

NINETY-NINE YEAR LEASE

EXHIBIT C

This lease entered into by and between PHILIP PEARLMAN, TRUSTEE hereinafter called the "Lessor", and WATERGATE CONDOMINIUMS, ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, hereinafter called the "Lessee".

W I T N E S S E T H:

1. Demise. Upon the terms and conditions herein set forth and in consideration of the prompt payment from time to time by the Lessee of the rents and other sums of money hereinafter set forth, and in consideration of the prompt and continuous performance by the Lessee of each and every of its covenants and agreements herein made to be kept and performed, the Lessor does hereby lease, let and demise unto the Lessee, and the Lessee does hereby lease of and from the Lessor, the property described in Exhibit A attached hereto and made a part hereof, lying and being situated in Broward County, Florida.

All of said property, together with the appurtenances thereto and together with all improvements, buildings and structures now or hereafter placed hereon, and all furniture, furnishings, fixtures, machinery and equipment now thereon, and all additions thereto and replacements thereof, being hereinafter called, referred to and included within the term "Demised Premises". In addition, there may be included within the terms, conditions and provisions of this Lease, and as a portion of the Demised Premises, that additional property described in Exhibit B attached hereto and made a part hereof, lying and being situated in Broward County, Florida, together with the appurtenances thereto and together with all improvements, buildings and structures placed thereon. Said additional lands shall be included within the terms and provisions of this Lease by recordation of an Amendment to this Lease at such time as a Certificate of Occupancy has been issued as to the Recreational Building the Lessor contemplates constructing on the said lands described in Exhibit B attached hereto. After recordation of said Amendment, wherein the lands described in Exhibit B are added to the lands originally demised hereunder, all of the said lands described in Exhibit A and B, together with the appurtenances thereto and all improvements, buildings, structures, furniture, furnishings, fixtures, machinery and equipment located thereon and all additions thereto and replacements thereof shall be included within the term "Demised Premises."

2. Term. To have and to hold for a term commencing on the first day of the month immediately succeeding the date upon which the Declaration of Condominium of Watergate Condominium No. 1 and expiring Ninety-Nine years thereafter.

3. Use of Premises. The Lessee is the association formed pursuant to the applicable provisions of the Florida Statutes for the purpose of managing the affairs of Watergate Condominium No. 1 as well as of future Watergate Condominiums. The Lessee has entered into this Lease to make available the Demised Premises for the recreation, leisure, activity, health, use, benefit and enjoyment of the apartment unit owners and/or the apartment unit occupants of the Condominium or Condominiums as they may from time to time exist during the term of this Lease. It is, therefore, acknowledged and agreed that this Lease has been created for the use and benefit of the owners of more than one Condominium. The Lessor further reserves the right to lease or contract for the use of the Demised Premises by other groups or persons, for the purpose of enabling the cost of maintenance and operation thereof to be apportioned amongst a larger number of persons, provided, however, at such time as all of the condominiums to be located and included within the WATERGATE CONDOMINIUMS COMPLEX shall have been completed, all agreements or leases for the use of the Demised Premises by anyone other than such associations or the residents and occupants of the said condominiums, shall terminate. It is recognized and acknowledged that the Lessor under the terms of this Lease may be one or more of the officers of the Lessee, and that all of the persons constituting the original Board of Directors and officers of the Lessee are persons who may be subject to the control or influence of the Lessor. Each apartment owner, for himself, his heirs, successors and assigns, waives all objection to such circumstance, and ratifies and agrees to be bound by the terms and provisions of this Lease to the same extent as if he had joined in the execution hereof for all purposes herein expressed, as well as for the purpose

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of (a) subjecting all of his right, title and interest in his condominium apartment and to the common elements appurtenant thereto to the lien rights granted the Lessor under the provisions hereof; (b) agreeing to perform each and every of the covenants, promises and undertakings to be performed by condominium apartment unit owners wherever so provided for in this Lease; and (c) ratifying, confirming and approving each and every provision herein contained, and acknowledging that all of the terms and provisions hereof, including the rental received, are reasonable.

a. The Lessee shall constitute the irrevocable agent in fact, with full power of substitution, of each and every act and thing required of apartment unit owners pursuant to the provisions of this lease, and to consent to and execute any and all documents, where necessary, to effectuate any and all of the provisions of this Lease. In the event any of the provisions of this Lease shall be in conflict with any of the provisions of the Declaration of Condominium, the provisions of this Lease shall control, except with the express written consent of the Lessor to the contrary.

b. The rental herein provided for to be paid, the cost of repairing and maintaining the Demised Premises in good condition and repair, and of replacing portions thereof, as necessary, and other undertakings and obligations herein provided for, shall constitute a common expense of the Condominium.

c. Each condominium apartment unit owner shall have the right to use, occupy and enjoy the Demised Premises through the Lessee, subject to all of the provisions of this Lease, the Declaration of Condominium, the Certificate of Incorporation and the By-Laws of the Lessee, and such rules and regulations which the Lessee may from time to time adopt.

d. Use of the Demised Premises shall be subject to all laws, statutes, ordinances, rules and regulations of appropriate governmental authorities, and to the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, then of any other body exercising similar functions. All use of the Demised Premises shall further comply with requirements of all insurers carrying insurance in force with respect to the Demised Premises.

4. Rent. The Lessee agrees to pay to the Lessor, as rent, attributable to WATERGATE CONDOMINIUM NO. 1, the sum of FIVE HUNDRED SIXTY-TWO AND FIFTY CENTS (\$562.50) DOLLARS per month commencing December 1, 1971, until such time as the lands described in Exhibit B attached hereto have been included as a part of the Demised Premises by Amendment hereto, following which, and commencing the first day of the month immediately succeeding the date upon which such amendment to this Lease is recorded, the Lessee agrees to pay to the Lessor as rent attributable to WATERGATE CONDOMINIUM NO. 1 the sum of ONE THOUSAND ONE HUNDRED TWENTY-FIVE (\$1,125.00) DOLLARS per month. The Lessee shall receive as a credit against the monthly rental due as aforesaid, until such time as the Developer shall have closed on the sale of all Condominium units in a WATERGATE CONDOMINIUM, an amount of money computed by adding together the percentage share in the common elements appurtenant to the condominium apartments in a WATERGATE CONDOMINIUM to which the Developer has title as of the first day of the month for which the rent is due and multiplying the total monthly rental attributable to such WATERGATE CONDOMINIUM by the aggregate percentage figure thus obtained. The credit against rent thus received shall inure to the benefit of the Developer.

a. Rent shall be payable in current legal tender of the United States of America at such place or places as the Lessor shall from time to time in writing direct, and a place once designated for the payment of rent shall remain such until it shall be changed by written notice from the Lessor. All rent shall be payable without notice or demand. For the present, and until further notice, rent shall be payable at WATERGATE CONDOMINIUMS, 2801 Taft Street, Hollywood, Florida. Waivers, indulgences or changes by the Lessor as to any rental payment or rental payments with reference to the place of payment, or in accepting anything other than current legal tender as rent, shall not be construed as a waiver, indulgence or change upon any sub-

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sequent occasion.

b. Cost of living adjustment to rental. The monthly rentals herein provided for shall be adjusted from time to time, as herein set forth, to compensate for any increase in the cost of living as computed by reference to the "Index Number" as of December 1, 1971, provided, however, in no event shall the monthly rentals herein provided for ever be decreased, and once increased, pursuant to the provisions of this section, rentals shall not thereafter be decreased.

The index to be used shall be the "Consumer's Price Index, United States Average - All Items of Food" published in the monthly Labor Review of the Bureau of Labor Statistics of the United States Department of Labor. If the said index shall become unavailable, the index to be used shall be the "Consumer's Price Index" issued by the United States Department of Labor for the South Atlantic group of states; and if both of the said indexes shall become unavailable, the index to be used shall be the "Index of the General Price Level" issued by the Federal Reserve Bank of Atlanta, Georgia. Adjustment in rentals due under the terms hereof shall be computed on January 1, 1975, and on the first day of January of each and every year thereafter, each of which dates is herein called a "computation date". Each adjustment shall be in effect commencing from the computation date until the end of the term unless further increased by adjustment at a subsequent date. The amount of adjustment shall be arrived at by multiplication of the basic monthly rental herein provided for by a fraction, the numerator which shall be the index number for December 1st immediately preceding the computation date, and the denominator the index number for December 1, 1971. Failure on the part of the Lessor to exercise the right to an adjustment in the basic rental pursuant to the provisions hereof as of any computation date shall not operate as a waiver of the right to an adjustment and increase of the basic rental as of any subsequent and future computation date.

c. At such time as WATERGATE CONDOMINIUM NO. 2 and subsequent Watergate Condominiums are submitted to condominium ownership by recordation of a Declaration of Condominium as to each such subsequent WATERGATE CONDOMINIUM, this Lease shall be amended in writing, and an additional increment of rent, attributable to each such additional condominium shall be due and payable to the Lessor commencing on the first day of the month immediately succeeding the date upon which the Declaration of Condominium for each such additional WATERGATE CONDOMINIUM is recorded, provided, however, as follows:

(1.) In no event shall the rents attributable to one condominium ever be increased or decreased by virtue of the fact that additional condominiums are covered by the terms and provisions of this lease, nor shall the obligation or liability of a condominium apartment owner ever be increased by virtue of any such amendment.

(2.) The provisions of this paragraph, dealing with a credit against rentals for unoccupied apartments, such credit to inure to the benefit of the Developer, shall be applicable to the rental attributable to each additional condominium covered by this lease.

(3.) The provisions of (b) of this paragraph, dealing with cost of living adjustment to rental, shall be applicable to the rentals attributable to each additional WATERGATE CONDOMINIUM covered by this lease, excepting that as to each such condominium the computation shall be by reference to the "Index Number" as of December 1st of the year immediately preceding the date upon which the Declaration of Condominium of the affected Watergate Condominium has been recorded, and the first adjustment in rentals due shall be computed as of three years from the next succeeding January 1st after recordation of the said Declaration of Condominium.

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5. Rights Reserved Unto Developer. Until the Developer shall have completed the development, promotion and sales of all apartments to be located at the Watergate Condominium, he shall have the following rights with regard to the Demised Premises, notwithstanding any other provisions of this Lease to the contrary:

a. The right to use and occupy exclusively any portion of the Demised Premises designated as "offices" in the aforementioned to plans of the Demised Premises.

b. The right to use, occupy and demonstrate, on a non-exclusive basis, all of the Demised Premises for the purpose of promoting and aiding in the sale or rental of the condominium units on or to be constructed in the condominium apartment building. Such rights shall not be exercised in an unreasonable manner not consistent with the rights of the members of the Lessee to use, occupy and enjoy such portions of the Demised Premises.

c. Nothing herein contained shall serve in any way to reduce Lessee's obligations for the payment of rent, taxes, repair and maintenance of the Demised Premises, except as provided by 5 (d).

d. The Developer and Lessor reserve the right to complete the construction of the improvements on Exhibit A hereto within ninety (90) days after the commencement of the term and it is agreed that the Lessee hereto shall not be obligated for any rent hereunder until the commencement of the term of this Agreement.

e. The Developer shall have the further right to display and erect signs, billboards and placards, and to store, keep, exhibit and distribute written, audio and visual promotional materials in and about the Demised Premises.

f. No act of the Developer exercised or performed pursuant to the rights reserved to it under the provisions of this Article shall be construed or deemed as a breach of the Lessor's covenants hereunder or as an actual, implied or constructive failure of the Lessor to deliver possession of the Demised Premises to the Lessee, or as an actual, implied or constructive eviction of the Lessee from the Demised Premises, or as an excuse or justification for the Lessee's failure to promptly, fully, completely and continuously perform its covenants and obligations hereunder.

6. Association and Management Agreement. The Lessee, in its capacity as Condominium Association, has entered into a Management Agreement with WATERGATE MANAGEMENT COMPANY, INC., as Manager. The Manager has the duty and responsibility to perform all administrative and managerial acts required to be performed by the Lessee under this Lease.

7. Rights Reserved To Lessor.

a. Nonexclusivity. The Lessee specifically acknowledges that this is a nonexclusive Lease; and that the Lessor reserves the right to lease the Demised Premises to other persons, natural or artificial, upon such rentals, terms, and for such period as the Lessor may determine upon, without the consent or approval of the Lessee, provided only that any such additional Lessee or Lessees shall be required to pay an equitable contribution towards the cost of maintaining the Demised Premises, as well as towards all of the obligations herein imposed upon the Lessee, such as real estate taxes, insurance, and the like, subject to the provisions

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of Paragraph 3 hereof, provided, however, the existence of any such additional Lessee or Lessees shall not in any wise serve to diminish or reduce the Lessee's obligation for the payment of rent as herein contained.

b. Easements. The Lessor specifically reserves unto itself and to all of those claiming by, through and under it, an easement for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, elevators and other portions of the Demised Premises as may be from time to time intended and is designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the common elements as may from time to time be paved and intended for such purposes. An easement is further hereby created, in perpetuity, in favor of all owners of condominium apartments at WATERGATE CONDOMINIUM 1, and all future Watergate Condominiums.

c. Marina. The Lessor specifically reserves unto itself all obligations and benefits which may be derived from the operation, administration and use of the Marina to be located on real property contiguous with the WATERGATE CONDOMINIUM COMPLEX but not included within the Demised Premises or Condominium Property.

8. Taxes.

a. Generally. The Lessee covenants and agrees to pay to the LESSOR all real estate taxes, assessments and other governmental levies and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of whatsoever kind and nature, all of which are hereinafter called "taxes and assessments", which are assessed, levied, confirmed, imposed or charged against the Demised Premises for the year 1972 and subsequent years during the term of this lease. Payment of all such taxes and assessments shall be made by the Lessee to the Lessor within fifteen (15) days of written demand therefor, provided, however, if any such tax or assessment is payable or may be paid at the option of the taxpayer in installments (whether or not interest shall accrue on the unpaid balance of such tax or assessment), Lessee may, at its option, pay the same together with any accrued interest on the unpaid balance of any such tax or assessment, to the Lessor in installments no less than thirty (30) days before the same shall respectively become due and, provided, further, that as to any tax or assessment applying to a fiscal period of the taxing authority wherein part of the period is included within the term of this lease and a part of the tax or assessment is for a period of time after termination of this lease, the said tax or assessment shall be prorated and adjusted between the Lessor and Lessee as of the date of termination of this lease.

b. Nothing in this article shall obligate the Lessee to pay the income, inheritance, estate or succession tax, or any other tax which may be levied or assessed against the Lessor with respect to or because of the income derived from this lease, excepting that in the event the State of Florida, or any political subdivision thereof, shall during the term of this lease impose a tax or excise on rents, and shall levy or assess the same against the Lessor as a substitution in whole or in part for taxes assessed or imposed by such State or political subdivision thereof on land and buildings and/or personalty, the same shall be deemed to be included within the term "taxes and assessments", and the Lessee shall pay and discharge such tax

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or excise on rent. Any obligation in the nature of a "sales tax" or "use tax" that shall become due or payable by reason of the rentals payable by the Lessee under the terms and provisions hereof shall be the obligation of and shall be paid the Lessee.

c. The Lessee shall have the right to contest the amount or validity of any tax or assessment and nothing herein shall imply any right on the part of the Lessor to defer or postpone such payment for any such purpose unless such proceedings shall operate to prevent or stay the collection of the tax or assessment so contested and the Lessee shall have deposited with the Lessor the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge or lien on the Demised Premises, or any part thereof, by reason of such contest or by reason of the delay in the payment of the tax or assessment which may result from such contest. Upon termination of such proceedings, the Lessor shall pay the amount of any such tax or assessment or any part thereof as shall be finally determined by such proceedings to be due and payable, together with any costs, fees, interest, penalties or liabilities in connection therewith, from the monies deposited by the Lessee, as aforesaid, and shall return any remaining sums to the Lessee without interest. If at any time during the course of such contest proceedings it shall appear to the Lessor that the amount deposited by the Lessee is or may be insufficient to pay in full the amount of the tax and assessment, together with all interest, penalties and other charges which may be incurred by reason of the contest proceedings, or if at the termination of such proceedings it shall or may appear that the amount deposited by the Lessee is insufficient to pay in full the amount found to be due, the Lessor shall have the right to require the Lessee to deposit such additional sums as the Lessor may reasonably request, and upon failure of the Lessee to do so within thirty (30) days of demand therefor the amount theretofore deposited with the Lessor may be applied to the payment, removal and discharge of any then pending and contested tax or assessment, and any delinquency shall be treated as unpaid rent. The Lessor, at the Lessee's sole expense, shall join in any such proceedings if any law shall so require.

d. The Lessee may, if it shall so desire, endeavor at any time to contest the validity of any assessment, or to obtain a lowering of the assessed valuation upon the Demised Premises for the purpose of reducing any assessment. In such event the Lessor will offer no objection and at the request of the Lessee, without expense to the Lessor, will cooperate with the Lessee. If requested by the Lessee, and provided he will not in the reasonable judgement of the Lessor incur any expense or liability thereby, the Lessor will execute any documents which may be necessary and proper for any such proceedings. Any refunds shall be the property of the Lessee to the extent to which it may be based on a payment of an assessment made by the Lessee.

e. The Lessor may at any time require the Lessee to deposit funds for the payment of current taxes and assessments on the Demised Premises in a bank or trust company selected by the Lessor. Such funds shall be held in the name of the Lessee, with any interest payable to the Lessee, but the depository shall be prohibited from paying such funds to anyone other than the appropriate taxing authority except upon the written consent of the Lessor. The Lessee shall so deposit one-twelfth of the current annual taxes,

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or those of the preceding tax year if the current taxes have not then been fixed, on the first day of each month in advance, except that all additional funds required for any payment shall also be deposited on the first day of the final month during which or at the end of which a payment is due and payable without interest or penalty, and during which the maximum discount for early payment is allowable under the law. Notwithstanding the foregoing, at such time as the Lessor may first require the Lessee to make such deposits, the first deposit made by the Lessee shall be in an amount sufficient to create a bank balance equal to what it would have been had the Lessor required the first such monthly deposit to have been made on the first day of the month immediately succeeding the month during which the tax could have been paid with the maximum permissible discount for early payment allowed under the law.

9. Insurance Premiums and Utilities. Lessee covenants and agrees that it shall pay premiums for all insurance policies which the Lessee is obligated to carry under the terms of this Lease not less than fifteen (15) days prior to the date upon which the same shall become due, and that it will exhibit to the Lessor proof of such payment within ten (10) days after making payment. The Lessee shall further make all necessary deposits in connection with and pay all bills and charges for gas, electricity, light, heat, power, and telephone or other communication service, and for all other utilities used, rendered or supplied on or in connection with the Demised Premises, and shall indemnify the Lessor against any liability or damages on such account.

10. Repairs and Maintenance. Lessee shall at all times during the term of this Lease, at its own expense, make all necessary repairs and replacements to the Demised Premises and maintain the same in good condition. This covenant shall include the obligation upon the part of the Lessee to replace or renew when necessary any item of furniture, fixtures, furnishings, machinery and equipment and all such replacements and renewals shall be at least equal in quality and class to the original equipment, furnishings, machinery or fixtures. Air conditioning, pool and other such equipment and machinery shall be regularly serviced and maintained under appropriate service contracts. Lessee shall keep and maintain all portions of the Demised Premises in clean and orderly condition, free of accumulation of dirt and rubbish and pest infestation. All buildings, structures and improvements, furniture, furnishings, fixtures, machinery and equipment now or hereafter replaced or bought, or intended for use upon the Demised Premises shall be a part thereof and thereby the property of the Lessor, without payment therefor by the Lessor, and shall be surrendered to the Lessor upon the expiration or earlier termination of this Lease without cost or charge to the Lessor.

11. Mechanics' Liens. All persons are hereby placed on notice that the Lessee shall never, under any circumstances, have the power to subject the interest of the Lessor in the Demised Premises to any mechanics' or materialman's lien or liens of any kind, in the absence of a specific provision to the contrary herein contained authorizing in specific terms the creation of such lien or liens. All persons who may hereafter, during the term of this Lease, furnish work, labor, services or material to the premises under, by or through the Lessee, shall and must look only to the interest of the Lessee in connection with payment therefor, and not to the interest of the Lessor. If any mechanics' liens are filed or asserted against the Lessor's interest in the Demised Premises, the Lessee shall, within thirty (30) days after the date upon which notice thereof shall come to its attention, cause such lien to be released from the Lessor's interest in the Demised Premises, in the manner provided by the applicable statutes of the State of Florida, failing which the Lessor shall have the right to

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first mortgagee acquiring title to such condominium unit, its assigns and successors, and such reduction and credit shall be permanent and continuing in nature, for the term of this Lease. Nothing herein contained shall operate as an extinguishment of this Lease, in whole or in part, or as a termination of the Lessor's lien, afore-described, as against the entire condominium property, except as to a condominium unit foreclosed upon, and to the extent herein provided. Notwithstanding reduction of rent payable under the provisions hereof, the owner or occupant of any condominium unit as to which an institutional first mortgagee has acquired title, whether by conveyance in lieu of foreclosure or by foreclosure, shall have the full right to enjoyment and use of the recreational facilities in the same manner as though the said rent had not been reduced and the benefit of the said reduction had not accrued to the owner of the said condominium unit.

18. Consent and Ratification of This Lease by Unit Owners.

Each and every person, whether natural or corporate, who shall acquire or take any title or interest whatsoever in or to a condominium apartment unit in WATERGATE CONDOMINIUM, shall by acceptance and/or the recordation of the deed, grant, assignment, or other instrument granting, conveying or providing for such interest, or by the exercise of the rights or uses granted therein, be deemed to have consented to and ratified the provisions of this Lease to the same effect and extent as if such person or persons had executed the lease with the formalities required in the deed, and shall be deemed to have subordinated and subjected each and every interest of such person to the terms of this Lease, including the provisions providing for the Lessor's lien rights in the condominium property and in the condominium apartment units.

19. Assignment.

a. Provided that this Lease is not in default and is in good standing the Lessee may freely assign the same provided that no such assignment or transfer shall be valid unless and until the assignee shall expressly assume and agree to perform each and every one of the covenants of this Lease which, by the terms hereof, the Lessee agrees to keep and perform, said assumption to be evidenced by written instrument, executed in recordable form, and delivered to the Lessor after the same has been recorded in the Public Records of Broward County, Florida. No such assignment, transfer or assumption shall operate to release a prior Lessee from any of the obligations hereof, and no such prior Lessee shall be released unless and until a written discharge or release of such Lessee, duly executed by the Lessor, shall be recorded amongst the Public Records of Broward County, Florida.

b. The Lessor shall have the right to assign and to encumber its interest under this Lease and to the Demised Premises without the consent of the Lessee, provided, however, that the Lessee shall, at the Lessor's request, sign and execute such instruments as may be required or requested by the Lessor to effectuate such transfer or encumbrance.

c. Each of the parties hereto agrees to provide the other, within fifteen (15) days after written request therefor, a statement of the status of the Lease, in writing, advising whether the Lease is in good standing, and if it is not, the particulars in which it is not; and failure to provide such statement shall constitute a representation that the Lease is in good standing which may be relied upon by any third party as being true and correct.

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cause the said lien to be released in the manner provided by the Florida Statutes, and shall have the right to thereupon charge the costs of having had the said lien removed and discharged against the Lessee as and for additional rent due, said additional rent to be due and payable within fifteen (15) days of the date of notice thereof to the Lessee.

12. Indemnification.

a. Lessee covenants and agrees with the Lessor that during the term of this Lease, the Lessee will indemnify and save harmless the Lessor against any and all claims, debts, demands or obligations which may be made against the Lessor, or against Lessor's title in the premises, arising by reason of or in connection with the making of this Lease and the leasehold interest hereby created in the Lessee, and if it becomes necessary for the Lessor to defend any action seeking to impose such liability the Lessee will pay the Lessor all costs of court and attorneys fees incurred in connection with any such defense, in addition to any other sums which the Lessor may be called upon to pay by reason of entry of a Judgment against the Lessor in litigation in which such claim is ascertained.

b. The Lessee will cause to be written a policy or policies of insurance in the form generally known as Public Liability and Property Damage and/or Owner's, Landlord and Tenant Policies, when there are boilers included in any improvements located on the Demised Premises, insuring the Lessee against any and all claims and demands made by any person or persons whomsoever for injuries received in connection with the operation and maintenance of the improvements and buildings located on the Demised Premises, or for any other risks insured against by such policies, each class of which policies shall have been written with limits of not less than \$500,000.00 for damages incurred or claimed by any one person, and for not less than \$1,000,000.00 for damages incurred or claimed by more than one person as a result of any accident or incident. All such policies will name the Lessee and Lessor, as their respective interests may appear, as the parties insured by such Policy or Policies, and the original or a true copy of each of such policies shall be delivered by Lessee or Lessor promptly upon the writing of such Policy or Policies, together with adequate evidence of the fact that the premiums therefor are paid; and, in any event, such Policies and evidence of payment by the Lessee of the premiums shall be delivered by the Lessee to Lessor before the expiration of any then similar coverage and in time to assure the Lessor that such coverage will be carried continuously. The said Insurance Policy or Policies shall be in such form as herein set forth and in such Company or Companies, and in such amounts, in addition to the minimum amounts specified herein as the Lessor shall reasonably require. The said Policy or Policies shall contain a provision reciting that the coverage provided thereby may not be cancelled or changed without actual notice being given to the Lessor.

c. Property Insurance. Lessee shall obtain and pay for policies of insurance insuring the buildings and improvements now or hereafter located upon and constituting a portion of the Demised Premises against loss by fire, windstorm and such other hazards as may be included in the broadest form of extended coverage from time to time available; and by boiler explosion, if boilers are now or hereafter located in any portion of the Demised Premises; and, to the extent required by the Lessor, war damage or damage by civil insurrection or commotion as the same may not be covered by other policies hereinabove described. When, in compliance with the provisions of this paragraph, the Lessee shall furnish policies insuring the

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actual replacement costs, said valuation shall be without deduction or depreciation insofar as such coverage may be obtainable, and in such case the term "maximum insurable value" as used herein shall mean the actual replacement cost of the property required to be insured without deduction for depreciation.

(1). All insurance required to be carried shall be effected under policies written in such form and issued by such companies as shall be approved by the Lessor, who shall not unreasonably withhold such approval. All policies shall be for the benefit of the Lessor and the Lessee as their respective interest may appear, and shall be subject to such provisions as mortgages of the Demised Premises may require.

13. Reconstruction and Repair. Upon the occurrence of any damage or ~~TOTAL~~ or partial destruction to any portion of the Demised Premises, whether or not the casualty causing such damage be insured against, and whether or not, if insured, any proceeds are paid in connection therewith, the foregoing provisions shall apply:

a. Lease to Continue. The destruction, alteration, demolition or non-use or other deterioration in condition of the Demised Premises or any portion thereof, regardless of the nature thereof or events which cause such destruction, alteration, demolition or non-use, except taking by eminent domain, shall not in any way reduce, abate or suspend the Lessee's obligations and covenants hereunder nor shall the same effect a termination in whole or in part of this Lease.

b. Reconstruction and Repair by Lessee. The Lessee, at its expense, shall repair and reconstruct, if necessary, any and all improvements, buildings and structures damaged, and shall replace or repair all personal property damaged so as to restore the same into good condition. For the purposes of this paragraph, as well as when used elsewhere in this Agreement, "good condition" shall mean the best condition in which it is reasonably possible to replace the real or personal property involved. Work necessary to accomplish the replacing or repair of any damaged or destroyed improvements or personal property shall be commenced no later than sixty (60) days after the occurrence of damage, and shall be completed no later than ten (10) months after date of commencement, provided, however, those time limitations shall be extended by reason of any time lost due to an Act of God, war, civil insurrection, strikes or other events over which the Lessee has no control.

c. Plans, Specifications and Estimates. Within thirty (30) days after the occurrence of damage requiring replacement or repair of improvements to the Demised Premises, wherein such replacement or repair requires the issuance of a building or other permit by and pursuant to the ordinances of a governmental authority, the Lessee shall supply to the Lessor plans and specifications for such reconstruction and repair. Said plans and specifications shall be prepared by and be under the certificate of an architect licensed to practice in the State of Florida. Within thirty (30) days thereafter the Lessee shall furnish to the Lessor a copy of a contract executed by an independent, licensed, general contractor wherein the work, labor and materials indicated by such plans and specifications are to be furnished at an agreed price and a performance, completion and payment bond is provided for.

d. Proceeds of Insurance.

(1) Fund. In the event proceeds of insurance

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shall be payable by reason of damage and/or total or partial destruction of the Demised Premises, or any portion thereof, and as often as such insurance proceeds shall be payable, the same shall be paid to the Lessor, and said sums so paid shall be deposited in a special account of the Lessor in a bank in Broward County, Florida, and such sums shall be available to the Lessee for the purpose of reconstruction and repair pursuant to the provisions of this paragraph. Such monies shall be paid out of said special account from time to time by the Lessor upon the certificate of the Lessee or of the contractor who has contracted for the performance of such reconstruction and repair, certifying that the amount of the payment is being applied to the payment of obligations incurred for such reconstruction and repair, provided, however, the Lessor shall have the right to make such payment directly to the sub-contractor or materialman to whom sums of money may be due and owing from time to time, as reflected in such certificates, and provided, further, that the Lessor shall have the right to require the Lessee at the time of contracting for or undertaking such repair or reconstruction, and/or at such additional time thereafter as may be appropriate, to provide evidence satisfactory to the Lessor that at all times the undisbursed portion of such fund in said bank account is sufficient to pay for the reconstruction and repair in its entirety, and if at any time it should reasonably appear to the Lessor that said funds will be insufficient to pay the full cost of said repair and reconstruction, the Lessee will immediately and forthwith deposit into said fund such additional monies as may be reasonably necessary to pay such full costs. Upon the completion of the said reconstruction and/or repair, and upon the Lessor having been provided with receipted bills and full and final waivers of lien as to all work performed and material supplied, any monies remaining in said special account shall be paid over and disbursed by the Lessor to the Lessee.

(2) In any instance where the proceeds of insurance for damage or destruction shall be less than \$5,000.00, for reason that it reasonably appears that the cost of repair or reconstruction shall be less than \$5,000.00, then the proceeds of insurance shall be payable to the Lessee directly, to be disbursed by it for the purpose of paying for the reconstruction and repair.

(3) Notwithstanding anything contained herein to the contrary, the provisions of any mortgage now or hereafter encumbering the Demised Premises relative to insurance and proceeds thereof shall have priority and shall supercede all of the provisions of this Lease. In the event a mortgagee shall have an option to apply insurance proceeds to the reduction or payment of the mortgage debt and so elects to apply the same or some portion thereof, the Lessor shall be required within 120 days after the application of said funds by such mortgagee to create from its own funds or from the proceeds of a new mortgage upon the Demised Premises the amount of monies so applied by such mortgagee, the said monies to be held by the Lessor in a special fund pursuant to the provisions of sub-paragraph (1) of this article, as if the same were the proceeds of insurance. If a mortgagee shall elect to submit the application of insurance proceeds to reconstruction

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and repair, such mortgagee may hold such funds and may impose such terms and conditions relative to requiring the Lessee to supplement such funds in such amounts as may be necessary to pay for reconstruction and repair, to disbursements of the same, and to such other matters relating to such funds and proceeds as such mortgagee may require.

14. Lessor's Right to Apply Funds Held on Behalf of the Lessee. If at any time during the term of this Lease the Lessor shall have in its possession monies otherwise belonging or payable to the Lessee, and the Lessee shall at the time said money or funds would otherwise be payable to it be in default in the payment of any of its obligations provided for herein, the Lessor shall have the right to apply such proceeds against all existing defaults to the extent available or necessary to cure such defaults.

15. Eminent Domain.

a. As to Demised Premises.

(1) Total Taking. If during the term of this Lease the entire Demised Premises shall be taken as a result of the exercise of the power of eminent domain, herein called "proceeding", this Lease and all right, title and interest of the Lessee hereunder shall cease and come to an end on the date of the vesting of title pursuant to such proceeding and the Lessor shall be entitled to and shall receive the total award made in such proceeding and the Lessee hereby absolutely assigns such award to the Lessor.

(2) Partial Taking. If during the term of this Lease less than the entire Demised Premises shall be taken in any such proceeding, this Lease shall terminate as to the part so taken and the Lessor shall be entitled to and shall receive the total award made in any such proceeding and the Lessee hereby assigns such award to Lessor, but the Lessee in such case covenants and agrees that at Lessee's sole cost and expense (subject to reimbursement as hereinafter provided) promptly to restore, repair and replace those portions of the buildings on the Demised Premises not so taken to complete architectural units and replace buildings totally taken for the use and occupancy of the Lessee as in this Lease expressed. The Lessor agrees in connection with such restoration to apply or cause to be applied the net amount of any award for damage to the building or buildings on the Demised Premises that may be received by it in any such proceeding toward the cost of such restoration and replacement (but the amount so applied shall not include the cost of any alteration, construction, change or improvement the Lessee may desire to make that is not necessary to restore that portion of the buildings not so taken to a complete architectural unit or to replace buildings totally taken to substantially the same usefulness, design, and construction as immediately before such taking, it being understood that no alteration or change in the basic configuration of the improvement shall be made without the approval of the Lessor), and the said net award shall be paid out from time to time to the Lessee as such restoration and replacement progresses upon the written certificate of the Lessee or of the contractor who has contracted for the performance of such restoration and replacement, all in the same manner, and subject to the same provisions, as set forth for disbursement of

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funds for reconstruction and repair in paragraph 13 d. (1) hereof.

(a) If payment of the net award as aforesaid shall not be received by Lessor in time to permit payments as the work of restoration and replacement progresses, the Lessee shall, nevertheless, perform and fully pay for such work without delay (except for unavoidable delays over which the Lessee has no control) and payment of the amount to which Lessee may be entitled shall thereafter be made by Lessor out of said net award as and when payment of such net award is received by Lessor. If the funds to be applied by Lessor be insufficient to pay the entire cost of such restoration, the Lessee agrees to pay any deficiency and to deposit the amount of such deficiency, as estimated by the architect or contained in a contract with Lessor to perform such work, prior to the work being performed.

(3) From and after the date of vesting of title in such proceeding, a just proportion of the rent, according to the nature and extent of such taking, shall abate for the remainder of the term of this lease.

(4) If, after making the payments provided for in Paragraph 15 a. (2) there remains any balance in Lessor's hands, it shall be retained by Lessor as its property.

(5) A Taking of Less than Fee Simple Title. If all or any of the Demised Premises shall be taken by exercise of the right of eminent domain for governmental occupancy for a limited period, this Lease shall not terminate and the Lessee shall continue to perform and observe all of its covenants as though such taking had not occurred. In the event of such a taking the Lessee shall be entitled to receive the entire amount of any award made for such taking (whether paid by way of damage, rent or otherwise), unless the period of governmental occupancy extends beyond the term of this Lease, in which case the award to the extent that it represents rent shall be apportioned between the Lessor and Lessee as of the date of the end of the term of this Lease. The Lessee covenants that at the termination of any such governmental occupancy, it will, at its cost and expense, restore the improvements on the Demised Premises in as good condition as when new, but the Lessee shall not be required to do such restoration work if on or prior to the date of such termination of governmental occupancy the term of this Lease shall have ended.

(6) Proration. In the event of the termination of this Lease in full or as to any portion of the Demised Premises as a result of a total or partial taking by an eminent domain proceeding, the Lessee shall pay to the Lessor all rent and all other charges payable by Lessee with respect to the Demised Premises or part thereof so taken justly apportioned to the date of taking.

(b) As to the Lessee's Premises. If, during the term of this Lease there shall be a taking of all or a portion of the lands described in the Declaration of Condominium, the following shall apply:

(1) Certain Takings Not Included. Neither a taking of less than fee simple title nor a taking of

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ten (10%) percent or less of the apartment units contained upon said lands immediately prior to the time of taking shall be construed or considered as a taking. For the purpose of this paragraph, a taking of an apartment unit shall have occurred where at least sixty (60%) percent of the floor space thereof has been taken.

(2) Total Taking. If such taking shall involve the taking of all of the apartment units contained upon said lands immediately prior to the time of taking, this Lease shall terminate, effective as of the date of taking.

(3) Partial Taking. If the taking be greater than described in Paragraph 15 b. (1) and less than the taking described in Paragraph 15 b. (2), above, the rent provided in Paragraph 4 shall be reduced, effective as of the date of taking, by a percentage figure equal to the percentage interest in the common elements and in the common surplus attributable to the condominium units taken, provided, however, that all other provisions of this Lease shall remain in full force and effect.

16. Commencement of Obligations of Lease and Delivery of Possession. The obligation of the Lessor and of the Lessee pursuant to the terms and provisions hereof, and right to possession and use of the Demised Premises, shall commence as of the date of commencement of the term hereby created.

17. Security. For the purpose of securing unto the Lessor the payment of the rent herein provided for, as well as the payment of any other sums due and payable the Lessor by reason of the terms and provisions here, or by reason of any advancements made to or on behalf of the Lessee by the Lessor, as well as for the purpose of securing the performance of each and every one of the covenants of the Lessee herein contained for the use and benefit of the Lessor, the Lessee does hereby grant unto the Lessor the following described liens which shall be cumulative, provided, the Lessor may exercise one or more of the said liens without thereby waiving the others, or may exercise all simultaneously.

a. Lessee's Interest. The Lessee does hereby give and grant unto the Lessor a continuing first lien paramount and superior to all others upon all of the right, title and interest of the Lessee in and to this Lease and the Demised Premises.

b. Lessee's Assets. The Lessee does hereby give and grant unto the Lessor a continuing first lien paramount and superior to all others, including apartment owners, upon its assets and common surplus.

c. Obligation of Unit Owner. All liens provided for herein shall secure the payment of all monies due the Lessor hereunder and may be foreclosed in the same manner as for the foreclosure of mortgages, provided, however, no lien against any fixtures or equipment or title in a condominium unit shall secure a sum greater than the percentage of the total existing monies due and owing the Lessor by the Lessee by virtue of the rentals attributable to the condominium wherein the said unit is located equal to the percentage of the total interest in the common elements and common surplus in such condominium attributable to such condominium unit, and the lien against any equipment, furnishings, fixtures or portion of the said condominium unit may be discharged by the owner thereof by payment to the Lessor

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of such sum, and provided, further, that so long as a condominium unit shall pay that portion of the total monthly rental attributable to the condominium wherein his condominium apartment is situate equal to his proportionate share of the common expenses of the condominium, either to the Association or directly to the Lessor, the Lessor will not and may not enforce any of the rights which it might otherwise have against the unit owner under the terms and provisions hereof, notwithstanding that the Lessee is in default of this lease, and/or that any other condominium unit owner has failed to perform or keep its obligations as a condominium unit owner and as a member of the Lessee to pay his prorate share of the common expenses of which the monthly rental under the terms and provisions hereof is a part.

d. Foreclosure Not to Operate as Termination. Foreclosure or other action to enforce the liens herein provided for shall not operate or be construed as a termination or cancellation of this lease, or as an extinguishment of any such lien, except such liens shall not stand as security for any amounts realized and actually collected by the Lessor in foreclosure or other such action.

c. Rights of Institutional First Mortgagees.

(1) Definition. An institutional first mortgagee is defined as a bank, savings and loan association, insurance company or trust holding a first mortgage secured by a condominium apartment unit.

(2) Subordination by Lessor. The Lessor hereby agrees that all liens created in its favor pursuant to and by the provisions of this lease, as well as by operation of law, shall be subordinate to the lien of any institutional first mortgagee against a condominium apartment unit, and further agrees to sign and execute any instrument reflecting acknowledgment of such subordination or to join in the execution and delivery of a mortgage (provided it does not thereby assume or become obligated to perform any covenants of the mortgagor therein) as the mortgagee may require, provided, further, that the Lessor has and does hereby specifically subordinate all of its lien rights to the lien of each and every mortgage lien against condominium apartment units at the Condominium created by first mortgagee recorded in the Public Records of Broward County, Florida, prior to or subsequent to the date hereof.

(3) Foreclosure by Institutional First Mortgagee. In the event an institutional first mortgagee shall acquire title to a condominium unit by conveyance in lieu of foreclosure, then so long as such institutional mortgagee shall continue to hold title to the said condominium unit, the rent attributable to the condominium wherein said unit is located and situate shall be reduced by a percentage figure equal to the percentage interest in the common elements and in the common surplus attributable to such condominium unit, and such reduction in rent shall inure to the benefit of the institutional first mortgagee acquiring title to such condominium unit by crediting the amount thereof against its share of the common expenses of the Condominium. In the event an institutional first mortgagee shall acquire title to a condominium unit as a result of a foreclosure sale, then the rent attributable to the condominium wherein said condominium unit is located shall be reduced by a percentage figure equal to the percentage interest in the common elements and in the common surplus attributable to such condominium unit, and such reduction in rent shall inure to the benefit of the institutional

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d. All obligations assumed and imposed by the terms and conditions hereof are covenants running with the land and shall pass successively upon the occasion of any transfer or assignment of an interest in the Demised Premises or this Lease.

20. Duty of Lessee to Pay. It shall be the duty and obligation of the Lessee to assess the condominium unit owners, in accordance with the provisions of the applicable laws of the State of Florida, dealing with condominiums, the Declaration of Condominium and the By-Laws of the Lessee for such monies as shall be necessary to pay the rents and other obligations provided for by this Lease, and to otherwise perform its covenants and promises contained herein.

21. Lessor's Right to Perform Lessee's Covenants. In the event Lessee shall fail to pay the costs of maintenance and repairs required to the Demised Premises, or if it shall fail to take out, maintain and deliver insurance policies required herein, or shall otherwise fail to perform any other act on its part covenanted herein to be performed by it, including the assessment against condominium unit owners for monies necessary to pay the rents herein provided for and the other obligations of the Lessee herein contained, then the Lessor may, but shall not be obligated to, without notice or demand upon the Lessee, perform the act so omitted or failed to be performed by the Lessee, or pay the monies which the Lessee has failed or refused to pay. If such performance by the Lessor shall constitute in whole or in part the payment of monies, such monies paid by the Lessor, together with interest thereon at the rate of ten (10%) percent per annum, shall be deemed additional rents due and payable to the Lessor on demand, or, at the option of the Lessor, the said monies may be added to any rent then due or thereafter becoming due under the terms and provisions of this Lease, and the Lessee covenants to pay any such sums with the said interest, and the Lessor shall have, in addition to any and all other rights and remedies herein provided, the same rights and remedies as exist pursuant to the terms and provisions hereof, as well as by operation and rules of law, in the event of default by the Lessee in the payment of rent.

22. Quiet Enjoyment. The Lessor covenants and agrees with the Lessee that so long as the Lessee keeps and performs all of its covenants herein made the Lessee shall have quiet and undisturbed and continued possession of the Demised Premises subject only to the terms and provisions of this Lease herein provided, and the assessments herein referred to.

23. Lessor's Right of Entry. The Lessor and its agents shall have the right of entry upon the Demised Premises at all reasonable times to examine the condition and use thereof, and if said premises are damaged by any casualty which causes the premises to be exposed to the elements, then the Lessor may enter upon the premises to make emergency repairs, and it shall have the right to recover the costs thereof from the Lessee as additional rent due under the terms of this Lease.

24. Title to Demised Premises. The interest of the Lessee in the Demised Premises shall be subject to:

a. The title and rights of the Lessor, and the terms, conditions and provisions of this Lease.

b. All easements which have been or which may hereafter be created by the Lessor, or joined in by the Lessor, for the purpose of providing for utilities, passage, or other use designed to permit the full utilization and enjoyment of the Demised Premises, and of the Condominium apartment building, by the owners and occupants of condominium units at The Condominium.

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c. The lien of any mortgage in connection with any mortgage now existing or hereafter created on unimproved the Demised Premises, provided, however, that any such mortgage shall acknowledge the existence of this Lease, and the Lessee's rights hereunder, so long as it shall faithfully perform each and every of its duties and obligations herein imposed.

25. Default Clause.

a. It is further covenanted and agreed by and between the parties hereto that in case, at any time, default shall be made by the Lessee in the payment of any of the rent herein provided for upon the day the same becomes due and payable, or in case of default in relation to liens, as hereinabove provided for, or if the Lessee shall fail to pay any of the taxes or assessments herein provided for, or in case of the sale or forfeiture of the Demised Premises or any part thereof during the term hereof for nonpayment of any tax or assessment, or in case the Lessee shall fail to keep insured any building or improvements which may at any time hereafter be upon the said premises, as herein provided for, or shall fail to expend insurance money, as herein provided for, or if the Lessee shall fail to perform any of the covenants of this Lease by it to be kept and performed, then, and in any such event, it shall and may be lawful for the Lessor, at its election, to declare the demised term ended, and to reenter upon said premises and building and improvements situated thereon, or any part thereof, either with or without process of law, the said Lessee hereby waiving any demand for possession of said premises and any and all buildings and improvements then situated thereon; or, the Lessor may have such other remedies as the law and this instrument afford. The Lessee covenants and agrees that upon the termination of the demised term at such election, or in any other way, the Lessee will surrender and deliver up the Demised Premises peaceably to the Lessor, its agents or attorneys, immediately; and if the Lessee, its agents, attorneys or tenants shall hold the said premises, or any part thereof, one (1) day after the same should be surrendered according to the terms of this Lease, it shall be deemed guilty of forcible detainer of said premises under the statute and shall be subject to eviction or removal, forcibly or otherwise, with or without due process of law.

b. Though this be a Lease the parties understand and agree that the relationship between them is that of Landlord and Tenant, and the Lessee specifically acknowledges that all statutory proceedings in the State of Florida regulating the relationship of Landlord and Tenant respecting collection of rent or possession of the premises accrue to the Lessor hereunder.

c. Nothing herein contained shall be construed as authorizing the Lessor to declare this Lease in default where the default consists in the non-payment of rent or taxes, or payments on Lessee created mortgages on Lessee's interest in the Demised Premises, until such non-payment shall in violation of the terms of this Lease have continued for fifteen (15) days after written notice of such default shall have been given by the Lessor to the Lessee; and where the alleged default consists of some violation other than the foregoing, the Lessor may not declare this Lease in default until such violation shall have continued for thirty (30) days after the Lessor shall have given the Lessee written notice of such violation, and the Lessee shall not have undertaken, during said thirty day notice period, to cure said violation by vigorous and affirmative action; provided, however, that nothing herein contained shall be construed as precluding the Lessor from having such remedy as may become necessary in order to

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preserve the Lessor's rights and the interest of the Lessor in the premises and in this Lease, even before the expiration of the grace or notice periods provided for in this paragraph if, under particular circumstances then existing, the allowance of such grace period or the giving of such notice would prejudice or endanger the rights and estate of the Lessor in this Lease and in the Demised Premises.

d. All default and grace periods shall be deemed to run concurrently and not consecutively.

e. It is mutually covenanted and agreed that the various rights, powers, options, elections, privileges and remedies of the Lessor contained in this Lease shall be construed as cumulative, and no one of them shall be construed as being exclusive of any other, or exclusive of any rights or priorities by law.

f. It is further covenanted and agreed by and between the parties hereto that the right to the Lessor in this Lease to collect the rent that may be due under the terms of this Lease by any proceedings under the same, or the right to collect any additional rent, money, or payments due under the terms of this Lease by any proceedings under the same, or the right given the Lessor to enforce any of the terms and provisions of this Lease, shall not in any way effect the rights of the Lessor to declare this Lease void and the term hereby ended, as herein provided, when default is made by the Lessee in any of the terms and provisions hereof.

g. It is further covenanted and agreed by and between the parties hereto that in the event of the termination of this Lease at any time before the expiration of the term of years hereby created, for the breach by the Lessee of any of the covenants herein contained, then all of the right, estate and interest of the Lessee in and under this Indenture and in the Demised Premises, and all additions and accretions thereto then situated on the said Demised Premises, together with all rents, issues and profits of said premises, and the improvements thereon, whether then accrued or to accrue, and all insurance policies and all insurance monies paid or payable thereunder, and the then entire undisbursed balance of any building escrow fund, and the entire undischarged balance of any then existing joint bank account which may have been created under the terms hereof, and all of them, shall at once pass to and become the property of the Lessor without any compensation therefor unto the Lessee, not as a penalty for forfeiture, but as liquidated damages to Lessor because of such default by Lessee and the consequent cancellation of the Lease, each of the parties acknowledging it to be the fact that for breach and consequent cancellation of a long-term lease of this character the Lessor will sustain substantial damage of such character as to make it most burdensome and tedious, if not actually impossible, to ascertain the amount thereof with mathematical precision. Each of the parties, therefore, have agreed upon this provision for liquidated damages in the interests of obviating what would otherwise be burdensome and difficult litigation to maintain or to defend, as the case may be; and this provision for liquidated damages has been taken into account by both parties in fixing the terms of and the consideration for the making of this Lease.

h. The Lessee pledges with and assigns unto the Lessor all of the rents, issues and profits which might otherwise accrue to the Lessee for the use, enjoyment and operation of the Demised Premises, and in connection with such pledging of such rents, the Lessee covenants and agrees with the Lessor that if the Lessor, upon default of

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the Lessee, elects to file suit to enforce or cancel the Lease and perfect the Lessor's rights hereunder, then the Lessor may, as ancillary to such suit, apply to any Court having jurisdiction thereof for the appointment of a Receiver of all and singular the Demised Premises, and all additions and accessions thereto, and thereupon, it is expressly covenanted and agreed that the Court shall forthwith appoint a Receiver with the usual powers and duties of Receivers in like cases, and such appointment shall be made by such Court as a matter of strict right to the Lessor, and without reference to the adequacy or inadequacy of the value of the property which is subject to the Landlord's lien, or to the solvency or insolvency of the Lessee, and without reference to the commission of waste.

26. Costs and Attorney's Fees. In any proceeding arising by reason of an alleged failure of the Lessee to perform any of its duties and obligations pursuant to the provisions hereof, or by reason of an alleged breach of any of the terms and/or conditions or covenants of this Lease, or by reason of any default in the payment of any monies, rentals or sums due or becoming due under the terms and provisions hereof, or by reason of any action by the Lessor to require the Lessee to comply with its duties and obligations hereunder, the Lessor shall, in the event it shall prevail in such action, be entitled to recover its reasonable attorney's fees incurred, together with all costs, including those not normally allowable in actions at law, such as but not limited to copies of depositions, whether or not used at trial; travel expenses for witnesses traveling from without Broward County for the purpose of testifying at trial or deposition; expert witness fees for testifying at trial or deposition, together with such additional fees as the expert witness may charge the Lessor in connection with his preparation for giving such testimony; and witness subpoenas issued to insure the presence of witnesses at deposition or at trial whether or not the witness shall actually appear or be called upon to testify. In the event of any dispute or litigation between the Lessor and the Lessee in connection with any alleged breach or default upon the part of the Lessee wherein the Lessor deems it advisable or necessary to retain the services of an attorney, and which is settled prior to a judicial determination of the issue, or prior to litigation, by the Lessee paying the monies demanded, or by the Lessee otherwise complying with the demands of the Lessor as to the Lessee's duties and obligations under the terms of this Lease, the Lessor will be deemed to have prevailed in such dispute of controversy, and to be entitled to the recovery of his reasonable attorney's fees incurred in connection therewith.

27. Solvency of Lessee. If, during the term of this Lease, (a) the Lessee shall make an assignment for the benefit of creditors; or (b) a voluntary or involuntary petition shall be filed by or against the Lessee under any law having for its purpose the adjudication of the Lessee as a bankrupt or the extension of the time of payment, composition, adjustment, modification, settlement or satisfaction of the liabilities of the Lessee or the reorganization of the Lessee; or (c) a permanent receiver be appointed for the property of the Lessee; or (d) any governmental authority shall take possession of the lands described in the Declaration of Condominium of the Condominium, this Lease, at the option of the Lessor, shall be terminated and shall expire as fully and completely as if the day of happening of such contingency coincided with the date specifically fixed as the expiration of the term hereof, the provisions relative to notice and grace notwithstanding, and the Lessee shall then quit and surrender the Demised Premises to the Lessor but the Lessee shall remain liable as hereinafter provided. If the Lessee shall contest any proceeding of an involuntary nature which would be grounds or cause for termination of the Lease under this section, and shall prosecute said defense with due diligence, provided all other covenants of the Lessee herein made

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are otherwise kept and performed, the right of termination in the Lessor under this section shall be suspended until the ultimate determination of said matters by a Court of competent jurisdiction or until the Lessee shall abandon or fail to take suitable action to preserve its rights to contest the proceedings. The Lessee shall every twenty (20) days notify the Lessor of its continued intention to prosecute its defense, and further, shall advise the Lessor of the state of all litigation then pending, and the failure of the Lessee to do so shall be deemed a termination of the suspension of the Lessor's right to terminate as above provided. If a defense shall be brought by the Lessee and timely presented and the Lessee shall comply with the above provision with regard to notice and information to the Lessor, then the right of the Lessor to terminate by reason of the provisions of this section shall be controlled by the outcome of such litigation, to-wit:

a. If such litigation be resolved in favor of the Lessee, the Lessor shall have no right to terminate by reason of the occurrence of the acts above listed.

b. If such litigation be resolved against the Lessee, the Lessor shall have the right to terminate as above provided, but nothing herein shall be construed as relieving the Lessee of the performance of any of its covenants herein which became performable prior to the determination of the outcome of such litigation or the earlier abandonment of defense by the Lessee.

28. Entire Agreement. This instrument constitutes the entire agreement between the parties, and neither party has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever in any way touching the subject matter of this Agreement which are not expressly contained herein.

29. Notice. Whenever, under the terms of this Lease Agreement, reference is made to the giving of notice by one of the parties hereto to the other, or whenever either of the parties shall desire to give notice of any matter to the other, such notice shall be given and shall be deemed sufficient when given by written instrument sent by registered or certified mail, return receipt requested, addressed to the appropriate party, with postage prepaid. For the purposes of this paragraph and this Lease, the addresses of the parties hereto are as follows:

LESSOR: PHILIP PEARLMAN, TRUSTEE
1190 N. E. 153rd Street
North Miami Beach, Florida, 33162

LESSEE: WATERGATE CONDOMINIUMS, ASSOCIATION, INC.
2801 Taft Street
Hollywood, Florida

Either party may change the address for giving of notice hereunder by giving notice of such change to the other party in the manner above provided.

30. Construction. This Lease shall be construed and interpreted in accordance with the laws of the State of Florida.

31. Severability. The invalidity in whole or in part of any covenant, promise or undertaking or any section, subsection, sentence, clause, phrase or word, or of any provision of this Lease, shall not affect the validity of the remaining portions thereof.

32. Captions and Titles. The captions and titles contained in this Lease are for convenience and reference only and in no way shall serve to limit or describe the scope or intent of this Lease or any part hereof.

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LAW OFFICES OF GOLDSTEIN, FRANKLIN, CROUCH & SCHWARTZ, P.A. 2801 NORTH BEACH 153RD STREET, NORTH MIAMI BEACH, FLORIDA 33162

33. Termination of a Condominium. A voluntary or involuntary termination of a Condominium which is subject to the terms and provisions hereof shall not terminate this Lease. In the event of a voluntary or involuntary termination of a WATERGATE CONDOMINIUM all of those persons owning a condominium unit as of the date of termination thereof shall automatically and by operation of this Lease jointly and severally constitute Lessees hereunder and shall jointly and severally be obligated to perform each and every of the Lessee's covenants and promises and undertakings herein provided for, and to pay the rentals and other monies chargeable against and attributable to the condominium which has been terminated. Upon a condominium unit owner acquiring an interest in the Lessee's rights under this Lease, or becoming a Lessee under the terms hereof, by reason of termination of a Condominium, his rights hereunder may thereafter be assigned only if there then be no default in any of the provisions of this Lease, and only if such assignment be in connection with a sale, transfer, or hypothecation of all of his rights in the property which was, prior to termination of the Condominium, condominium property, excepting only and provided that any institutional first mortgagee which shall become an owner of a condominium unit or a tenant in common in what had been condominium property by foreclosure or deed in lieu of foreclosure, shall not be liable or obligated in any way by the provisions of this section, but the grantee of any such institutional mortgagee shall be fully liable and obligated hereunder.

34. Waiver of Rights. The failure of the Lessor to enforce any covenant, obligation or agreement of the Lessee herein contained shall not constitute a waiver of the right to do so thereafter, nor shall it constitute a waiver of the right to enforce any other covenant, obligation or agreement herein contained.

35. Amendments. Once recorded, this Lease may not be amended except by instrument in writing executed by the parties hereto, duly recorded in the Public Records of Broward County, Florida.

36. Copies. A copy of this Lease shall be exhibited or delivered to each person contracting to acquire a condominium unit in the Condominium from the Developer, for the purpose of making full disclosure of all of the terms and provisions hereof. Each such person expressly agrees and consents that minor changes, deletions, additions and amendments may be made to this Lease prior to the recordation thereof, and without further advice or notice to such person, for the purpose of correcting typographical errors, complying with the requirements of an institutional mortgagee, or for other reason, provided such deletion, addition and/or amendment shall not materially adversely affect the rights of such person or of the Lessee hereunder.

37. Gender and Use of Singular or Plural. Wherever the context hereof so requires or permits the use of the singular shall include the plural, and the use of the plural shall include the singular; and the use of any gender shall include all genders.

SEE ABS3 PAR 763

IN WITNESS WHEREOF, the Lessor has hereunto affixed his hand and seal, and the Lessee has caused these presents to be signed in its name by its President and attested to by its Secretary, all in Hollywood, County of Broward, State of Florida, this 8th day of November, 1971.

s/s Yvonne Clark

s/s Philip Pearlman LESSOR

s/s Lori Brodlich

WATERGATE CONDOMINIUMS ASSOCIATION, INC.

Attest: s/s Seymour A. Binkov
Secretary

By: s/s Philip Pearlman
President LESSEE

(Corporate Seal)

STATE OF FLORIDA }
COUNTY OF BROWARD } SS

BEFORE ME, the undersigned authority, personally appeared Philip Pearlman, Lessor, to me well known to be the person who signed the foregoing instrument and acknowledged the execution thereof to be his free act and deed for the use and purpose therein mentioned.

WITNESS my hand and official seal at Hollywood, the County and State last aforesaid, this 8th day of November, 1971.

s/s Yvonne M. Clark
Notary Public, State of Florida

My Commission expires:

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STATE OF FLORIDA
COUNTY OF BROWARD

} SS

BEFORE ME, the undersigned authority personally appeared Philip Pearlman and Seymour A. Binkov, President and Secretary, respectively, of WATERGATE CONDOMINIUMS ASSOCIATION, INC., a Florida corporation not for profit under the laws of the State of Florida, Lessee, to me known to be the persons who signed the foregoing instrument as such officers and severally acknowledged the execution thereof to be their free act and deed as such officers for the uses and purposes therein mentioned and that they affixed thereto the official seal of said corporation, and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal at Hollywood, the County and State last aforesaid, this 8th day of November, 1971.

s/s Yvonne M. Clark
Notary Public, State of Florida

My Commission expires:

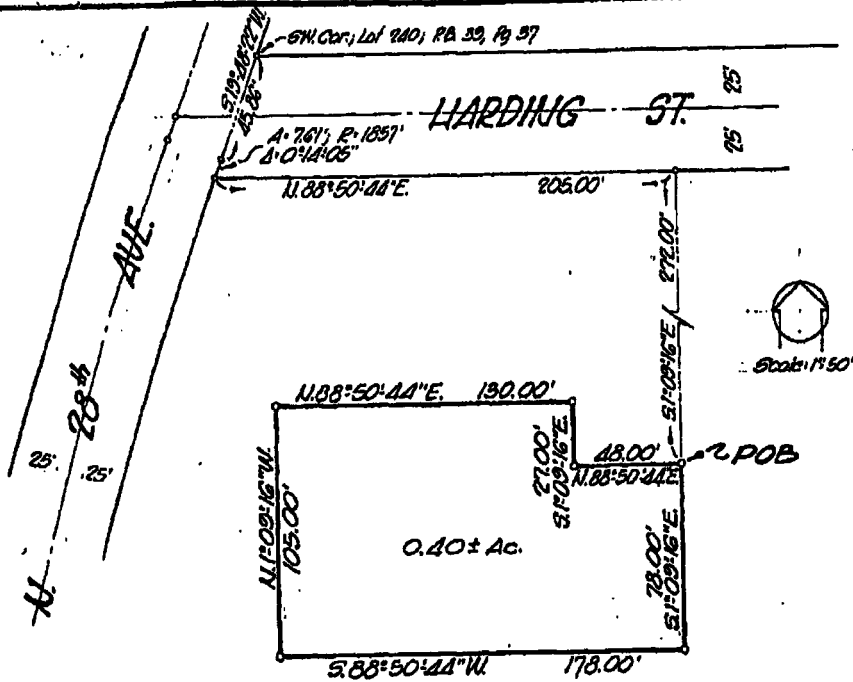
REF: 4683 PAGE 765

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LAW OFFICES OF GOLDSTEIN, FRANKLIN, CHONIN & SCHIRAK, P.A., 2070 NORTHEAST 16TH STREET, NORTH MIAMI BEACH, FLORIDA 33162

EXHIBIT A
TO NINETY-NINE YEAR LEASE

111549



SKETCH TO ACCOMPANY LEGAL DESCRIPTION

A portion of the South 1/2 of the Southwest 1/4 of the Northwest 1/4 of Section 9, Township 51 South, Range 42 East, City of Hollywood, Broward County, Florida, being more particularly described as follows:

From the Southwest corner of Lot 240, LOOK HOMESITES NO. 3, as recorded in Plat Book 39 at Page 37 of the Public Records of Broward County, Florida, run South 19 degrees 48 minutes 22 seconds West, along the Easterly Right-of-Way line of North 28th Avenue for 45.86 feet to the Point of Curvature of a circular curve to the left; thence continue along said Right-of-Way line along a circular curve having a radius of 1857.0 feet and a central angle of 0 degrees 14 minutes 05 seconds for an arc distance of 7.61 feet to the South Right-of-Way line of Harding Street; thence run North 88 degrees 50 minutes 44 seconds East, along the South Right-of-Way line of Harding Street for 205.0 feet; thence run South 1 degree 09 minutes 16 seconds East for 272.0 feet to the Point of Beginning of the following described parcel of land; thence continue South 1 degree 09 minutes 16 seconds East for 78.0 feet; thence run South 88 degrees 50 minutes 44 seconds West for 178.0 feet; thence run North 1 degree 09 minutes 16 seconds West for 105.0 feet; thence run North 88 degrees 50 minutes 44 seconds East for 130.0 feet; thence run South 1 degree 09 minutes 16 seconds East for 27.0 feet; thence run North 88 degrees 50 minutes 44 seconds East for 48.0 feet to the Point of Beginning, containing 0.40 Acres, more or less.

Order No. 111549

November 12, 1971

-Prepared by-
SCHWEBKE-SHISKIN & ASSOCIATES, INC.
Land Surveyors - Engineers - Land Planners
Miami, Florida

REC-4683 MAR 766

EXHIBIT B
TO NINETY-NINE YEAR LEASE

LEGAL DESCRIPTION

(RECREATION BUILDING SITE, WATERDATE)

A portion of the South 1/4 of the Northwest 1/4 of Section 9, Township 51 South, Range 42 East, City of Hollywood, Broward County, Florida, being more particularly described as follows:

From the Southwest corner of Lot 240, LOOK HOMESITES NO. 3, as recorded in Plat Book 39, Page 37 of the Public Records of Broward County, Florida, run South 19 degrees 48 minutes 22 seconds West, along the Easterly Right-of-Way line of North 28th Avenue for 45.86 feet to the Point of Curvature of a circular curve to the left; thence continue along said Right-of-Way line along a circular curve having a radius of 1857.0 feet and a central angle of 0 degrees 14 minutes 05 seconds for an arc distance of 7.61 feet to the South Right-of-Way line of Harding Street; thence run North 88 degrees 50 minutes 44 seconds East, along the South Right-of-Way line of Harding Street for 327.0 feet; thence run South 1 degree 09 minutes 16 seconds East for 161.25 feet to the Point of Beginning of the following described parcel of land; thence run North 88 degrees 50 minutes 44 seconds East for 263.20 feet; thence run South 11 degrees 47 minutes 53 seconds West, along the Westerly Right-of-Way line of Hollywood Canal C-10, for 113.64 feet; thence run South 88 degrees 50 minutes 44 seconds West for 76.96 feet; thence run South 11 degrees 47 minutes 53 seconds West for 36.04 feet; thence run North 78 degrees 12 minutes 07 seconds West for 156.68 feet; thence run North 1 degree 09 minutes 16 seconds West for 110.75 feet to the Point of Beginning, containing 0.70 Acres, more or less.

Order No. 108663

June 10, 1971

-Prepared by-

SCHWEBKE-SHISKIN & ASSOCIATES, INC.

Land Surveyors - Engineers - Land Planners

Miami, Florida

RECORDED IN OFFICIAL RECORDS BOOK
OF BROWARD COUNTY, FLORIDA
JACK WHEELER
CLERK OF CIRCUIT COURT

REC 4883
MAY 7 1971