinabove set forth, or to such other address as either party shall hereafter designate by notice as aforesaid with copies to Lessor's legal counsel: John Hubbard, Esq., 595 Main Street, Dunedin, Florida 34698; and to Lessee's legal counsel: Brian J. McDonough, Esq., 150 W. Flagler Street, Suite 2200, Miami, FL 33130. All notices properly addressed shall be deemed served three (3) days after the date of mailing, except that notice of change of address and Default Notices shall not be deemed served until received by the addressee. Notices signed by the attorneys for the parties shall be deemed sufficient within the meaning of this Section without the signatures of the parties themselves.

ARTICLE 19

BROKERAGE REPRESENTATION

19.01 Each of Lessor and Lessee represents and warrants to the other that it has had no dealings or negotiations with any broker or agent in connection with this transaction, and each party hereby indemnifies and holds the other party harmless of and from any claims, actions, damages,



costs and expenses (including reasonable attorneys' fees) and liability whatsoever that may arise from any claim for brokerage or commission or finder's fee by any person, firm or corporation, which claim is based upon the foregoing parties or entities having dealt with either of Lessor or Lessee in connection with the Premises of this Lease.

19.02 Lessor represents that it has the right and capacity to enter into this Lease. Lessor covenants and agrees that upon Lessee's paying the Rent and performing and observing all of the Lessee's Lease obligations, Lessee may peaceably and quietly have, hold and enjoy the Premises for the Term, without hindrance or molestation by anyone claiming paramount title or claims through Lessor, subject, however, to the covenants, agreements, terms and conditions and other obligations of this Lease and any holder of rights under any Permitted Encumbrances.

ARTICLE 20


LIENS; ASSIGNMENT; SUBLETTING

20.01 Lessee will not directly or indirectly create or permit to be created and/or to remain a lien upon the Land any lien or other encumbrance except those liens expressly permitted by this Lease and the Leasehold Mortgages. In the event a lien has been created by or permitted by Lessee in violation of this provision, Lessee will immediately bond off or otherwise discharge of record any such mortgage, lien, security interest, encumbrance, charge on, pledge of or conditional sale or other title retention agreement with respect to the Land or any part thereof. All costs and expenses incurred by Lessor in connection with foreclosure of any such lien which violates this provisions, including costs and reasonable attorneys' fees, shall constitute Additional Rent due and payable in accordance with Section 4 hereof.

20.02 Lessee may assign this Lease only in its entirety (not in part) and without the prior written consent of Lessor, provided that at all times the Project shall be managed by an entity with a demonstrated managerial and operational capacity for managing and operating rental projects similar to the Project. Any such assignment shall be subject to all the covenants, conditions, agreements and terms of this Lease. Lessee covenants and agrees that notwithstanding any such assignment, except as otherwise set forth herein, prior to completion of construction of the Project, Lessee shall and will remain fully and primarily liable for the payment of Rent due and to become due hereunder and for the performance of all the covenants, conditions, agreements and terms contained in this Lease on the part of Lessee to be performed.

20.03 No assignment of all of Lessee's interest under this Lease shall be valid unless in writing and the following has occurred:

A. Lessee shall have given written notice to Lessor, which notice shall contain the following information: (i) the name and address of proposed Assignee; (ii) the nature of the transaction; (iii) copies of all proposed assignment documents; (iv) a summary of the proposed assignee's prior experience in managing and operating real estate developments similar to the Project, including information establishing that the proposed assignee or its partners, shareholders, members or affiliates has a business reputation for integrity and reliability, has a demonstrated managerial and operational capacity for real estate projects similar to the Project, has financial depth, and is of good character; and (v) such other information that Lessor reasonably requests. Lessor shall request such additional information within ten (10) Business Days after receipt of Lessee's initial information. Lessor shall, within sixty (60) days of its receipt of such information, advise Lessee if it shall consent to same. If Lessor shall not consent to a proposed transfer of the



Project, Lessor shall state with specificity all of its reasons for such disapproval in its notice to Lessee withholding its consent and give Lessee an opportunity to respond.

B. Such assignment shall: (i) be in recordable form; (ii) contain a covenant of assumption by the assignee reasonably acceptable to Lessor; (iii) require assignee to abide by all Legal Requirements.

C. A counterpart thereof is delivered to Lessor prior to the effective date thereof. After an assignment of the Lease and Premises, the assignee and Lessor may thereafter modify, amend or change the Lease but only so long as (a) Lessee has been released from all rights and obligations under the Lease pertaining to the Premises subject to the assignment between Lessee and its assignee; and (b) they do not diminish or abrogate the rights of Lessee (or anyone claiming through Lessee) as to any other part of the Premises.

D. Notwithstanding the above, no consent shall be required for an assignment that occurs as a result of foreclosure or assignment in lieu of foreclosure.

20.04 Lessee shall obtain written consent of Lessor both as to the proposed assignment of all of Lessee's interest under this Lease and the proposed assignee if, but only if, it wishes to be released from liability as Lessee under this Lease prior to completion of construction of the Project. Any request to Lessor for such release from liability shall be in writing and shall be accompanied by the information required in subsection 20.03.A above. Lessor shall not unreasonably withhold or delay such consent to release from liability hereunder. If Lessor consents to such assignee, the original Lessee (or then applicable assignor) shall be released of all obligations under this Lease accruing after the effective date of such assignment.

20.05 Lessee may sublet individual apartments in the Project without the prior written consent of Lessor.

20.06 In the event Lessee assigns its interest in the Lease to a not-for-profit entity, or to an entity which changes the nature of the Premises so that it becomes exempt from payment of ad valorem taxes, such an assignment shall not be valid unless at the time of the transfer to the not-for-profit entity, or at the time the nature of the Premises changes so as to become tax-exempt, Lessee's assignee pays to the City the amounts which would otherwise be payable in ad valorem taxes during the remainder of the Term if the Premises remained on the tax rolls of Pinellas County.

20.07 Lessee agrees that it will not change the nature of its legal entity or the nature of the Premises so that Lessee or the Property becomes exempt from payment of ad valorem taxes.

ARTICLE 21

ACCESS TO PREMISES

21.01 Upon reasonable notice to and consent from Lessee, and so long as there is no interference with the normal operation and business of the Project caused by such entry onto the Premises, Lessor shall have the right to enter the public areas of the Premises at reasonable times during business hours of Lessee. In the event Lessee has been declared to be in default pursuant to Article 15 hereof, or during a period that is within ninety (90) days of the expiration of the Lease, Lessor may at reasonable times during business hours enter upon the Premises, or any part thereof,

for the purpose of ascertaining the condition of the Premises or whether Lessee is observing and performing the obligations assumed by it under this Lease. Lessor shall also have the right to enter upon the Premises for the purpose of making any necessary repairs and performing any work that may be necessary by reason of Lessee's failure to make any such repairs or perform any such work, but only if such repairs or work are necessary to bring the Project into compliance with applicable building codes. The above-mentioned rights of entry shall be exercisable upon request made on reasonable advance notice to Lessee (except that no notice shall be required in the event of an emergency) or an authorized employee of Lessee at the Premises, which notice may be given orally. Lessor shall not, however, have any obligation to make such repairs or perform such work. In no event, however, shall Lessor have access to the interior of any individual apartment located at the Premises without the express consent of the sublessee of such apartment.

ARTICLE 22

NO SUBORDINATION

22.01 This Lease shall not be subject and subordinate to any mortgage which may now or hereafter affect Lessor's fee interest in the Premises or any renewals, modifications, consolidations, replacements and extensions of any such mortgage ("Fee Mortgage").

ARTICLE 23

NO WAIVER BY LESSOR

23.01 No receipt of moneys by Lessor from Lessee after the termination or cancellation of this Lease in any lawful manner shall, except as otherwise set forth herein, (a) reinstate, continue or extend the Term of this Lease; (b) affect any notice theretofore given to Lessee; (c) operate as a waiver of the rights of Lessor to enforce the payment of any Rent then due or thereafter falling due; or (d) operate as a waiver of the right of Lessor to recover possession of the Premises by proper suit, action, proceeding or remedy; it being agreed that after the service of notice to terminate or cancel this Lease, or after the commencement of suit, action or summary proceedings, or any other remedy, or after a final order or judgment for the possession of the Premises, Lessor may demand, receive and collect any moneys due, or thereafter falling due, without in any manner affecting such notice, proceeding, suit, action, order or judgment; and any and all such moneys collected shall be deemed to be payments on account of the use and occupation of Lessee's liability hereunder.

23.02 The failure of Lessor to insist in any one or more instances, upon a strict performance of any of the covenants of this Lease, or to exercise any option herein contained, shall not be construed as a waiver of or relinquishment for the future of the performance of such covenant, or the right to exercise such option, but the same shall continue and remain in full force and effect. The receipt by Lessor of the Rent with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by Lessor of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Lessor.



ARTICLE 24

SURRENDER OF PREMISES

24.01 On the last day or earlier termination of the Term of this Lease, Lessee shall quit and surrender the Premises, together with all Alterations. If the Premises are not surrendered as and when required by this Lease, Lessee shall indemnify Lessor against loss or liability resulting from the delay by Lessee in so surrendering the Premises, including, without limitation, any claims made by any succeeding occupant founded on such delay. Any holding over with the consent of Lessor after the termination of the Term shall be construed to be a tenancy from month-to-month upon the same terms and conditions as provided in this Lease, to the extent applicable. Lessee's obligations under this Article shall survive the expiration or earlier termination of the Term of this Lease.

24.02 No modification, termination or surrender to Lessor of this Lease or surrender of the Land or any part thereof, or of any interest therein by Lessee, other than as set forth in Section 24.01 above, shall be valid or effective unless agreed to and accepted in writing by Lessor, and no act by any representative or agent of Lessor, other than such a written agreement and acceptance by Lessor, shall constitute an acceptance thereof.

24.03 It is the intent of the parties that the Project and all interests therein shall become the sole and exclusive property of Lessor upon termination of this Lease, free of any debt, lien or encumbrance except such easements and other agreements previously agreed to by Lessor. There shall be no disposal of or conveyance of any portion of the Project during the term of this Lease, except in the normal course of business. All provisions of this Lease relative to such issues shall be interpreted in accordance with this expression of the understanding of the parties and shall be liberally construed. At the termination of this Lease, Lessee shall convey title to the Premises by quitclaim deed, bill of sale, or other appropriate legal conveyance reasonably acceptable to Lessor, and shall provide, at Lessee's cost, an owner's policy of title insurance in the amount of the fair market value of the Premises at the time of conveyance, written on a title insurance company reasonably acceptable to the City, promptly and without demand therefore, and shall pay all costs for the recording of such conveyance.

ARTICLE 25

MISCELLANEOUS

25.01 Wherever herein the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders. The Article headings used herein are for reference and convenience only and shall not be used to construe. Each and every term and provision of this Lease which requires any performance (whether affirmative or negative) by Lessee shall be deemed to be both a covenant and a condition.

25.02 The covenants and agreements contained in this Lease inure to the benefit of and are binding upon the parties hereto, their successors and assigns, but this Article does not modify the provisions of Article 20.

25.03 This Lease and its Exhibits contain the entire agreement between the parties, and any agreement hereafter made shall not operate to change, modify, or discharge this Lease in whole



or in part unless such agreement is in writing and signed by the party sought to be charged therewith.

25.04 If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons whose circumstances are other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

25.05 Nothing in this Lease shall create any legal relationship between Lessor and Lessee other than a landlord/tenant relationship. Under no circumstances is this Lease to bring into being a partnership, joint venture or any other legal relationship between the parties other than as is specifically identified herein. Under no circumstances will the Lessor exercise any operational control, authority or responsibility relative to the Project which is not specifically provided for herein, and nothing in this Lease shall be interpreted to be for the benefit of a third party or create a beneficial interest in any person or entity not a party hereto.

ARTICLE 26

NO MERGER OF TITLE

26.01 There shall be no merger of the Premises created by this Lease with the fee estate in the Land by reason of the fact that the same person may own or hold (a) the Premises created by this Lease or any interest in such Premises; and (b) the fee estate in the Land or any interest in such fee estate, and no such merger shall occur unless and until all persons, including any mortgagee having any interest in (i) the Premises created by this Lease, or (ii) the fee estate in the Land, shall join in a written instrument effecting such merger and shall duly record the same.

ARTICLE 27

LEASEHOLD MORTGAGE

27.01 Without Lessor's prior consent, Lessee shall have the right from time to time during the Term to mortgage, collaterally assign, or otherwise encumber in favor of one or more Institutional Lenders Lessee's leasehold estate and interest in the Premises ("Leasehold Interest") under one or more Leasehold Mortgages, and to assign this Lease, Lessee's personalty located on the Premises, its subleases and issues, rents and profits therefrom, as security for such Leasehold Mortgage(s). For this purpose, mortgages securing separate construction and take-out loans for the same work of improvement shall be considered one Leasehold Mortgage.

27.02 A. 1. If Lessee shall mortgage its Leasehold Interest to an Institutional Lender, and if the holder of such Leasehold Mortgage shall provide Lessor with notice of such Leasehold Mortgage together with a true copy of such Leasehold Mortgage and the name and address of the Mortgagee, Lessor and Lessee agree that, following receipt of such notice by Lessor, the provisions of this Article 27 shall apply in respect to such Leasehold Mortgage.

2. If the Investor Limited Partner shall provide Lessor with notice of its status as investor limited partner in Lessee's limited partnership entity, together with the name and address of such Investor Limited Partner, the provisions of this Article 27 shall apply in respect to



such Investor Limited Partner to the same extent as it applies to a Leasehold Mortgagee, and all references to "Leasehold Mortgage" shall be deemed to include the Investor Limited Partner.

3. In the event of any assignment of a Leasehold Mortgage or in the event of change of address of a Leasehold Mortgagee or of an assignee of such Leasehold Mortgage, notice of the new name and address shall be provided to Lessor.

B. After Lessor has received the notice provided for by subsection A above, the Lessee, upon being requested to do so by Lessor, shall with reasonable promptness provide Lessor with copies of the note or other obligation secured by such Leasehold Mortgage and of any other documents pertinent to the Leasehold Mortgage and of each amendment or other modification or supplement to such instruments.

27.03 No cancellation, surrender or modification of this Lease shall be effective as to any Leasehold Mortgage unless consented to in writing by such Leasehold Mortgagee.

27.04 Lessee shall use its best efforts to cause to be included in such Leasehold Mortgage(s) a provision requiring each Leasehold Mortgagee, in the event Leasehold Mortgagee declares a loan default and accelerates all sums due under the Leasehold Mortgage, to give notice to Lessor of Lessee's default and acceleration under its Leasehold Mortgage.

27.05 Lessor, upon providing Lessee any notice of: (i) default under this Lease; (ii) a termination of this Lease; or (iii) a matter on which Lessor may predicate or claim a default, shall at the same time provide a copy of such notice each Leasehold Mortgagee. No such notice by Lessor to Lessee shall be deemed to have been duly given unless and until a copy thereof has been so provided to the Leasehold Mortgagee. From and after such notice has been given to the Leasehold Mortgagee, the Leasehold Mortgagee shall have the same period of time, after the giving of such notice upon it, for remedying any acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Lessee after the giving of such notice to Lessee, plus in each instance, the additional periods of time specified in this Lease to remedy, commence remedying or cause to be remedied the acts or omissions which are specified in any such notice. Lessor shall accept such performance by or at the instigation of such Leasehold Mortgagee as if the same had been done by Lessee. Lessee authorizes each Leasehold Mortgagee to take any such action at such Leasehold Mortgagee's option and does hereby authorize entry upon the Premises by the Leasehold Mortgagee for such purpose.

27.06 A. Notwithstanding anything to the contrary contained in this Lease, if any default shall occur which entitles Lessor to terminate this Lease, Lessor shall have no right to terminate this Lease unless, following the expiration of the period of time given Lessee to cure the act or omission which gave rise to such default, Lessor shall notify the Leasehold Mortgagee of Lessor's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination, if such default is capable of being cured by the payment of money, and at least forty-five (45) days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money (such notice a "Termination Notice"). The provisions below shall apply if, during such 30 or 45 day Termination Notice period, any Leasehold Mortgagee shall:

1. Notify Lessor of such Leasehold Mortgagee's desire to nullify such notice;



2. Pay or cause to be paid all Rent and other payments then due and in arrears as specified in the Termination Notice to such Leasehold Mortgagee and which may become due during such period; or

3. Comply or in good faith, with reasonable diligence and continuity, commence to comply with all non-monetary requirements of this Lease then in default and reasonably susceptible of being complied with by such Leasehold Mortgagee, that such Leasehold Mortgagee shall not be required during such 45-day period to cure or commence to cure any default consisting of Lessee's failure to satisfy and discharge any lien, charge or encumbrance against the Lessee's interest in this Lease or the Premises junior in priority to the lien of the mortgage held by such Leasehold Mortgagee.

B. Any notice to be given by Lessor to the Leasehold Mortgagee pursuant to any provision of this section shall be deemed properly addressed if sent to the Leasehold Mortgagee who served the notice referred to in Section 27.02 A(1) unless notice of a change of Mortgage ownership has been given to Lessor pursuant to Subsection 27.02 A(2).

27.07 A. If Lessor shall elect to terminate this Lease by reason of any default of Lessee, and a Leasehold Mortgagee shall have proceeded in the manner provided for by 27.06, the specified date for the termination of this Lease as fixed by Lessor in its Termination Notice shall be extended for a period of six (6) months, provided that such Leasehold Mortgagee shall, during such six (6) month period:

1. Pay or cause to be paid the Rent and other monetary obligations of Lessee under this Lease as the same become due, and continue its good faith efforts to perform all of Lessee's other obligations under this Lease, excepting past non-monetary obligations then in default and not reasonably susceptible of being cured by such Leasehold Mortgagee.

2. If not enjoined or stayed, take steps to acquire or sell Lessee's interest in this Lease by foreclosure of the Leasehold Mortgage or other appropriate means and prosecute the same to completion with due diligence.

B. If at the end of such six (6) month period such Leasehold Mortgagee is complying with Section 27.07 A, this Lease shall not then terminate, and the time for completion by such Leasehold Mortgagee of its proceedings shall continue so long as such Leasehold Mortgagee is enjoined or stayed and thereafter for so long as such Leasehold Mortgagee proceeds to complete steps to acquire or sell Lessee's interest in this Lease by foreclosure of the Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity. Nothing in Section 27.07, however, shall be construed to extend this Lease beyond the original term thereof, nor to require a Leasehold Mortgagee to continue such foreclosure proceedings after the default has been cured. If the default shall be cured and the Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease.

C. If a Leasehold Mortgagee is complying with Subsection 27.07A, upon the acquisition of Lessee's Leasehold Interest herein by such Leasehold Mortgagee or its designee or any other purchaser at a foreclosure sale or otherwise, this Lease shall continue in full force and effect as if Lessee had not defaulted under this Lease.



D. For the purposes of this Article 27, the making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Lease or of the Leasehold Interest hereby created, nor shall any Leasehold Mortgagee, as such, be deemed to be an assignee of this Lease or of the Leasehold Interest hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Lessee to be performed hereunder; however, the purchaser at any sale of this Lease and of the Leasehold Interest hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Leasehold Mortgage shall be deemed to be an assignee within the meaning of this Article 27, and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of the Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the Leasehold Interest. If the Leasehold Mortgagee or its designee shall become holder of the Leasehold Interest and if the Project and other improvements on the Premises shall have been or become materially damaged on, before or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace or reconstruct the Project or other improvements only to the extent of the net insurance proceeds received by the Leasehold Mortgagee or its designee by reason of such damage. However, should such net insurance proceeds be insufficient to repair, replace or reconstruct the Project or other improvements to the extent required by Article 12, and should the Leasehold Mortgagee or its designee choose not to fully reconstruct the Project or other improvements to the extent required by Article 12, such failure shall constitute an event of default under this Lease.

E. Any Leasehold Mortgagee or other acquirer of the Leasehold Interest of Lessee pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings may, upon acquiring Lessee's Leasehold Interest, without further consent of Lessor, sell and assign the Leasehold Interest on such terms and to such persons and organizations as are acceptable to such Mortgagee or acquirer and thereafter be relieved of all obligations under this Lease; provided Lessor has approved such assignee, which approval shall not be unreasonably withheld, and such assignee has delivered to Lessor its written agreement to be bound by all of the provisions of this Lease.

F. Notwithstanding any other provisions of this Lease to the contrary, any sale of this Lease and of the Leasehold Interest hereby created in any proceedings for the foreclosure of any Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold Interest hereby created in lieu of the foreclosure of any Leasehold Mortgage, shall be deemed to be a permitted sale, transfer or assignment of this Lease and of the Leasehold Interest hereby created.

27.08 Nothing herein contained shall require any Leasehold Mortgagee or its designee, as a condition to its exercise of right hereunder, to cure any default of Lessee not reasonably susceptible of being cured by such Leasehold Mortgagee or its designee, or a subsequent owner of the Leasehold Estate through foreclosure, in order to comply with the provisions of Sections 27.06 and 27.07.

27.09 Lessee's share of the proceeds arising from an exercise of the power of eminent domain as provided by Article 14 of this Lease shall, subject to the provisions of such Article 14, be disposed of as provided for by any Leasehold Mortgage.

27.10 Lessor shall give each Leasehold Mortgagee prompt notice of any arbitration or legal proceedings between Lessor and Lessee involving obligations under this Lease. Each Leasehold Mortgagee shall have the right to intervene in any such proceedings and be made a party to such proceedings to the extent provided in the Leasehold Mortgage, and the parties hereto do hereby

consent to such intervention. In the event that any Leasehold Mortgagee shall not elect to intervene or become a party to any such proceedings, Lessor shall give the Leasehold Mortgagee notice of, and a copy of any award or decision made in any such proceedings, which shall be binding on the Leasehold Mortgagee. In the event Lessee shall fail to appoint an arbitrator after notice from Lessor, as provided in Section 17.02 hereof, the Leasehold Mortgagee shall have an additional period of 30 days to make such appointment after notice by Lessor that Lessee has failed to appoint such arbitrator, and the arbitrator so appointed shall thereupon be recognized in all respects as if he had been appointed by Lessee.

27.11 So long as any Leasehold Mortgage is in existence, unless the Leasehold Mortgagee otherwise expressly consents in writing, the fee title to the Premises and the Leasehold Estate of Lessee therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Lessor or by Lessee or by a third party, by purchase or otherwise.

27.12 Lessor shall, without charge, at any time and from time to time hereafter, but not more frequently than twice in any one-year period (or more frequently if such request is made in connection with any sale or mortgaging of Lessee's Leasehold interest or permitted subletting by Lessee), within ten (10) days after receipt of a written request and a proposed form of certificate from Lessee or Leasehold Mortgagee to do so, certify by written certificate duly executed and acknowledged to any Leasehold Mortgagee or purchaser, or proposed Leasehold Mortgagee or proposed purchaser, or any other person, firm or corporation specified in such request: (i) as to whether this Lease has been supplemented or amended and if so, the substance and manner of such supplement or amendment; (ii) as to the validity and force and effect of this Lease, in accordance with its tenor; (iii) as to the existence of any default hereunder; (iv) as to the existence of any offsets, counterclaims or defenses hereto on the part of the Lessee; (v) as to the commencement and expiration dates of the term of this Lease; and (vi) as to any other matters as may be reasonably so requested. Any such certificate may be relied upon by the Lessee and any other person, firm or corporation to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the Lessor.

27.13 Notices from Lessor to the Leasehold Mortgagee shall be mailed to the address furnished Lessor pursuant to Section 27.02, and those from the Leasehold Mortgagee to Lessor shall be mailed to the address designated pursuant to the provisions of Article 18 hereof. Such notices, demands and requests shall be given in the manner described in Article 18 and shall in all respects be governed by the provisions of that section.

27.14 In case of the termination of this Lease by reason of the happening of any Event of Default or of bankruptcy or insolvency of Lessee, Lessor shall give prompt notice thereof to each Leasehold Mortgagee who has made the request referred to in Section 27.02. Lessor shall, on written request of such Leasehold Mortgagee, made at any time within 45 days after the giving of such notice by Lessor, enter into a new lease of the Property with such Leasehold Mortgagee, or its designee, within 20 days after receipt of such request, which new lease shall be effective as of the date of such termination of this Lease for the remainder of the term of this Lease, at the same Rent and Additional Rent and upon the same terms, covenants, conditions and agreements as are herein contained; provided that the Leasehold Mortgagee shall (a) contemporaneously with the delivery of such request pay to Lessor the Rent and Additional Rent which Lessor has specified as due in any notice to such Leasehold Mortgagee; (b) pay to Lessor at the time of the execution and delivery of such new lease any and all Rent and Additional Rent which would have been due hereunder from the date of termination of this Lease (had this Lease not been terminated) to and including the date

of the execution and delivery of such new lease, together with all expenses, including reasonable attorneys fees, incurred by Lessor in connection with the termination of this Lease and with the execution and delivery of such new lease, less the net amount of all sums received by Lessor from any occupants of any part or parts of the Property up to the date of commencement of such new lease; and (c) on or prior to the execution and delivery of such new lease, agree in writing that promptly following the delivery of such new lease, such Leasehold Mortgagee or its designee will perform or cause to be performed all of the other covenants and agreements herein contained on Lessee's part to be performed to the extent that Lessee shall have failed to perform the same to the date of delivery of such new lease. Nothing herein contained shall be deemed to impose any obligation on the part of Lessor to deliver physical possession of the Property to such Leasehold Mortgagee or its designee unless Lessor at the time of the execution and delivery of such new lease shall have obtained physical possession thereof.

27.15 If any Proposed Leasehold Mortgagee of Lessee reasonably requires a modification of the Lease, Lessor will agree to the modification provided: (i) Rent, Additional Rent, any revalued rent, and other amounts required to be paid under the Lease, and the time and manner of payment will not be changed; (ii) the Term will not be changed; (iii) the limitations on use of the Premises contained in the Lease will not be changed; (iv) Lessee's obligations under the Lease will not be reduced and Lessor's obligations to Lessee will not be increased; (v) no modification will materially or adversely change the rights and obligations of Lessor and Lessee under the Lease. Upon agreement by the parties, the parties shall execute an amendment to the Lease evidencing modifications required and permitted under this Section within a reasonable time after receipt of a written request.

ARTICLE 28

CITY'S SOVEREIGN RIGHTS

28.07 A. It is expressly understood that notwithstanding any provision of this Lease and the City's status as Lessor hereunder: (i) City retains all of its sovereign prerogatives and rights as a municipality under Florida laws (but not in regard to its status as Lessor and the performance of its contractual duties hereunder) and shall in no way be estopped from withholding or refusing to issue any approvals of applications for building or zoning; from exercising its planning or regulatory duties and authority; and from requiring development under present or future Legal Requirements of whatever nature applicable to the design, construction and development of the Project improvements provided for in this Lease; and (ii) City shall not by virtue of this Lease be obligated to grant Lessee, the Premises or the Project any approvals of applications for building, zoning, planning or development under present or future Legal Requirements of whatever nature applicable to the design, construction and development of the Project improvements provided for in this Lease.

B. Conversely, City approval of any plans pursuant to Articles 3 and 7 shall not relieve Lessee of its obligations under law to file such plans with any department of the City or any other governmental authority having jurisdiction over the issuance of Governmental Approvals and to take such steps as are necessary to obtain issuance of such Governmental Approvals. Lessor agrees to cooperate with Lessee in connection with the obtaining of such approvals and Governmental Approvals. Lessee acknowledges that any approval given by City, in its role as Lessor and not as the issuer of any Governmental Approvals, shall not constitute an opinion or agreement by City that the plans are structurally sufficient or in compliance with any Legal Requirements, codes or other applicable regulations, and no such approval shall impose any liability upon City. Lessee shall include a provision in each Leasehold Mortgage which will vest City with all



right, title and interest in the construction plans and specifications for the portion of the Project financed thereby, should an Event of Default occur, and the affected Leasehold Mortgagee does not elect to construct and complete the Project or pertinent portion thereof.

SIGNATURES APPEAR ON FOLLOWING PAGE

A handwritten signature in black ink, consisting of several stylized, overlapping loops and lines, located in the bottom right corner of the page.

IN WITNESS WHEREOF, the parties hereto have executed these premises as of the day and year first above written.

Witnesses as to Mayor:

Barbara J. Cole
Barbara J. Cole
Print Name

[Signature]
CHARLES L. ATTARDO
Print Name

Witnesses as to City Manager:

Barbara J. Cole
Barbara J. Cole
Print Name

[Signature]
CHARLES L. ATTARDO
Print Name

CITY OF TARPON SPRINGS, FLORIDA

By: Frank D. Donato
Name: FRANK D. DONATO
Title: Mayor

By: Ellen S. Posnanski
Name: ELLEN S. POSNANSKI
Title: City Manager

Attest:

By: K. Michele Manousos
Name: K. Michele Manousos
Title: City Clerk Deputy City Clerk

Approved as to Form:

By: [Signature]
Name: JAMES HUBBARD
Title: City Attorney

[Handwritten initials]

STATE OF FLORIDA)
) SS:
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this 3rd day of April, 2003, by L. Frank DiDonato, as Mayor of the City of Tarpon Springs, Florida, on behalf of the City.

Personally Known Produced Drivers License Produced: _____

Katherine M. Manousos
Print or Stamp Name: _____
Notary Public, State of Florida at Large
My Commission Expires: _____



STATE OF FLORIDA)
) SS:
COUNTY OF PINELLAS

The foregoing instrument was acknowledged before me this 3rd day of April, 2003 by ETEN S. POSIVAIN, as City Manager of the City of Tarpon Springs, Florida, on behalf of the City.

Personally Known Produced Drivers License Produced: _____

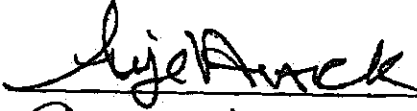
Katherine M. Manousos
Print or Stamp Name: _____
Notary Public, State of Florida at Large
My Commission Expires: _____



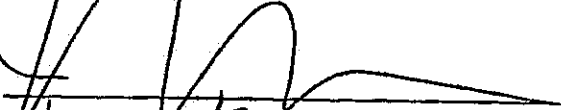
Notarizations continued on following page.

[Handwritten signature]

Witnesses as to Savannah Cove Limited Partnership:



Anje HARK
Print Name



JUANN KENDRICK
Print Name

SAVANNAH COVE LIMITED PARTNERSHIP, a Florida limited partnership

By: GHG SAVANNAH COVE LLC, a Florida limited liability company, as General Partner

By: The Gatehouse Group, Inc., a Massachusetts corporation, as Manager

By: 
Name: Michael Spetko
Title: Vice President

Notarizations appear on following page.

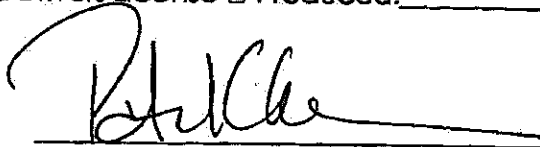
38



STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI -DADE)

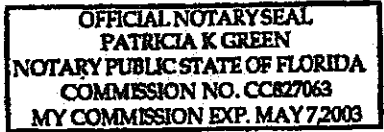
The foregoing instrument was acknowledged before me this 2 day of April, 2003, by Michael Spetko, as vice president of The Gatehouse Group, Inc., a Massachusetts corporation, as Manager of GHG Savannah Cove LLC, a Florida limited liability company, as General Partner of Savannah Cove Limited Partnership, a Florida limited partnership, on behalf of the corporation and the company and as an act of the partnership.

Personally Known Produced Drivers License Produced: _____



Print or Stamp Name: _____
Notary Public, State of Florida at Large
My Commission Expires: _____

G:\W-PGW\34877\049\Ground-Lease-new-v5.doc



~~10~~ 39



EXHIBITS

§ 1. __	Exhibit "A"	Legal Description of Land
§. __	Exhibit "B"	INTENTIONALLY OMITTED
§. __	Exhibit "C"	INTENTIONALLY OMITTED
§. __	Exhibit "D"	Possession Date Certificate
§. __	Exhibit "E"	INTENTIONALLY OMITTED
§. __	Exhibit "F"	INTENTIONALLY OMITTED
§. __	Exhibit "G"	Legal Description of Tower Parcel



EXHIBIT "A"

PINELLAS COUNTY FLA.
OFF REC BK 12731 PG 43

GROUND LEASE PARCEL

LEGAL DESCRIPTION: TRACT 'A'

"A Tract of land lying within Section 13, Township 27 South, Range 15 East, Pinellas County, Florida and being more particularly described as follows:

Commence at the Southwest corner of the Southeast 1/4 of said section for a Point of Reference; thence N89°43'09"E along the South line of said section for 319.34 feet to the POINT OF BEGINNING; thence N03°18'21"W, for 666.43 feet; thence S89°43'38"W, for 342.33 feet to a point of the Southeasterly right-of-way line of The Pinellas Trail (D.O.T. Right-Of-Way of 120 feet); thence N13°44'59"E along said line, for 342.43 feet; thence leaving said line N89°41'34"E, for 1217.39 feet; thence S02°18'07"E, for 685.97 feet; thence S89°44'11"W, for 642.61 feet; thence S02°59'10"E, for 333.33 feet; thence S89°43'09"W, for 319.52 feet; to the POINT OF BEGINNING and containing 19.49 acres, more or Less."

Subject to a Conservation Easement as follows:

Legal Description: Conservation Easement

A tract of land lying within Section 13, Township 27 South, Range 15 East, Pinellas County, Florida and being more particularly described as follows:

Commence at the Southeast corner of said Section 13; thence S89°43'09"W, along the South line of said Section 13, for 1277.48 feet to the Southwest corner of the plat of Oakleaf Cluster Homes, as recorded in Plat Book 93, on pages 32 through 33 of the Public Records of Pinellas County, Florida; thence N02°18'07"W, along the West boundary line of said plat, for 468.15 feet to the POINT OF BEGINNING; thence leaving said line N75°58'27"W, for 121.79 feet; thence N09°33'23"E, for 52.52 feet; thence N58°12'04"W, for 33.22 feet; thence S55°48'52"W, for 44.40 feet; thence S88°41'03"W, for 18.41 feet; thence S28°50'25"W, for 21.19 feet; thence S52°03'01"W, for 19.46 feet; thence S74°34'16"W, for 75.53 feet; thence N52°36'30"W, for 73.92 feet; thence N58°35'58"W, for 91.01 feet; thence N49°02'45"W, for 46.82 feet; thence N17°20'25"W, for 29.95 feet; thence S38°22'34"W, for 41.84 feet; thence N53°24'10"W, for 51.05 feet; thence S82°52'24"W, for 11.67 feet; thence S44°17'27"W, for 130.96 feet to the point of curvature of a curve concave to the north; thence northwesterly along the arc of said curve, having a radius of 15.00 feet, a central angle of 98°19'46", an arc length of 25.74 feet and a chord bearing 86°32'40"W, for 22.70 feet to the point of tangency; thence N37°22'47"W, for 63.24 feet to the point of intersection with a non-tangent curve concave to the north; thence northwesterly along the arc of said curve with a radius bearing N87°22'51"W, and having a radius of 15.00 feet, a central angle of 141°21'02", an arc length of 37.01 feet and a chord bearing N86°42'21"W, for 28.31 feet to the point of tangency; thence N18°01'50"W, for 51.53 feet; thence N07°03'25"E, for 78.75 feet; thence N33°02'13"W, for 54.41 feet; thence N55°26'22"W, for 17.50 feet; thence N82°44'31"W, for 89.08 feet; thence N72°22'01"W, for 55.51 feet; thence N80°05'27"W, for 116.78 feet; thence N72°22'14"W, for 82.01 feet; thence N17°37'46"E, for 15.00 feet; thence N10°43'43"W, for 46.95 feet; thence N58°36'55"W, for 20.16 feet; thence S25°17'43"W, for 16.73 feet; thence S01°15'37"W, for 27.88 feet; thence S38°06'46"W, for 16.26 feet; thence S11°58'28"W, for 15.00 feet; thence N79°37'24"W, for 95.69 feet; thence N53°36'58"W, for 20.41 feet to the point of intersection with the East right-of-way line of a 60.00 foot (1/2 right-of-way) Department of Transportation right-of-way thence N13°44'59"E, along said East right-of-way line, for 111.59 feet leaving said East right-of-way line N89°41'34"E, for 1217.39 feet to the point of intersection with the northern extension of aforesaid West boundary line of the plat of Oakleaf Cluster Homes; thence S02°18'07"E, along said West boundary line and the northerly extension thereof, for 530.80 feet to the POINT OF BEGINNING and containing 9.39 c more or less.

LESS, "The Tower Parcel", subject to a Lease Agreement that will benefit others (State of Florida Department of Highway Safety and Motor Vehicles)

Legal Description: Lease Agreement per Official Records Book 5058, Page 2182

"That Part of the Southeast 1/4 of Section 13, Township 27 South, Range 15 East, Pinellas County, Florida, described as follows: Commencing at the Southwest corner of the Southeast 1/4 of Section 13, run N.3°07'52"W, for a distance of 666.11' for a POINT OF BEGINNING; thence run N.3°07'52"W, for a distance of 60.83'; thence run N.14°16'06"E, for a distance of 289.17 feet; thence run S.89°46'27"E, for a distance of 220 feet; thence run S.2°47'36"E, for a distance of 350'; thence run N.89°46'27"W, to the POINT OF BEGINNING. Containing 2.05 acres, more or less."

This Instrument Was Prepared By:

Patricia G. Welles, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

PINELLAS COUNTY FLA.
OFF. REC. BK 12731 PG 44

Record and Return To:

Patricia G. Welles, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

CERTIFICATE OF POSSESSION OF LEASEHOLD PREMISES

KNOW ALL MEN BY THESE PRESENTS of this Certificate of Possession of Leasehold Premises is made as of the ___ day of _____, 20___, by and between THE CITY OF TARPON SPRINGS, FLORIDA ("Lessor") and SAVANNAH COVE LIMITED PARTNERSHIP, a Florida limited partnership ("Lessee").

WITNESSETH:

Lessor has demised unto Lessee and Lessee has taken from Lessor for the term described below, the property described on Schedule "A" attached hereto located in Tarpon Springs, Pinellas County, Florida (the "Leased Premises"), pursuant to a Ground Lease dated as of April 1, 2003, which Ground Lease is recorded in Official Records Book _ at Page __, in the public records of Pinellas County, Florida.

The Lease provides that notice of the occurrence of the "Possession Date," as that term is defined in the Lease, shall be recorded in the Public Records to indicate the handing over of physical possession of the Leased Premises to Lessee.

This Certificate memorializes the agreement of Lessor and Lessee that the Possession Date is and shall be _____, 20___.

Lessor's interest shall not be subject to any mechanics' or materialmen's liens or liens of any kind for improvements made by the Lessee upon the Premises. All persons dealing with Lessee must look solely to the credit of Lessee, and not to Lessor's interest or assets.

IN WITNESS WHEREOF, the parties have executed this Certificate the day and year first above written.

Attest: _____, City Clerk

By: _____

As to Lessor

Witnesses:

Print Name: _____

Print Name: _____

As to Lessee

LESSOR:

The City of Tarpon Springs, Florida

By: _____
Name: _____
Title: _____

LESSEE:

Savannah Cove Limited Partnership, a Florida
limited Partnership

By: _____ Inc., its Managing
General Partner

By: _____
Name: _____
Title: President

EXHIBIT "G"

PINELLAS COUNTY FLA.
OFF. REC. BK 12731 PG 46

Legal Description: Lease Agreement per Official Records Book 5058, Page 2182

That Part of the Southeast 1/4 of Section 13, Township 27 South, Range 15 East, Pinellas County, Florida, described as follows: Commencing at the Southwest corner of the Southeast 1/4 of Section 13, run S.3°07'52"W. for a distance of 666.11' for a POINT OF BEGINNING; thence run N.3°07'52"W. for a distance of 0.83'; thence run N.14°16'06"E. for a distance of 289.17 feet; thence run S.89°46'27"E. for a distance of 20 feet; thence run S.2°47'36"E. for a distance of 350'; thence run N.89°46'27"W. to the POINT OF BEGINNING. Containing 2.05 acres, more or less."



This Instrument Was Prepared By, Record
and Return To:

Brian J. McDonough, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

Record And Return To:
Carmen Canelas, CLA
Museum Tower, Suite 2200
150 West Flagler Street
Miami, Florida 33130

KARLEEN F. DE BLAKER, CLERK OF COURT
PINELLAS COUNTY FLORIDA
INST# 2004116280 03/19/2004 at 02:00 PM
OFF REC BK: 13445 PG: 2695-2700
DocType:AGM RECORDING: \$28.50

FIRST AMENDMENT TO GROUND LEASE

FIRST AMENDMENT TO GROUND LEASE

THIS FIRST AMENDMENT TO GROUND LEASE (the "First Amendment") is made and entered into by and among CITY OF TARPON SPRINGS, FLORIDA, a political subdivision of the State of Florida, having its principal office at 324 E. Pine Street, Tarpon Springs, Florida 34689, Attention: City Manager ("Lessor") and SAVANNAH COVE LIMITED PARTNERSHIP, a Florida limited partnership, having an office at Cabot Business Park, 120 Forbes Boulevard, Mansfield, MA 02048 ("Lessee").

RECITALS

A. Lessee and Lessor entered into that certain Ground Lease dated as of April 1, 2003 (the "Ground Lease").

B. Lessee and Lessor now desire to amend certain provisions of the Ground Lease, on the terms and conditions hereinafter defined.

IN CONSIDERATION OF the foregoing facts and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Lessee and Lessor, intending to be legally bound, hereby agree as follows:

1. Recitals & Defined Terms. The above Recitals are true and correct and by this reference are incorporated as if fully set forth herein. Terms which are capitalized but not defined herein shall have the meanings given to such terms in the Ground Lease.

2. Legal Description. The following language is hereby added to the legal description set forth in Exhibit "A" attached to the Ground Lease:

"LESS the portion of the above described property that is currently being used or may be used in the future as a public right of way named Curlew Place; however, such less-out shall be limited to the most southerly 45 feet of the most southerly portion of the above described property. Further, such less-out shall not cause the Premises now or hereafter to fail to abut Curlew Place along such southerly portion of the above described property."

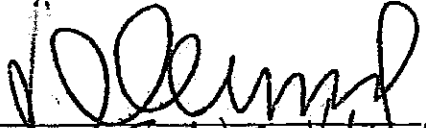
3. Amendment to Section 1.22 of the Ground Lease. Section 1.22 of the Ground Lease is hereby deleted and shall hereafter read as follows:

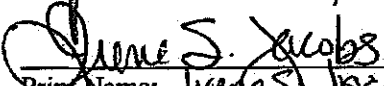
"1.22 "Investor Limited Partner" means PNC Multifamily Capital Institutional Fund XXIII Limited Partnership, its successors and/or assigns.

4. Counterparts & Ratification. This First Amendment may be executed in any number of counterparts, any one and all of which shall constitute the contract of the parties and each of which shall be deemed an original. Except as provided herein, the Ground Lease is unmodified, in full force and effect and hereby ratified in every respect. In the event of any conflict between the terms of the Ground Lease and the terms of this First Amendment, the terms of this First Amendment shall control.


IN WITNESS WHEREOF, Lessee and Lessor have caused this First Amendment to be executed as of the 1st day of March, 2004.

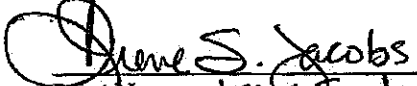
Witnesses as to Mayor:


Print Name: John G. Hubbard


Print Name: Irene S. Jacobs

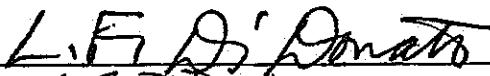
Witnesses as to City Manager:

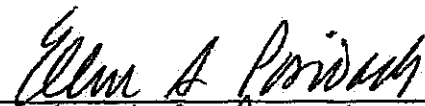

Print Name: John G. Hubbard


Print Name: Irene S. Jacobs


LESSOR:

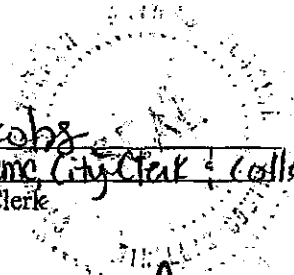
CITY OF TARPON SPRINGS, FLORIDA, a political subdivision of the State of Florida

By: 
Name: L.F. DiDonato
Title: Mayor

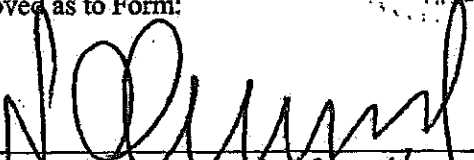
By: 
Name: ELLEN S. POSIVACH
Title: City Manager

Attest:


By: 
Name: Irene S. Jacobs, City Clerk & Collector
Title: City Clerk/Deputy City Clerk




Approved as to Form:


By: _____
Name: _____
Title: City Attorney John G. Hubbard

Witnesses as to Savannah Cove
Limited Partnership:


Print Name: Terry M. Lovell


Print Name: Edward Busambay

LESSEE:

SAVANNAH COVE LIMITED PARTNERSHIP, a
Florida limited partnership

By: GHG Savannah Cove LLC, a Florida limited
liability company, its sole General Partner

By: The Gatehouse Group, Inc., a Massachusetts
corporation, its sole Manager

By: _____
Name: Mark S. Plonsky
Title: President

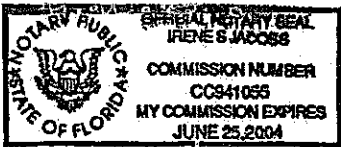
[Notarizations appear on following page]

STATE OF FLORIDA)

COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this 16th day of March, 2004, by L.F. DiDonato, as Mayor of the City of Tarpon Springs, Florida, on behalf of the City.

Personally Known _____ Produced Driver's License _____ Produced _____



Irene S. Jacobs
Print of Stamp Name: _____
Notary Public, State of Florida at Large
My Commission Expires: _____

STATE OF FLORIDA)

COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this 16th day of March, 2004, by Ellen S. Posivach, as City Manager of the City of Tarpon Springs, Florida, on behalf of the City.

Personally Known _____ Produced Driver's License _____ Produced _____



Irene S. Jacobs
Print of Stamp Name: _____
Notary Public, State of Florida at Large
My Commission Expires: _____

[Notarizations continued on following page]

STATE OF FLORIDA)

COUNTY OF Hillsborough)

The foregoing instrument was acknowledged before me this 17 day of March, 2004, by Marc S. Plonskier, the President of The Gatehouse Group, Inc., a Massachusetts corporation, the sole Manager of GHG Savannah Cove LLC, a Florida limited liability company, the sole general partner of Savannah Cove Limited Partnership, a Florida limited partnership, on behalf of the corporation and the company and as an act of the partnership.

Personally Known Produced Driver's License Produced _____



Terry M. Lovell
My Commission DD198579
Expires March 31, 2007

[Handwritten Signature]

Print or Stamp Name: _____
Notary Public, State of Florida at Large
My Commission Expires: _____

INSTRUMENT PREPARED BY:

Nelson Mullins Broad and Cassel
1905 NW Corporate Boulevard, Suite 310
Boca Raton, FL 33431
ATTN: David Itskovich, Esq.

SPACE ABOVE FOR RECORDER'S USE
ONLY

ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

THIS ASSIGNMENT AND ASSUMPTION OF GROUND LEASE (the "**Assignment**") is made and entered into as of _____, 2021 (the "**Effective Date**"), by and among CITY OF TARPON SPRINGS, FLORIDA, a municipal corporation of the State of Florida, 324 E. Pine Street, Tarpon Springs, FL 34688 ("**Lessor**"), SAVANNAH COVE LIMITED PARTNERSHIP, a Florida limited partnership, 120 Forbes Boulevard, Suite 180, Mansfield, MA 02048 ("**Assignor**"), and SREIT SAVANNAH BAY, L.L.C. a Delaware limited liability company, c/o Starwood Capital Group Global, L.P., 591 West Putnam Avenue, Greenwich, CT 06830 ("**Assignee**").

WITNESSETH:

WHEREAS, Assignor, as lessee, and Lessor, as lessor, are parties to that certain Ground Lease, dated as of April 1, 2003 (the "**Original Ground Lease**"), as amended by that certain First Amendment to Ground Lease, dated March 1, 2004 (collectively, the "**Ground Lease**"), pursuant to which Lessor leases to Assignor certain real property located in Pinellas County, State of Florida (the "**Land**"), being more particularly described on Exhibit A, attached hereto and incorporated herein by this reference; and

WHEREAS, Assignor has agreed to assign to Assignee all of Assignor's right, title, interest, obligations and liabilities under the Ground Lease, subject to the terms hereof; and

WHEREAS, Assignee has agreed to assume Assignor's right, title, interest, obligations and liabilities under the Ground Lease, subject to the terms hereof; and

WHEREAS, Sections 20.02 and 20.03 of the Original Ground Lease requires Assignor to obtain Lessor's consent to any assignment.

NOW, THEREFORE, for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Defined Terms. All capitalized terms not expressly defined in this Assignment shall have the meaning ascribed to them in the Ground Lease.

2. Representations of Assignor. Assignor represents and warrants that (i) Assignor is the holder of the lessee's interests under the Ground Lease, (ii) Assignor's interests under the Ground Lease are free and clear of all monetary liens, (iii) Assignor has the right, power and authority to assign its interests under the Ground Lease without obtaining the consent of any third party, except Lessor, and (iv) Assignor is not in default under any of the provisions of the Ground Lease, and no event has occurred, and no circumstance exists which, with the passage of time or the giving of notice by Lessee, or both, would constitute such a default.

3. Assignment and Assumption. Assignor hereby assigns all of its right, title and interest in the Ground Lease to Assignee. Assignee hereby accepts the foregoing assignment of the Ground Lease as of the Effective Date, and assumes and agrees to (a) abide by all Legal Requirements (as defined in the Ground Lease), and (b) pay, perform and discharge, when due, all of the obligations of Lessee under the Ground Lease arising on or after the Effective Date.

4. Consent and Release of Assignor. As of the Effective Date, Lessor hereby consents to the assignment of the Ground Lease as set forth in this Assignment and recognizes Assignee as Assignor's successor-in-interest in and to all of Assignor's rights, duties and obligations in, to and under the Ground Lease in connection with all obligations first arising under the Ground Lease following the Effective Date. Lessor hereby releases Assignor from all obligations first arising under the Ground Lease following the Effective Date.

5. Miscellaneous. This Assignment shall be governed by and construed under the laws of the State of Florida. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. All exhibits referenced in this Assignment are incorporated herein. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

[Signatures on Following Pages]

[ASSIGNOR SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE]

IN WITNESS WHEREOF, this Assignment has been executed as of the date first above written.

ASSIGNOR:

SAVANNAH COVE LIMITED PARTNERSHIP, a
Florida limited partnership

By: GHG Savannah Cove LLC, its General Partner

By: The Gatehouse Group, Inc., its Manager

By: _____

Name: _____

Title: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence
or online notarization, this ____ day of _____, 2021, by _____, as
_____ of The Gatehouse Group, Inc., the Manager of GHG Savannah Cove, LLC, the
General Partner of Savannah Cove Limited Partnership, a Florida limited partnership, on behalf of
the partnership, who is personally known to me or has produced
_____ as identification.

Notary Public: _____

Printed Name: _____

My Commission Expires: _____

[NOTARY SEAL]

[ASSIGNEE SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE]

IN WITNESS WHEREOF, this Assignment has been executed as of the date first above written.

SREIT Savannah Bay, L.L.C., a Delaware limited liability company

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2021, by _____, as _____ of SREIT Savannah Bay, L.L.C., a Delaware limited liability company, on behalf of the company, who is personally known to me or has produced _____ as identification.

Notary Public: _____
Printed Name: _____
My Commission Expires: _____
[NOTARY SEAL]

[LESSOR SIGNATURE PAGE TO ASSIGNMENT AND ASSUMPTION OF GROUND LEASE]

IN WITNESS WHEREOF, this Assignment has been executed as of the date first above written.

CITY OF TARPON SPRINGS, FLORIDA., a
municipal corporation of the state of Florida

By: _____
Name: Chris Alahouzos
Title: Mayor

By: _____
Name: Mark LeCouris
Title: City Manager

Attest:

By: _____
Name: Irene Jacobs
Title: City Clerk

Approved as to Form:

By: _____
Name: Thomas J. Trask, B.C.S.
Title: City Attorney

[NOTARIES APPEAR ON FOLLOWING PAGES]

STATE OF FLORIDA _____)
COUNTY OF PINELLAS _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2021, by Chris Alahouzos _____, as Mayor of City of Tarpon Springs, Florida, a municipal corporation of the state of Florida , , who is personally known to me or has produced _____ as identification.

Notary Public: _____
Printed Name: _____
My Commission Expires: _____
[NOTARY SEAL]

STATE OF FLORIDA _____)
COUNTY OF PINELLAS _____)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2021, by Mark LeCouris _____, as City Manager of City of Tarpon Springs, Florida, a municipal corporation of the state of Florida , , who is personally known to me or has produced _____ as identification.

Notary Public: _____
Printed Name: _____
My Commission Expires: _____
[NOTARY SEAL]

)

STATE OF FLORIDA _____
COUNTY OF PINELLAS _____

)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2021, by Irene Jacobs _____, as City Clerk/ of City of Tarpon Springs, Florida, a Municipal corporation of the state of Florida , , who is personally known to me or has produced _____ as identification.

Notary Public: _____
Printed Name: _____
My Commission Expires: _____
[NOTARY SEAL]

STATE OF FLORIDA _____
COUNTY OF PINELLAS _____

)
)

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____, 2021, by _____, as City Attorney of City of Tarpon Springs, Florida, a municipal corporation of the state of Florida , , who is personally known to me or has produced _____ as identification.

Notary Public: _____
Printed Name: _____
My Commission Expires: _____
[NOTARY SEAL]

EXHIBIT A

DESCRIPTION OF THE LAND

Leasehold Estate created by that certain Ground Lease by and between the City of Tarpon Springs, a municipal corporation and political subdivision of the State of Florida, Lessor, and Savannah Cove Limited Partnership, a Florida limited partnership, Lessee recorded in Official Records Book 12731, Page 1, Public Records of Pinellas County, Florida, pertaining to the parcel described in Exhibit A attached to said Ground Lease as amended by the additional description set out in the First Amendment to Ground Lease recorded in Official Records Book 13445, Page 2695, Public Records of Pinellas County, Florida.

CERTIFICATE REGARDING GROUND LEASE

(Savannah Cove)

SCG Global Holdings, L.L.C. (together with its successors and assigns, "**Buyer**")
c/o Starwood Capital Group Global, L.P.
591 West Putnam Avenue
Greenwich, CT 06830
Attn: Andres Panza
Email: apanza@starwood.com

Ground Lease: CITY OF TARPON SPRINGS, FLORIDA, a political subdivision of the State of Florida ("**Lessor**"), as lessor, and SAVANNAH COVE LIMITED PARTNERSHIP, a Florida limited partnership ("**Lessee**"), as lessee, are bound by that certain Ground Lease, dated as of April 1, 2003, as amended by that certain First Amendment to Ground Lease, dated March 1, 2004 (collectively, the "**Ground Lease**"). All capitalized terms not expressly defined in this certificate shall have the meaning ascribed to them in the Ground Lease.

Property: Certain real property located in Pinellas County, State of Florida as more fully described in the Ground Lease (the "**Land**")

Lessor hereby certifies to Lessee, Buyer, and its current, successor and future lender making a loan secured by the Ground Lease and/or the Land (or any equity interest in the owner) (collectively, "**Lender**") as follows:

1. The Ground Lease is in full force and effect and is the only Ground Lease, agreement or understanding between Lessor and Lessee affecting the Land. The Ground Lease has not been modified, altered, assigned, or amended, except as set forth above.

2. Lessee is not in default under any of the provisions of the Ground Lease, and no event has occurred, and no circumstance exists which, with the passage of time or the giving of notice by Lessor, or both, would constitute such a default.

3. Lessor is not in default under any of the provisions of the Ground Lease, and no event has occurred, and no circumstance exists which, with the passage of time or the giving of notice by Lessee, or both, would constitute such a default.

4. Lessee is currently obligated to pay Base Rent to Lessor in monthly installments of \$6,125.00.

5. Lessee is currently obligated to pay Additional Rent (including applicable taxes, maintenance costs, operating expenses or other payments arising under the Ground Lease) to Lessor in monthly installments of \$428.75.

6. Lessee has paid all Base Rent, Additional Rent (including applicable taxes, maintenance costs, operating expenses or other payments arising under the Ground Lease), and all

other sums or charges presently due and payable under the Ground Lease by Lessee through September 30, 2021.

7. Lessee has deposited \$0, as a security deposit under the Ground Lease.

8. The Term of the Ground Lease is for a period of 50 years, commenced on March 17, 2004 and is scheduled to expire on December 20, 2054.

9. Lessee executed a Promissory Note ("Note") on March 17, 2004, for a \$200,000 credit from Lessor towards partial payment of the initial lump sum rent payment under the Ground Lease. The maturity date of the Note is March 17, 2054, but Lessor has agreed to accept payment from Lessee in the amount of \$107,847.52 on or before November 15, 2021, in full payment and satisfaction of the Note. Lessor will deliver the Note marked cancelled and paid at the time payment is received.

10. To the best of Lessor's knowledge, Lessee and Lessor have no claims, counterclaims, defenses, offsets or credits under the Ground Lease.

11. Lessor has not subleased, assigned, pledged, hypothecated, or otherwise encumbered all or any portion of the Land or its interest in the Ground Lease, except for utility easements and covenants of record.

12. To the best of Lessor's knowledge, Lessee has not subleased, assigned, pledged, hypothecated, or otherwise encumbered all or any portion of the Land or its interest in the Ground Lease.

13. Lessee has no renewal right, extension right, expansion right, right of first offer or right of first refusal under the Ground Lease except as follows:
None (if none, write "None" or leave blank, in which case the response will be deemed to be "None").

14. No third party has a right of first offer, purchase option or right of first refusal for the Land except as follows: None (if none, write "None" or leave blank, in which case the response will be deemed to be "None").

15. The undersigned is duly authorized to sign and deliver this certificate, and no other signatures are required or necessary in connection with the execution and validity of this certificate.

Lessee understands that this certificate is being requested in connection with Buyer's potential acquisition of Lessee's interest in the Ground Lease and underlying Land and Lessor certifies that (i) Lessee, Buyer, Buyer's title company, and Lender and their respective successors and assigns shall be entitled to rely on the truth of this certificate, and (ii) this certificate shall inure to the benefit of Buyer, Lender, Buyer's title company and their respective successors and assigns and shall be binding upon Lessor and its successors and assigns.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be executed on this _____ day of _____, 2021.

Lessor

CITY OF TARPON SPRINGS, FLORIDA., a
municipal corporation of the state of Florida

By: _____
Name: _____
Title: _____



MARK G. LECOURIS
CITY MANAGER

City of Tarpon Springs, Florida

Office of the City Manager
324 E. Pine Street
Tarpon Springs, FL 34689
(727) 938-3711

November 2, 2021

Savannah Cove Limited Partnership
120 Forbes Boulevard, Suite 180,
Mansfield, MA 02048
Attn: Roger Yorkshaitis

Re: Satisfaction of Promissory Note

Dear Mr. Yorkshaitis:

The City of Tarpon Springs as Lessor under that certain Ground Lease, dated as of April 1, 2003, as amended by that certain First Amendment to Ground Lease, dated March 1, 2004 (collectively, the "Ground Lease"), hereby agrees to accept payment of \$107,847.52 in full payment and satisfaction of that certain Promissory Note, dated as of March 17, 2004, executed by Savannah Cove Limited Partnership, Lessee under the Ground Lease, in the amount of \$200,000. Payment should be made by wire transfer to the following account:

Bank:

Name on account:

Account Type:

ABA:

Account Number:



Sincerely,

Mark G. LeCouris
City Manager