

Lease: LAKE TANGLEWOOD

Date: 9/20/05
-ORIGINAL LEASE FOR
400ACRES TBD

**LAND LEASE REVIEW CHECKLIST
PURSUANT TO FANNIE MAE SELLING GUIDE VII, 102.03 (06/30/02)**

**These leaseholds have been reviewed. We do not "approve" leaseholds agreements.
It is up to the lender to close or reject the loan after reading the review.**

	OK / No
1. Leases have received market acceptance in subject area.	<u>UKN/ _____</u>
2. Mortgage covers property improvements and leasehold interest.	<u>REQUIRED</u>
3. Leasehold covers real property (real estate) and subject to the lien.	<u>OK / _____</u>
4. Leasehold insured by Lender's title policy.	<u>REQUIRED</u>
5. Term of estate runs at least five (5) years beyond maturity date of mortgage unless fee simple vests earlier in Borrower or owner's association.	<u>EXPIRES 2025</u>
6. Delegated approval for FNMA to Lender	<u>UKN/ _____</u>
7. 30 Day Notice to Lender and opportunity to cure or takeover Borrower's rights under lease.	<u>NOT ADDRESSED</u>
8. Leasehold must be assignable or transferable .	<u>NOT ADDRESSED</u>
9. No limit on number of transfers, mortgages, or sublets.	<u>NOT ADDRESSED</u>
10. Transfer requires only reasonable fee and/or reasonable docs. Credit review or other qualifying criteria for transferee not allowed.	<u>NOTADDRESSED</u>
11. The leasehold estate and the mortgage must not be impaired by any merger of title between the lessor and lessee or by any default of a sublessor.	<u>NOT ADDRESSED</u>
12. Borrower retains voting rights in owner's association, if applicable.	<u>NOT ADDRESSED</u>
13. Borrower required to pay taxes, insurance, and any owner's association dues on land and improvements.	<u>NOT ADDRESSED</u>
14. Lease in good standing.	<u>NOT ADDRESSED</u>
15. No default provision other than non-payment of rent causing forfeiture or termination.	<u>NOT ADDRESSED</u>
16. Provisions protecting Lender regarding condemnation.	<u>NOT ADDRESSED</u>
17. If option, at Borrower's sole option and no time limit.	<u>NOT ADDRESSED</u>
18. If option, both lease and option are assignable and upon exercise mortgage lien becomes lien on fee simple with same degree of priority that it had on the the leasehold.	<u>NOT ADDRESSED</u>
19. If option, initial purchase price is appraised value of land on the date the lease is executed.	<u>NOT ADDRESSED</u>
20. If tied to external index, initial land rent should be established as a % of the land's appraised value on the date the lease was executed. The purchase price can be adjusted annually to reflect % increases/decreases.	<u>NOT ADDRESSED</u>
21. If improvements constructed after lease is executed, purchase price of land should be lower of current appraised value of the land or the amount that results when the % of the total original appraised value that represented the land alone is applied to the current appraisal value of the land and improvements. If tied to an external index, the initial land value must not exceed 40% of combined value of land and improvements.	<u>NOT ADDRESSED</u>