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* Board Certified State and Fed. Govt. & Admin. Practice

** Board Certified City, County and Local Government Law

Reply to: *Venice*

April 10, 2014

The Honorable John W. Holic, Mayor
and Members of the City Council
401 West Venice Avenue
Venice, Florida 34285

RE: Habitat for Humanity Lease

Dear Mayor Holic and Council Members:

Habitat for Humanity currently leases from the City approximately two acres off of Laurel Road to be developed for affordable housing. Several months ago, it requested modifications to its existing lease and you asked me to meet with Habitat for Humanity and draft modifications for your consideration. This letter is in response to that direction.

By way of background, the city entered into a lease with Habitat for Humanity in 2006 with amendments in 2007 and 2008 (collectively, "the lease") copies of which are attached to this letter as Exhibit "A" for your reference. The lease is for two parcels totaling approximately two acres. The lease was contingent upon the City entering into an agreement with the neighboring property owner to allow Habitat for Humanity access, storm water, parking and solid waste disposal through the neighboring property.

The lease is for 30 years with options of Habitat for Humanity for an additional two 30-year periods. Habitat for Humanity requested that the lease be modified to become a 99 year lease and to change the commencement date for the start of construction for affordable housing on the property.

During the last few months, the City has passed Ordinance 2014-04 which rezoned the neighboring property to PCD zoning. Condition 12(c) of the binding plan adopted by the

Lakewood Ranch
6853 Energy Court
Lakewood Ranch, Florida 34240

Venice
217 Nassau Street S.
Venice, Florida 34285

ordinance and agreed to by the owner provides the Habitat for Humanity property with the access, storm water, parking and solid waste requirements as provided for by its lease with the City.

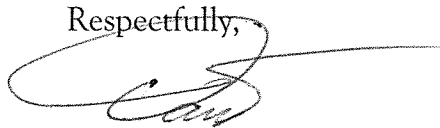
In the course of attempting to modify the lease, we have discussed the possibility of the City deeding the property to Habitat for Humanity and restricting its use to affordable housing. The deed restriction would read something like this:

GRANTEE shall use the lands conveyed hereunder for the development of affordable housing which is defined by Section 420.0004(3) Florida Statutes, 2014, as may be amended. Said housing will be affordable in perpetuity as required by Section 166.0451, Florida Statutes, 2014, as may be amended. GRANTEE shall obtain Certificates of Occupancy for the housing units constructed on the lots within ten (10) years of the date hereof with a minimum of five (5) Certificates of Occupancy being issued within the first seven (7) years of the date hereof. All units and site development shall meet minimum standards for Green Development as set forth in the Florida Green Building Coalitions standards for residential development, as they may be amended from time to time. On an annual basis, GRANTEE shall file reports on the status of the development of the lots in a form acceptable to the GRANTOR's County Administrator or his designee.

The question to Council is: would it consider mutually agreeing to terminate the Habitat for Humanity lease in favor of deeding the property to Habitat for Humanity with a restriction that the property must be used for affordable housing? If so, we will bring back, at a public hearing before Council, a deed with the appropriate restrictions for your review and consideration. If not, we will bring back to Council an amended lease for a 99 year term, with restrictions for affordable housing, with conditions modified from the current lease.

I will ask for your consideration and direction at your meeting on April 22nd. In the meantime, if you have any questions or would like more detail, please call me at your convenience.

Respectfully,

A handwritten signature in black ink, appearing to read 'David P. Persson', written over a horizontal line.

David P. Persson

DPP/dgb

cc: Judy Wilcox, Executive Director, Habitat for Humanity
Ed Lavalley, City Manager
Lori Stelzer, City Clerk
Jeffery Snyder, Finance Director

EXHIBIT "A"

LEASE

This Lease is made this 26th day of September, 2006, by and between the **CITY OF VENICE, FLORIDA, a municipal corporation**, hereinafter referred to as "Landlord", and **HABITAT FOR HUMANITY SOUTH SARASOTA COUNTY, INC., a Florida non-profit corporation**, hereinafter referred to as "Tenant".

WHEREAS, there is a shortage of affordable housing in the Venice area; and

WHEREAS, the Tenant has proposed to use the Leased Premises to provide affordable housing units to qualified persons; and

WHEREAS, the City Council has determined that the promotion and support of affordable housing serves a proper public purpose.

In consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

SECTION 1. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following described unimproved real property:

SEE LEGAL DESCRIPTION OF PARCEL 2 ATTACHED HERETO

Said real property shall hereinafter be referred to as the Leased Premises.

SECTION 2. TERM. The term of this lease shall be thirty (30) years commencing on September 26, 2006 and terminating on September 26, 2036. Subject to the terms herein, the Tenant shall have the option to renew this Lease for two additional thirty (30) year terms. The lease provisions during any option term shall be substantially the same as the initial term but each party has the right to negotiate changes. In order to exercise each such renewal option, the Tenant must not be in default of the Lease and must give the Landlord written notice of its intent to renew at least one hundred eighty (180) days prior to expiration of the previous term.

SECTION 3. RENT. Tenant shall pay Landlord the sum of Ten and No/100 Dollars (\$10.00) as lump sum rent for the initial term of this Lease. Said amount shall be paid on the date that this Lease commences. Tenant shall be solely responsible for all real estate taxes, sales and use taxes and any other assessments charged, levied or assessed against the Leased Premises and all improvements thereon.

SECTION 4. USE. Tenant shall use the Leased Premises exclusively for the construction of up to twenty (20) dwelling units to provide affordable housing to qualified persons. "Qualified persons" shall mean a person or family with an income between thirty percent (30%) and fifty percent (50%) of the area mean income and such other requirements as Tenant shall determine. Tenant shall comply with all laws, ordinances, rules and regulations of applicable governmental authorities respecting the use, operating and activities of the Leased Premises, and Tenant shall not make, suffer or permit any unlawful, improper or offensive use of the Leased Premises, or any part thereof, or permit any public or private nuisance thereupon.

SECTION 5. CONSTRUCTION OF DWELLING UNITS.

a. **Plans and Specifications.** Tenant shall, at Tenant's sole expense, prepare plans and specifications for dwelling units and related improvements to be erected on the premises to provide affordable housing units. Such plans and specifications shall be submitted to Landlord for Landlord's written approval or any revisions required by Landlord. Landlord shall not unreasonably withhold approval. On or before September 1, 2007, Tenant shall, at Tenant's sole expense, commence, and, after that, shall diligently prosecute the construction of the improvements in accordance with the plans and specifications. Prior to the commencement of any such work, Tenant shall furnish Landlord with a good and sufficient surety bond guaranteeing the completion of the building and the payment of all bills for it.

b. **Sale or Lease of New Units.** The dwelling units constructed by Tenant on the premises shall be the property of the Tenant. It is anticipated the Tenant will sell or lease the dwelling units to qualified persons subject to the ground lease to the Landlord.

SECTION 6. ACCESS. The Leased Premises do not have legal access to Knights Trail Road. The Landlord shall enter into an agreement with the adjoining property owner to provide legal access from a public street to the Leased Premises.

SECTION 7. STORMWATER. The Landlord shall enter into an agreement with the adjoining property owner to provide stormwater retention facilities which will be adequate for the improvements to the Leased Premises.

SECTION 8. PARKING. The Landlord shall enter into an agreement with the adjoining property owner to obtain up to twenty (20) dedicated parking spaces to be used for the Leased Premises.

SECTION 9. SOLID WASTE. The Landlord shall enter into an agreement with the adjoining property owner to provide a suitable location for a dumpster for solid waste collection from the Leased Premises.

SECTION 10. ENCUMBRANCE OF TENANT'S LEASEHOLD INTEREST. Tenant may encumber by mortgage or deed of trust, or other proper instrument, its leasehold interest and

estate in the Leased Premises, together with all buildings and improvements placed by Tenant on the premises, as security for any indebtedness of Tenant. The execution of any mortgage, or deed of trust, or other instrument, or the foreclosure of the instrument, or any sale under the instrument, either by judicial proceedings or by virtue of any power reserved in the mortgage or deed of trust, or conveyance by Tenant to the holder of such indebtedness, or the exercising of any right, power, or privilege reserved in any mortgage or deed of trust, shall not be held as a violation of any of the terms or conditions of this Lease, or as an assumption by the holder of such indebtedness personally of the obligations of this Lease. No such encumbrance, foreclosure, conveyance, or exercise of right shall relieve Tenant from its liability under this Lease.

If Tenant shall encumber its leasehold interest and estate in the Leased Premises, and if Tenant or the holder of the indebtedness secured by the encumbrance shall give notice to Landlord of the existence of the encumbrance and the address of the holder, then Landlord will mail or deliver to the holder, a duplicate copy of all notices in writing which Landlord may, from time to time, give to or serve on Tenant under and pursuant to the terms and provisions of this Lease. Copies shall be mailed or delivered to the holder at, or as near as possible to, the same time the notices are given to or served on Tenant. Holder may, at its option, at any time before the rights of Tenant shall be terminated as provided in this Lease, pay any of the rents due under this Lease, or pay any taxes and assessments, or do any other act or thing required of Tenant by the terms of this Lease, or do any act or thing that may be necessary and proper to be done in the observance of the covenants and conditions of this Lease, or to prevent the termination of this Lease. All payments so made, and all things so done and performed by the holder shall be as effective to prevent a foreclosure of the rights of Tenant under the Lease as they would have been if done and performed by Tenant.

SECTION 11. SUBLETTING AND ASSIGNMENT. It is anticipated that Tenant at a future date will assign this Lease to a homeowner association or other entity for the long term operation and maintenance of the Leased Premises. Approval by the Landlord is required for such assignment. Landlord shall be entitled to have a voting representative in the homeowner association or other entity. Upon approval of the assignment by the Landlord, the new homeowner association or other entity shall assume all responsibilities under this Lease and the Tenant shall have no further responsibility or liability on this Lease. Any assignment of this lease without the approval of the Landlord shall be void and shall, at the option of the Landlord, terminate this Lease.

SECTION 12. MAINTENANCE AND REPAIRS.

Tenant shall, at its own cost, and without any expense to Landlord, keep and maintain the premises, including all buildings and improvements of every kind that may be a part of the premises, and all appurtenances to the premises, in good, sanitary, and neat order, condition and repair, and, except as specifically provided in this Lease, restore and rehabilitate any improvements of any kind that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Landlord shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the Leased Premises or any buildings or improvements on it. Tenant shall also comply with and abide by all federal, state, county, municipal, and other governmental statutes, ordinances,

laws, and regulations affecting the premises, the improvements on the premises, or any activity or condition on or in such premises.

SECTION 13. LIENS.

a. Tenant's duty to keep premises free of liens. Tenant shall keep all of the premises and every part of the premises and all buildings and other improvements at any time located on the premises free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Tenant, any alteration, improvement, or repairs or additions which Tenant may make or permit or cause to be made, or any work or construction, by, for, or permitted by Tenant on or about the premises, or any obligations of any kind incurred by Tenant. Tenant shall at all times promptly and fully pay and discharge any and all claims on which any lien may or could be based, and shall indemnify Landlord and all of the premises and all buildings and improvements on the premises against all liens and claims of liens and suits or other proceedings pertaining to those liens. Tenant shall give Landlord written notice no less than thirty (30) days in advance of the commencement of any construction, alteration, addition, improvement, or repair estimated to cost in excess of Five Thousand No/100 Dollars (\$5,000.00) in order that Landlord may post appropriate notices of Landlord's non-responsibility.

b. Contesting liens. If Tenant desires to contest any lien, it shall notify Landlord of its intention to do so within ten (10) days after the filing of the lien. In such a case, and provided that Tenant shall on demand protect Landlord by a good and sufficient surety bond against any lien and cost, liability, or damage arising out of such contest, Tenant shall not be in default under this Lease until ten (10) days after the final determination of the validity of the lien, within which time Tenant shall satisfy and discharge the lien to the extent held valid. However, the satisfaction and discharge of any such lien shall not, in any case, be delayed until executions had on any judgment rendered on it, and such delay shall be a default of Tenant under this Lease. In the event of any such contest, Tenant shall protect and indemnify Landlord against all loss, expense, and damage resulting from the contest.

SECTION 14. INDEMNIFICATION OF LANDLORD.

Landlord shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by Tenant or by any person who may at any time be using or occupying or visiting the Leased Premises or be in, on, or about the premises, whether the loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Tenant or of any occupant, subtenant, visitor, or user of any portion of the premises, or shall result from or be caused by any other matter or thing. Tenant shall indemnify Landlord against all claims, liability, loss or damage whatsoever on account of any such loss, injury, death, or damage. Tenant waives all claims against Landlord for damages to the building and improvements that are now on or will later be placed or built on the premises and to the property of Tenant in, on, or about the premises, and for injuries to persons or property in or about the premises,

from any cause arising at any time. The three preceding sentences shall not apply to loss, injury, death, or damage arising by reason of the negligence or misconduct of Landlord, its agents, or employees.

SECTION 15. UTILITIES. Tenant shall pay the initial costs and charges of extending utility service to the Leased Premises, including, but not limited to, capital plant capacity charges. Connection fees and monthly service charges shall be the responsibility of the party establishing an account for utility service.

SECTION 16. RIGHT OF ENTRY. Landlord shall have the right, after notice to Tenant, to enter the Leased Premises at reasonable hours for the purpose of inspecting the same, or for any other purpose or purposes contemplated under this Lease. In exercising such right, Landlord shall not unduly interfere with Tenant's use of the Leased Premises.

SECTION 17. INSURANCE. Landlord shall not be liable for injury caused to any person or property by reason of the failure of Tenant to perform any of its covenants and agreements hereunder, for such damages or injury caused by reason of such defect in the Leased Premises now or in the future existing, nor for any damages or injury caused by reason of any present or future defect in the plumbing, wiring or piping of the Leased Premises. Tenant agrees to indemnify and hold harmless Landlord from and against any and all loss, damage, claim, demand, liability or expense by reason of any damage to property, or injury or death, to persons which may arise or be claimed to have arisen as a result of or in connection with the occupancy or use of the Leased Premises by Tenant. Tenant shall, at its expense, provide and maintain in force during the entire term of this Lease, and any extension or renewal hereof, general liability insurance with limits or coverage of not less than One Million and No/100 Dollars (\$1,000,000.00) for any property damage or loss, or injury or death to any one person. Each policy of such insurance shall name as the insured thereunder Landlord and Tenant. The policies shall be written on insurance companies licensed to do business in Florida.

SECTION 18. WAIVER. One or more waivers of any covenant or condition by either party shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and a consent or approval to or of any act requiring consent or approval shall not be deemed to waive or render unnecessary such consent to or approval of any subsequent similar act.

SECTION 19. QUIET ENJOYMENT. The Tenant, upon paying said rent and performing all the other covenants and conditions aforesaid on Tenant's part to be observed and performed, shall and may peaceably and quietly have, hold and enjoy the Leased Premises hereby demised for the term aforesaid, free from disturbance by the Landlord, or by anyone claiming by, through or under the Landlord.

SECTION 20. NOTICE OF DEFAULT.

Tenant shall not be deemed to be in default under this Lease in the payment of rent or the payment of any other moneys required in this agreement, or in the furnishing of any bond or insurance policy when required unless Landlord shall first give to Tenant written notice of the default and Tenant fails to cure the default within ten (10) days.

Except as to the provisions or events referred to in the preceding sentence of this section, Tenant shall not be deemed to be in default under this Lease unless Landlord first gives to Tenant written notice of the default, and Tenant fails to cure the default within a thirty (30) day period or, if the default is of such a nature that it cannot be cured within thirty (30) days, Tenant fails to commence to cure the default within such period of thirty (30) days or fails to proceed to the curing of the default with all possible diligence.

SECTION 21. DEFAULT.

In the event of any breach of this Lease by Tenant, Landlord, in addition to the other rights or remedies it may have, shall have the immediate right to either terminate this Lease or it may, without terminating this Lease, re-let the Leased Premises or any part of the premises for such term or terms, which may be for a term extending beyond the term of this Lease, and at such rent or rents and on such other terms and conditions as Landlord in its sole discretion may deem advisable with the right to make alternations and repairs to the Leased Premises.

Notwithstanding any re-letting without termination, Landlord may at any time after that elect to terminate this Lease for any previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedy it may have, Landlord may recover from Tenant all damages incurred by reason of the breach, including the cost of recovering the premises, and including the worth at the time of the termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Landlord.

SECTION 22. NOTICE. Any notice required to be sent under this Lease shall be in writing and sent by certified mail, return receipt requested to:

Landlord

City of Venice
City Manager
401 West Venice Avenue
Venice, Florida 34285

Tenant

Habitat for Humanity South Sarasota County,
Inc.
Executive Director
280 Alligator Drive
Venice, Florida 34293

SECTION 23. SURRENDER ON EXPIRATION OF LEASE. On the expiration or termination of this Lease, the Tenant shall surrender to the Landlord the possession of the leased premises as well as possession and legal title to all improvements thereon, including, but not limited to, the dwelling units. Any personal property not removed by the Tenant on or before such expiration or termination shall, at the option of the Landlord, be deemed abandoned and shall become the property of the Landlord and may be disposed of by the Landlord in any manner without liability to the Tenant or others.

SECTION 24. MISCELLANEOUS. This Lease shall be binding on and inure to the benefit of the parties hereto and their respective administrators, legal representatives, successors, and permitted assigns. This Lease shall be governed by the laws of the State of Florida. This Lease represents the entire understanding and agreement between the parties hereto and cannot be amended, supplemented, or modified except by an instrument in writing signed by the parties. Tenant may not assign its rights or obligations under this agreement without the prior written consent of Landlord. If any clause or provision herein contained shall be adjudged invalid, the same shall not affect the validity of any other clause or provision of this Lease or constitute any cause of action in favor of either party as against the other. In the event it becomes necessary for either party to engage an attorney to enforce the terms of this agreement, the prevailing party shall be entitled, in addition to all other damages or relief granted, to recover reasonable attorneys' fees and costs, such attorney's fees to include those incurred on any appeal.

SECTION 25. RELATIONSHIP OF THE PARTIES. Under no circumstances shall the Tenant be construed as an employee, officer, agent, consultant, partner or joint venturer of the Landlord. The Tenant shall at all times be considered independent of the Landlord and the Tenant shall be solely responsible for the project.

SECTION 26. TO WHOM COVENANTS APPLY. References to the Tenant shall be deemed to include its successors or assigns.

[Signatures on page 8]

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

LANDLORD

CITY OF VENICE, FLORIDA

Gori Stelzer
Witness as to Landlord

Linda Klepper
Witness as to Landlord

By: Fred Hammett
FRED HAMMETT,
MAYOR

TENANT

HABITAT FOR HUMANITY SOUTH
SARASOTA COUNTY, INC.

Joseph P. [unclear]
Witness as to Tenant

Linda Klepper
Witness as to Tenant

By: Judith H. Wilcox
JUDITH H. WILCOX,
EXECUTIVE DIRECTOR

LEGAL DESCRIPTION**PARCEL 2**

That part of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 27, Township 38 South, Range 19 East, Sarasota County, Florida, described as follows:

Commence at the SW corner of Section 27, Township 38 South, Range 19 East, Sarasota County, Florida; Thence along the West line of said Section 27, N.00°40'45"W., 1,323.36 feet to the NW corner of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27; thence along the North line of said S $\frac{1}{2}$ of SW $\frac{1}{4}$, N.89°09'01"E., 40.03 feet to the Easterly Right of Way line of Knight's Trail Road (Road Plat Book 3, Page 52), being a line 40.00 feet East of and parallel with the West line of said Section 27; Thence continue along the North line of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27, N.89°09'01"E., 250.00 feet for a Point of Beginning of land being described; Thence continue along the North line of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27, N.89°09'01"E., 250.00 feet; Thence S.00°40'45"E., 175.00 feet; thence S.89°09'01"W., 250.00 feet; Thence N.00°40'45"W., 175.00 feet to the Point of Beginning and containing 43,754 square feet or 1.00 acre, more or less.

AMENDMENT TO LEASE AGREEMENT

This amendment is made and entered into this 11th day of September, 2007, by and between the **CITY OF VENICE, FLORIDA, a municipal corporation**, hereinafter referred to as "LANDLORD", and **HABITAT FOR HUMANITY SOUTH SARASOTA COUNTY, INC., a Florida non-profit corporation**, hereinafter referred to as "TENANT".

WHEREAS, the LANDLORD and TENANT are parties to a Lease Agreement dated September 26, 2006, and

WHEREAS, the parties wish to amend the September 26, 2006 Lease Agreement.

NOW, THEREFORE, in consideration of the covenants and promises contained herein and in the September 26, 2006 Lease Agreement, the parties agree as follows:

1. Amend Section 4 to read:

"SECTION 4. USE. Tenant shall use the Leased Premises exclusively for the construction of up to twenty (20) dwelling units to provide affordable housing to qualified persons. "Qualified persons" shall mean a person or family with an income between thirty percent (30%) and eighty percent (80%) of the area mean income and such other requirements as Tenant shall determine. Tenant shall comply with all laws, ordinances, rules and regulations of applicable governmental authorities respecting the use, operating and activities of the Leased Premises, and Tenant shall not make, suffer or permit any unlawful, improper or offensive use of the Leased Premises, or any part thereof, or permit any public or private nuisance thereupon. Tenant may change the definition of "Qualified Persons" after at least ninety (90) days advance written notice to the Landlord. The proposed change shall become effective unless Landlord notifies Tenant of an objection within ninety (90) days of the notice. In the event Landlord objects then no change shall be effective until the parties agree on a change."

2. Amend Section 5.a. to read:

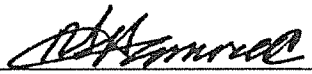
"a. Plans and Specifications. Tenant shall, at Tenant's sole expense, prepare plans and specifications for dwelling units and related improvements to be erected on the premises to provide affordable housing units. Such plans and specifications shall be submitted to Landlord for Landlord's written approval or any revisions required by Landlord. Landlord shall not unreasonably withhold approval. On or before March 3, 2008, Tenant shall, at Tenant's sole expense, commence, and, after that, shall diligently prosecute the construction of the improvements in accordance with the plans and specifications. Prior to the commencement of any such work, Tenant shall furnish Landlord with a good and sufficient surety bond guaranteeing the completion of the building and the payment of all bills for it. The commencement date may be extended with the consent of the City Manager."

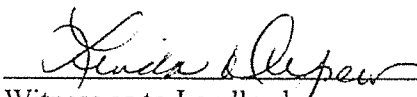
3. All other terms and conditions of the September 26, 2006 Lease Agreement not specifically amended herein remain in full force and effect.

LANDLORD:

CITY OF VENICE, FLORIDA, a municipal corporation


Witness as to Landlord

By: 
FRED HAMMETT, Mayor

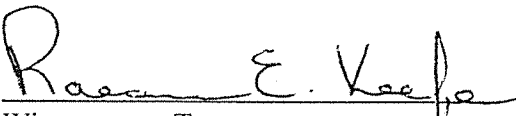

Witness as to Landlord

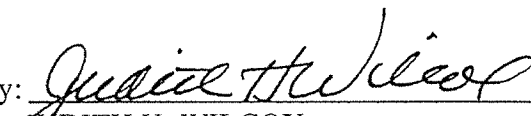
Approved By City Council

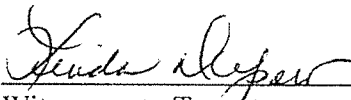
Date: 9/11/07

TENANT:

HABITAT FOR HUMANITY SOUTH
SARASOTA COUNTY, INC., a Florida
non-profit corporation


Witness as to Tenant

By: 
JUDITH H. WILCOX,
EXECUTIVE DIRECTOR


Witness as to Tenant

Revised 12-14-07

SECOND AMENDMENT TO LEASE AGREEMENT

This amendment is made and entered into this 8th day of JANUARY, 200~~7~~⁸ by and between the **CITY OF VENICE, FLORIDA, a municipal corporation**, hereinafter referred to as "LANDLORD", and **HABITAT FOR HUMANITY SOUTH SARASOTA COUNTY, INC., a Florida non-profit corporation**, hereinafter referred to as "TENANT".

WHEREAS, the LANDLORD and TENANT previously entered into a Lease Agreement dated September 26, 2007 for one acre of land (described as Parcel 2), and

WHEREAS, said Lease Agreement was amended on September 11, 2007, and

WHEREAS, the Landlord now wishes to lease an additional acre of land to the Tenant (described as Parcel 1) subject to the same terms and conditions as the existing Lease Agreement.

NOW, THEREFORE, in consideration of the covenants and promises contained herein and in the existing Lease Agreement, the parties agree to amend said Lease Agreement as follows:

1. Amend Section 1 to read as follows:

"SECTION 1. PREMISES. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the following described unimproved real property:

SEE LEGAL DESCRIPTION OF PARCEL 2 ATTACHED HERETO
SEE LEGAL DESCRIPTION OF PARCEL 1 ATTACHED HERETO

Said real property shall hereinafter be referred to as the Leased Premises."

2. Amend Section 2 by adding the following:

"The term for Parcel 1 shall commence on the effective date of this Lease Amendment."

3. Amend Section 4 to read as follows:

"SECTION 4. USE. Tenant shall use the Leased Premises exclusively for the construction of up to thirty-six (36) dwelling units and supporting uses (parking, stormwater, access, etc.) to provide affordable housing to qualified persons. "Qualified persons" shall mean a person or family with an income between thirty percent (30%) and eighty percent (80%) of the area mean income and such other requirements as Tenant shall determine. Tenant shall comply with all laws,

ordinances, rules and regulations of applicable governmental authorities respecting the use, operating and activities of the Leased Premises, and Tenant shall not make, suffer or permit any unlawful, improper or offensive use of the Leased Premises, or any part thereof, or permit any public or private nuisance thereupon. Tenant may change the definition of "Qualified Persons" after at least ninety (90) days advance written notice to the Landlord. The proposed change shall become effective unless Landlord notifies Tenant of an objection within ninety (90) days of the notice. In the event Landlord objects then no change shall be effective until the parties agree on a change."

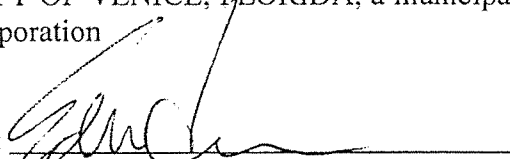
4. Amend Section 6 to read as follows:

"SECTION 6. ACCESS. Parcel 2 does not have legal access to Knights Trail Road. Parcel 1 does have direct access to Knights Trail Road. The Landlord shall enter into an agreement with the adjoining property owner to provide legal access from a public street to Parcel 2."

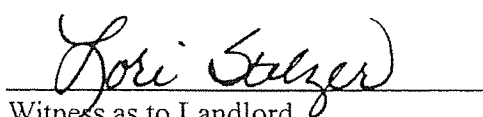
5. All other terms and conditions of the September 26, 2006 Lease Agreement not specifically amended herein remain in full force and effect.

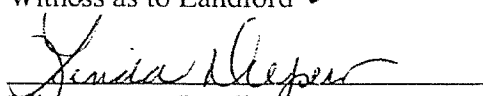
LANDLORD:

CITY OF VENICE, FLORIDA, a municipal corporation

By: 

ED MARTIN, Mayor


Witness as to Landlord

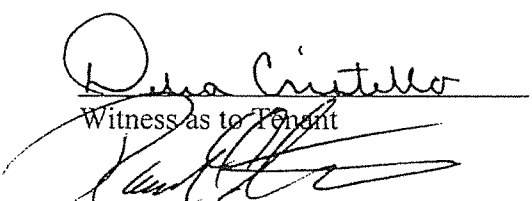

Witness as to Landlord

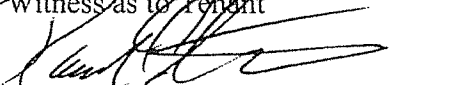
TENANT:

HABITAT FOR HUMANITY SOUTH
SARASOTA COUNTY, INC., a Florida
non-profit corporation

By: 

JUDITH H. WILCOX,
EXECUTIVE DIRECTOR


Witness as to Tenant


Witness as to Tenant

LEGAL DESCRIPTION**PARCEL 2**

That part of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 27, Township 38 South, Range 19 East, Sarasota County, Florida, described as follows:

Commence at the SW corner of Section 27, Township 38 South, Range 19 East, Sarasota County, Florida; Thence along the West line of said Section 27, N.00°40'45"W., 1,323.36 feet to the NW corner of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27; thence along the North line of said S $\frac{1}{2}$ of SW $\frac{1}{4}$, N.89°09'01"E., 40.03 feet to the Easterly Right of Way line of Knight's Trail Road (Road Plat Book 3, Page 52), being a line 40.00 feet East of and parallel with the West line of said Section 27; Thence continue along the North line of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27, N.89°09'01"E., 250.00 feet for a Point of Beginning of land being described; Thence continue along the North line of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27, N.89°09'01"E., 250.00 feet; Thence S.00°40'45"E., 175.00 feet; thence S.89°09'01"W., 250.00 feet; Thence N.00°40'45"W., 175.00 feet to the Point of Beginning and containing 43,754 square feet or 1.00 acre, more or less.

PARCEL 1

That part of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of Section 27, Township 38 South, Range 19 East, Sarasota County, Florida, described as follows:

Commence at the SW corner of Section 27, Township 38 South, Range 19 East, Sarasota County, Florida; Thence along the West line of said Section 27, N.00°40'45"W., 1,323.36 feet to the NW corner of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27; Thence along the North line of said S $\frac{1}{2}$ of SW $\frac{1}{4}$, N.89°09'01"E., 40.03 feet to the Easterly Right of Way line of Knight's Trail Road (Road Plat Book 3, Page 52), being a line 40.00 feet East of and parallel with the West line of said Section 27 for a Point of Beginning of land being described; Thence continue along the North line of the South $\frac{1}{2}$ of the SW $\frac{1}{4}$ of said Section 27, N. 89°09'01"E., 250.00 feet; Thence S.00°40'45"E., 175.00 feet; thence S.89°09'01"W., 250.00 feet to the East Right of Way of said Knight's Trail Road; Thence along said Right of Way line, N.00°40'45"W., 175.00 feet to the Point of Beginning and containing 43,758 square feet or 1.00 acre, more or less.