

PROPRIETARY LEASE

THIS INDENTURE OF LEASE made and entered into this the ____ day of 19____, by and between THE ISLAND HOUSE APARTMENTS, INC., a corporation organized and existing under the laws of the State of Florida, hereinafter called the Lessor, and _____ hereinafter called the Lessee,

WITNESSETH:

WHEREAS, the Lessor was heretofore incorporated for the purpose of acquiring, owning, erecting, leasing and operating a co-operative apartment building on the premises hereinafter described; with the intent that the stockholders of the Lessor would have the right, subject to the approval of the Board of Directors of the Lessor, to lease and occupy apartments in said building under the terms and conditions set forth in the By-Laws of the Lessor, and the provisions of this lease, so long as they are stockholders; and,

WHEREAS, the Lessor is the owner of the following described real property situate, lying and being in Key Biscayne, Dade County, Florida, to-wit:

A parcel of land lying in the southeast portion of Tract 2, of SUBDIVISION OF A PORTION OF MATHESON ESTATE, according to the plat thereof recorded in Plat Book 46, at page 86, of the Public Records of Dade County, Florida, being more particularly described as follows: Commence at a pipe in concrete at the southwest corner of said Tract 2; thence run eastwardly along a southerly boundary of said Tract 2 a distance of 1431.62 feet to a pipe in concrete at a corner of said Tract 2; thence run southwardly along a boundary of said Tract 2 a distance of 100.68 feet to a pipe in concrete at a corner of said Tract 2, thence run eastwardly along the most southerly boundary of said Tract 2 a distance of 621 feet, more or less to the shore line of the Atlantic Ocean, said point being the southeast corner of Tract 2; said point also being the Point of Beginning of the following described parcel of land; thence run westwardly along the most southerly boundary of said Tract 2 a distance of 621 feet, more or less to a pipe in concrete at a corner of said Tract 2; thence run northwardly along a boundary of said Tract 2 and its northerly extension, a distance of 271.84 feet to a point; thence run eastwardly along a line parallel to and 270 feet measured northwardly at right angles from the most southerly boundary of said Tract 2, a distance of 632 feet, more or less, to the shore line of the Atlantic Ocean; thence meander southwardly along the shore line of the Atlantic Ocean a distance of 272 feet, more or less, to the Point of Beginning.

And,

A parcel of land lying West of and contiguous to a parcel of land, as of December 23, 1966, owned and in the name of The Island House Apartments, Inc., more particularly described as follows, to wit: Commence at a pipe in concrete at a corner of Tract 2, of SUBDIVISION OF A PORTION OF MATHESON ESTATE, according to the Plat thereof recorded in Plat Book 46, at page 86, of the Public Records of Dade County, Florida, which said corner is 1431.62 feet East of the Southwest corner of said Tract 2; thence run North 6° 40' 04" East a distance of 171.16 feet to a point; thence run West along a line parallel to the South line of said Tract 2 for a distance of 125.86 feet to a point; then run South 6° 40' 04" West a distance of 171.16 to a point on the South line of said Tract 2; thence run East along the South line of said Tract 2 a distance of 125.86 feet to the Point of Beginning.

And,

A piece or parcel of land situate, lying and being entirely within Tract 2 of a Subdivision of a portion of Matheson Estate as recorded in Plat Book 46, at page 86, of the Public Records of Dade County, Florida, more particularly described as follows: Commencing at the southwesterly corner of above said Tract 2; thence run East along the South line of said Tract 2 for a distance of 1305.76 feet to a point; thence leaving the South line of said Tract 2, run N 06°40' 04" East for a distance of 171.16 feet to a point; thence run East for a distance of 33.66 feet to a point of intersection with the arc of a circular curve concave to the Northwest, said point of intersection bearing S 34° 27' 41" East from the center of said circular curve being also the point of beginning of the parcel of land hereinafter to be described; thence run Northeastwardly along the arc of said circular curve having for its elements a Radius of 50 feet, and a central angle of 40° 55' 00" for a distance of 35.71 feet to a point; thence run S 66° 53' 14" East for a distance of 14.08 feet to a point of intersection with the arc of a circular curve concave to the Northeast, said point of intersection bearing S 57° 22' 25" West from the center of said curve concave to the Northeast; thence run Southeastwardly along the arc of said circular curve having for its elements a radius of 47.5 feet and a central angle of 18° 56' 01" for a distance of 15.70 feet to a point of compound curvature with a circular curve concave to the Northeast; thence run Southeastwardly along the arc of said circular curve having for its elements a radius of 39.64 feet and a central angle of 9° 12' 36" for a distance of 6.37 feet to a point of tangency; thence run S 60° 46' 12" East for a distance of 5.78 feet to the point of curvature with a circular curve concave to the Northeast; thence run Southeastwardly along the arc of said circular curve having for its elements a radius of 30 feet and a central angle of 23° 11' 00" for a distance of 12.14 feet to a point of tangency; thence run S 83° 57' 12" East for a distance of 13.93 feet to the point of intersection with a line which is 270 feet North of as measured at right angles to the most Southerly line of above said Tract 2; thence run West for a distance of 79.18 feet to the Point of Beginning.

SUBJECT TO: All easements, conditions, limitations and restrictions of records;

together with the improvements thereon, consisting of a 119 unit co-operative apartment building, 13 guest room units, and accessory facilities; and

WHEREAS, the Articles of Incorporation of Lessor requires that said apartments be leased only to stockholders under a uniform proprietary lease; and,

WHEREAS, the capital stock of the Lessor consists of 5,973.5 authorized shares of common stock of a par value of One Dollar (\$1.00) which are now owned in 132 blocks having varying proportions to the total, and the Lessee is the owner and holder of a block of ____ shares of said stock and by reason of such ownership this lease is granted pursuant to a resolution of the Board of Directors.

DEMISED PREMISES

NOW THEREFORE, in consideration of the premises and of the rents, covenants and agreements hereinafter provided and contained, the Lessor hereby leases to the Lessee, subject to the terms and conditions hereinafter expressed, and the Lessee hereby hires and takes from the Lessor all that certain space on the _____ floor of the co-operative apartment building known as Apartment _____ and hereinafter

sometimes referred to as the apartment, being one of the apartments in the co-operative apartment building hereinabove referred to, together with the appurtenances thereto belonging.

TERM

To have and to hold the apartment with the appurtenances unto the Lessee, and authorized assign, of the Lessee, on the terms and conditions herein set forth from the _____ day of _____, 19_____, and ending upon the expiration of the charter of the Lessor, unless sooner terminated, as hereinafter provided, at a rent for each year, or portion of a year during said term equal to the Lessee's proportionate share, as hereinafter provided, of the aggregate amount of the cash requirements of the Lessor, as hereinafter defined, for such year or portion of year, together with additional rent, as hereinafter provided.

CASH REQUIREMENTS DEFINED

The cash requirements above-referred to for each year or portion of year are hereby defined and shall be deemed to be such aggregate sum as the Board of Directors of the Lessor from time to time, by a resolution or resolutions adopted during such year or portion of year or the preceding year, shall determine, in its judgement, is to be paid by all the Lessees under proprietary leases then in force (after deducting any estimated rents or income to be received during such year other than rents under proprietary leases) on account of the estimated expenses and outlays of the Lessor to the close of such year, growing out of or connected with the ownership, maintenance and operation of such land and building, which sum may include among other things taxes, assessments, water rates, insurance premiums, operating expenses, legal and accounting fees, management fees, employees' gratuity fund, alterations, replacements and repairs, expenses and liabilities incurred by the Lessor under or by reason of this or other leases, interest on mortgage or other indebtedness, mortgage amortization payments, the payment of any other liens or charges, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus fund and expenses for other corporate purposes. The Board of Directors of the Lessor may, from time to time, by resolution or resolutions duly adopted up to the close of the year for which such cash requirements have been so fixed or determined, increase or diminish the amount previously fixed or determined for such year. The Board of Directors may include in the cash requirements for any year any liabilities or items of expense which accrued or became payable in a previous year, or which might have been included in the cash requirements for a previous year but were not included therein, and also any sums which the Board of Directors may deem it necessary or prudent to provide as a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year. The Board of Directors shall prepare and submit to the stockholders at their annual meeting a budget of the estimated cash requirements for the corporation during the current fiscal year. The Lessee stockholders may discuss the budget and may make recommendations concerning it, but the final approval shall rest exclusively with the Board of Directors, and the determination of the cash requirements of the Lessor to be paid by the Lessees, as made by the Board of Directors, shall be final and conclusive as to all Lessees. The annual budget shall be adopted by the Board of Directors at their annual meeting, but the failure to so adopt an annual budget shall automatically continue the last preceding annual budget in force. A copy of the budget as adopted shall be sent to each Lessee.

ASSESSMENTS FOR CASH REQUIREMENTS

The assessment payable by the Lessee in and for each year or portion of year of said term shall be a sum (within the limits and on the conditions hereinabove provided) bearing to the aggregate amount of such

cash requirements for such year or portion of year determined as aforesaid the same ratio as that which the number of shares of stock of the Lessor owned by the Lessee at the time of the execution hereof, as stated in the recitals of this proprietary lease, bears to the aggregate of the shares similarly specified in all of the proprietary leases in effect at the time of the fixing and determination of such cash requirements, and such assessment together with any additional rent accruing under this lease, shall be payable monthly in advance, or in such payments or installments as shall be required by resolution of the Board of Directors of the Lessor, and at such times as shall be provided in such resolution. The first payment to be due and payable on the commencement date hereof.

CHARTER AND BY-LAWS RESTRICTIONS OF LESSOR

This lease is made, executed and delivered and accepted by the Lessee upon the express conditions, limitations and restrictions as set forth in the Articles of Incorporation and By-Laws of the Lessor corporation as now existing or as the said Certificate of Incorporation and said By-Laws may from time to time be amended, all of which are hereby incorporated herein and made a part hereof by reference.

COVENANTS OF THE LESSOR

The Lessor covenants and agrees with the Lessee as follows:

A. QUIET ENJOYMENT. That if and so long as the Lessee pays the assessments reserved hereby and performs, observes and complies with the covenants and conditions on the part of the Lessee to be performed, as herein set forth, the Lessee shall at all times during the term hereby granted quietly have, hold and enjoy the apartment home demised hereby without suit, trouble or hindrance from the Lessor.

B. MAINTENANCE. The Lessor shall maintain and manage the building as a first class co-operative apartment building, and shall keep the elevators, and public halls and stairways clean and properly lighted, heated and/or air conditioned, and shall maintain and keep the pool and appurtenant facilities in a clean, first-class condition; and shall provide elevator service, and the number of attendants requisite, in the judgment of the Board of Directors, for the proper care and service of the building, and shall likewise provide the co-operative apartment building and each unit thereof with proper and sufficient supply of hot and cold water.

The covenants by the Lessor, herein contained, are subject, however, to the discretionary power of the Board of Directors of the Lessor to prescribe the manner of maintaining and operating the building, and to determine the cash requirements of the Lessor, as hereinabove stated, and subject to the further provision that there shall be no diminution or abatement of rent or other compensation accruing to the Lessor for the failure by the Lessor to perform the same, or for interruption or curtailment of service.

C. REPAIRS. The Lessor agrees that it will keep in sound condition and repair during the term of this lease the exterior of the co-operative building, and the interior of that portion of the building which are used in common by all of the Lessees, ordinary wear and tear excepted, including, but not by way of limitation thereof, the foundations, sidewalks, walls, supports, beams, roofs, terraces, gutters, chimneys, pool entrances and street and court doorways, main halls, main stairways, windows, fire escapes, elevators, pumps and tanks and all main and principal pipes for carrying water, gas or steam through the building, and the main drain pipes and electrical conduits together with all plumbing, heating, air conditioning and other apparatus intended for the general service of the building, except those portions of any of the foregoing which it is the duty of the Lessee to maintain and keep in good repair, as hereinafter provided under covenants of the Lessee. It being agreed

that the Lessee shall give the Lessor prompt notice of any defect known to the Lessee and requiring repairs to be made. All such repairs shall be at the expense of the Lessor, unless the same shall have been rendered necessary by the act or negligence or carelessness of the Lessee, or any of the family, guests, employees or sub-tenants of the Lessee, in which case the expense is to be borne by the Lessee.

D. INSURANCE. Lessor covenants and agrees with the Lessee that Lessor will carry such insurance as the Board of Directors may from time to time direct, provided, however, that nothing herein shall prevent the Board of Directors from directing the Lessor to act as self-insurer, or as co-insurer. Such insurance as shall be carried by the Board of Directors shall insure only the property of the Lessor, and shall not include any furniture, fixtures, furnishings, personal effects or generally contents owned by Lessee. In the event of any loss to the Lessor or claim against the Lessor, the Board of Directors of the Lessor shall in their sole discretion direct the manner of handling such matter.

E. BOOKS OF ACCOUNT. The Lessor shall keep full and correct books of account at the office of the managing agent or at such other place as the Board of Directors may from time to time determine, and the same shall be open during all reasonable hours to inspection by the Lessee or a representative of the Lessee.

F. ACCOMPANYING STOCK TO BE CERTIFIED IN PROPRIETARY LEASES. In every proprietary lease hereafter executed by the Lessor there has been specified, and in every proprietary lease hereafter executed by it there will be specified, the number of shares of the capital stock of the Lessor issued therewith, which number, in relation to the aggregate of all numbers of shares similarly specified in all the proprietary leases at the time in force, shall constitute the basis for fixing, as hereinbefore provided, the proportionate share of the aggregate amount of the cash requirements of the Lessor, as hereinbefore defined, which shall be payable as rent by the Lessee. In the event that after the fixing of the amounts payable as rent by the Lessees under all proprietary leases for any period of time, one or more additional proprietary leases be made, thus increasing the aggregate number of shares specified in all proprietary leases, the rent to be paid under such additional lease or leases, unless and until the Board of Directors shall otherwise fix the rent to be paid under all proprietary leases, shall be at the same rate per share of stock specified in such additional lease or leases as applied to the shares of stock specified in all other proprietary leases in effect at the time of the fixing and determination of such cash requirements and the rent payable for such period of time by Lessees under such other proprietary leases shall not be modified or affected by any increase in the aggregate number of shares specified in all proprietary leases.

G. CHANGES IN TERMS AND CONDITIONS OF PROPRIETARY LEASES. All proprietary leases of apartments in the building hereafter executed shall be in the form of this lease except with respect to statements as to the number of shares of stock owned by the Lessee and the space to be occupied by the Lessee. The Lessor will not make or consent to any change or alteration in the terms or conditions of any proprietary lease which shall have been executed by the Lessor (as distinct from the house rules) unless such change or alteration shall be made pursuant to the affirmative vote taken at a meeting called for that purpose, or written consent signed, by Lessees owning at least seventy (70%) per cent in the amount of the Lessor's capital stock then owned by all Lessees under proprietary leases then in force, and being at least seventy(70%) per cent in number of such Lessees.

H. REFUNDS. Lessor agrees that it will refund or credit to the Lessee, within sixty (60) days after the end of each fiscal year, his proportionate share of such sums as have been collected in anticipation of the expenses which are in excess of the amount needed for expenses of all kinds, including reserves, in the discretion of the Board of Directors.

I. DAMAGE TO BUILDING. If the co-operative apartment building shall be damaged or destroyed by fire, windstorm or other casualty, either partially or totally, the said building shall be repaired or rebuilt as expeditiously as possible by the Lessor with the funds available from the insurance company or companies, together with such other funds as may be available as herein provided. In the event that the funds from the insurer are inadequate, the Lessee agrees with the Lessor to be bound and obligated to pay his proportionate part of any assessment made by the Board of Directors for the purpose of repairing or rebuilding. All funds available or made available under the provisions of this paragraph shall be disbursed for the purpose of repairing or rebuilding as provided for by the Board of Directors of the Lessor. Any reconstruction or repairing shall conform substantially to the plans and specifications under which the co-operative apartment building was completed or as the same may be modified at a meeting of the stockholders of the Lessor, by the affirmative vote of the stockholders having seventy (70%) per cent of the stock.

COVENANTS OF LESSEE

The Lessee for himself and his legal representatives, does covenant and agree to and with the Lessor as follows:

A. INTERIOR REPAIRS. The Lessee shall keep and maintain the interior of the co-operative apartment in good repair. The Lessor shall not be liable or responsible for any damage to the interior of the Lessee's apartment or its contents caused by electric current, leakage or overflow of water, gas, or steam from any pipe, electrical equipment, plumbing equipment, air conditioning or heating equipment belonging or appertaining to any other apartment in the building, unless the damage shall have been caused by the act or omission of the Lessor or its agents or employees. In the event that Lessee shall fail or refuse after ten (10) days' notice in writing from Lessor to make repairs or to restore the apartment to good condition such repairs or restoration may be made by the Lessor which shall have the right by its authorized agents to enter the apartment for that purpose and to collect the cost of such repairs or restoration as additional rent. Lessee shall be responsible for the maintenance or replacement of any plumbing fixtures, lighting fixtures, refrigerators or ranges, if any, that may be in the apartment.

B. ALTERATIONS. That he will not, without first obtaining the written consent of the Lessor, make any structural alteration or addition or additions to or remove any improvements or fixtures from the apartment.

C. USE OF PREMISES. That the Lessee shall not occupy nor use the premises hereby demised, nor permit the same or any part thereof to be occupied or used, for any purpose other than as a private dwelling apartment for the Lessee, his family, guests and qualified sublessee, and shall not permit or suffer anything to be done or kept upon said premises which will increase the fire hazard or the rate of fire insurance on the building or of the contents thereof, or which will obstruct or interfere with the rights of other tenants, or annoy such tenants by unreasonable noises or otherwise, or which will obstruct the public halls or stairways of the building, and the Lessee will comply with all the requirements of the Board of Health, and with all laws, ordinances, rules and regulations with respect to said premises.

D. INDEMNIFY LESSOR. That through the term and forever afterward the Lessee will indemnify and save harmless the Lessor for and against all and any liabilities, arising from injury during said term to any person or property, occasioned wholly or in part by any act or omission of the Lessee or of the guests, servants, assigns or agents of the Lessee.

E. RIGHT OF LESSOR TO SELL DEMISED PREMISES. That the Lessor upon the affirmative vote or prior written consent of stockholders having eighty (80%) per cent of the issued and outstanding stock of Lessor corporation may sell the real property of the Lessor together with the improvements thereon, including the apartment home covered by this lease. In the event of such sale, this lease shall automatically terminate on the date designated in the resolution of the stockholders approving such sale, provided only that such termination date shall not be less than sixty (60) days from the date said resolution shall be adopted.

F. HOUSE RULES. The Lessor may from time to time establish such reasonable house rules as its Board of Directors may deem necessary for the management and control of the building, and may also from time to time alter, amend and repeal such rules, and this lease shall be in all respects subject to such rules, which, when a copy thereof has been furnished to the Lessee, shall be taken to be part hereof, and the Lessee shall obey all such rules and see that they are faithfully observed by the family, guests, employees and subtenants of the Lessee, it being understood that such rules shall apply to and be binding on all of the tenants of the building, whether stockholders of the Lessor or not, but that the Lessor shall not be responsible to the Lessee for the nonobservance or violation of such rules by any other Lessee or person other than employees of the Lessor. Without limiting the generality of the foregoing, such house rules may regulate and control the use of any roof or terrace appurtenant to the apartment, and may require the Lessee to keep such roof or terrace clean.

G. RIGHT OF ENTRY AND INSPECTION. The Lessor and its agents shall be permitted to visit and examine the apartment at any reasonable hour of the day, and workmen may enter at any time, when authorized by the Lessor or the Lessor's agents, to make or facilitate repairs in any part of the building and to remove such portions of the walls, floors and ceilings of the apartment as may be required for the purpose of making such repairs, but the Lessor shall at its own cost and expense thereafter restore the premises to their proper and usual condition. If the Lessee shall not be personally present to open and permit an entry into the apartment, at any time when for any reason an entry therein shall be necessary or permissible thereunder, the Lessor or the Lessor's agents may forcibly enter the apartment without rendering the Lessor or such agents liable to any claim or cause of action for damages by reason thereof (if during such entry the Lessor shall accord reasonable care to the Lessee's property), and without in any manner affecting the obligations and covenants of this lease.

H. COSTS AND EXPENSES. That if the Lessee shall at any time be in default hereunder or if the Lessor shall institute an action or summary proceedings against the Lessee based upon such default, or shall place the matter in the hands of an attorney for purposes of enforcing the rights of the Lessor hereunder, then the Lessee shall pay to Lessor all costs and expenses, including attorney's fees thereby incurred by the Lessor so far as the same are reasonable in amount, and the amount of such costs and expenses shall be deemed to be additional rent hereunder.

I. QUIETLY SURRENDER PREMISES. The Lessee agrees with the Lessor that at the expiration of said term or upon the termination of this lease for any reason whatsoever, the Lessee will quietly and peaceably deliver said premises to the Lessor in the same repair and condition in which they were received, ordinary wear and tear excepted.

J. LESSOR'S IMMUNITIES. The Lessor shall not be liable for any failure of heat, water-supply, electric current, telephone or elevator service or other service to be supplied by the Lessor hereunder, or for injury or damage to person or property caused by the elements or by another tenant or person in the building, or resulting from steam, gas, electricity, water or rain which may leak or flow from outside or from any part of the building, or from any of its pipes, drains, conduits, boilers, tanks, appliances or equipment, or from any other

place, unless caused or due to the negligence of the Lessor. The Lessor shall not be liable for interference with the light or other incorporeal hereditaments by anybody other than the Lessor. The Lessor shall not be responsible for any damage to any automobile or other vehicle left in the care of any employee of the Lessor by the Lessee, and the Lessee hereby agrees to hold the Lessor harmless from any liability arising from any injury to person or property caused by or with such automobile or other vehicle while in the care of such employee. The Lessor shall not be responsible for any package or article left with or entrusted to any employee of the Lessor, or for the loss of any property within or without the apartment by theft or otherwise. If the Lessor shall, before, during or after the term of this lease, furnish to the Lessee any storage space, use of laundry or any other facility outside of the apartment, the same shall be furnished gratuitously by the Lessor, and if any person shall use the same, such use shall be entirely at the risk of such person, and the Lessor shall not be liable for any loss of property therein, or for any damage or injury whatever to person or property therein or in connection therewith. No diminution or abatement of rent, or other compensation, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the building or its appliances, or from any space taken to comply with any law, ordinance or order of a governmental authority.

K. WAIVER. That the failure in any one or more instances of the Lessor to insist upon a strict performance of any of the covenants of this lease, or to exercise any option herein contained, or to serve any notice, or to institute any action or summary proceedings, or to enforce the termination of this lease because of any breach entitling the Lessor to do so, shall not be construed as a waiver or as a relinquishment for the future, of such covenant or option, or right thereafter to serve notice and to have this lease terminated under any of the provisions herein, but such covenant or option or right shall continue and remain in full force and effect. The receipt by the Lessor of rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach.

L. NOTICES. Any notice or demand by the Lessor to the Lessee shall be deemed to be duly given if either delivered personally to the Lessee or mailed by registered letter addressed to the Lessee at the building in which the demised premises are situated. Any notice of demand by the Lessor to the sub-lessee shall be deemed to be duly given if either delivered personally to the sub-lessee or mailed by registered letter addressed to the sub-lessee at the building in which the demised premises are situated. Any notice or demand by the Lessee or a sub-lessee to the Lessor shall be deemed to be duly given if in writing and delivered personally to the president or secretary of the Lessor, or mailed by registered letter addressed to the Lessor, at the building in which the demised premises are situated.

M. NO PLEDGE. That he will not for himself and his legal representatives, pledge, mortgage or otherwise encumber or hypothecate this proprietary lease and the accompanying stock without first obtaining the written consent of the Lessor.

N. SUBLETTING. That the Lessee shall not sublet the whole or any part of the apartment for any term to any person or persons without the Lessor's written consent authorized by a resolution of the Board of Directors, or signed by a majority of the Directors or by Lessees owning of record at least a majority of the stock of the Lessor accompanying proprietary leases then in force. Whenever the Lessee applies to the Lessor for a consent to sub-letting, Lessee shall furnish to the Board of Directors in writing the name, address and occupation or business of the person proposed as an occupant of said apartment, together with such information as the Board of Directors may request. In the event that approval is given for sub-letting, such approval shall not operate to relieve the Lessee hereunder of any obligation for the payment of assessments or otherwise, but shall only be an approval of the sub-tenant as an acceptable occupant of the apartment, and provided further that any such sublease may be terminated upon thirty (30) days written notice by the Board

of Directors of Lessor to the Lessee and the sub-lessee and such action by the Board of Directors of Lessor may be arbitrary and they need give no reason for such action and the Lessor shall not be liable in any manner whatsoever to the Lessee or sub-lessee for any such action. The failure of such sub-lessee to vacate the demised premises within said thirty (30) days shall constitute a default by Lessee.

O. ASSIGNMENT PROHIBITED. The Lessee for himself and his legal representatives covenants and acknowledges that he has no right to this lease as Lessee except by virtue of his status as a stockholder in the Lessor corporation and that this lease may not be transferred in any manner except to another stockholder or as a collateral right to the transfer of his stock in the Lessor corporation, and that the said stock cannot be transferred except in the manner provided in the Charter and By-Laws of said Lessor corporation, and that any transfer or attempted transfer (except to another stockholder) of this lease independent of a proper and valid assignment and transfer of the Lessee's stock in the Lessor corporation shall be absolutely null and void and the assignee or transferee thereto shall have no rights whatsoever under this lease.

P. MECHANICS' LIENS. In case there shall be filed a notice of mechanic's lien against the building, for, or purporting to be for, labor or material alleged to have been furnished or delivered at the building or the apartment to or for the Lessee, or anyone claiming under the Lessee, the Lessee shall forthwith cause such lien to be discharged by payment, bonding or otherwise; and if the Lessee shall fail to cause such lien to be discharged within twenty days after the filing of such notice, the Lessor may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto, and shall have the right to collect, as additional rent, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment.

DEFAULT – EXPIRATION OF LEASE

If on, or at any time after, the happening of any of the events mentioned in Subdivisions A to H, inclusive of this Paragraph, the Lessor shall give to the Lessee a notice stating that the term hereof will expire on a date at least thirty (30) days thereafter, this lease shall expire on the date so fixed in such notice, and all right, title and interest of the Lessee hereunder shall wholly cease and expire, it being the intention of the parties hereto to create hereby a conditional limitation, and thereupon the Lessor shall have the right to re-enter the apartment and to remove all persons and personal property therefrom, either by summary dispossession proceedings, or by any suitable action or proceeding at law, or in equity, or by force or otherwise, and to repossess the apartment in its former state as if this lease had not been made, and no liability whatsoever shall attach to the Lessor by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved.

A. LESSEE CEASING TO OWN ACCOMPANYING STOCK. If at any time during the term of this lease the Lessee shall cease to be the owner of all of the shares of stock which are hereinbefore stated to be owned by the Lessee and allocated to this lease, or if this lease shall pass or be assigned to anyone who is not then the owner of all of said shares.

B. LESSEE BECOMING BANKRUPT. If (1) the Lessee shall be declared bankrupt under the laws of the United States or adjudicated insolvent or take the benefit of any insolvency act; or (2) a receiver or trustee of the property of the Lessee shall be appointed by any court; or (3) the Lessee shall make a general assignment for the benefit of creditors; or (4) any of the shares of said stock owned by the Lessee shall be duly levied on

under court process; or (5) this lease or any of the shares of said stock owned by the Lessee shall be pledged, other than to the seller thereof, except with the consent of the Board of Directors of Lessor.

C. ASSIGNMENT OR SUBLETTING. If at any time any assignment or purported assignment or any sub-letting or purported sub-letting is made by the Lessee hereunder except as herein otherwise expressly provided; or except as expressly provided in the By-Laws of Lessor.

D. FAILURE TO PAY RENT. If the Lessee shall fail for any reason whatsoever to pay to the Lessor the full amount of any assessment and/or rent payment or additional rent or any installment thereof on or before the due date thereof as hereinbefore provided for and such default shall continue for a period of thirty (30) days.

E. DEFAULT IN OTHER COVENANTS. If the Lessee shall default in the performance of any covenant or provision of this lease agreement other than the covenant to pay rent for thirty (30) days after written notice of default shall have been given by Lessor.

F. TERMINATION OF ALL PROPRIETARY LEASES. If at any time the Lessor shall determine, on the affirmative vote of two-thirds of its full Board of Directors and the affirmative vote of the record holders of at least eighty (80%) per cent in amount of its capital stock then outstanding and owned by Lessees under proprietary leases then in force, at a stockholders' meeting duly called for that purpose, to terminate all proprietary leases or to sell the land and building above described.

G. LESSEE'S OBJECTIONABLE CONDUCT. If at any time the Lessor shall determine, on the affirmative vote of the holders of record of two-thirds or more of the capital stock of the Lessor accompanying proprietary leases then in force, at a meeting of such stockholders duly called to take action on the subject, that because of objectionable conduct on the part of the Lessee, or of a person dwelling in or visiting the apartment, the tenancy of the Lessee is undesirable. Repeatedly to violate or disregard the rules and regulations hereunto attached or hereafter established in accordance with the provisions of this lease, or to permit or tolerate a person of dissolute, loose or immoral character to enter or remain in the building or the apartment, shall be deemed to be objectionable conduct.

H. CONDEMNATION. If at any time the building or a substantial portion thereof shall be taken by condemnation proceedings.

RIGHTS AND OBLIGATIONS OF LESSEE UPON TERMINATION OF LEASE

It is mutually agreed by and between Lessor and Lessee that:

A. SURRENDER OF POSSESSION-APPOINTMENT OF LESSOR AS ATTORNEY IN FACT. That upon the termination of this lease by virtue of any default, as herein provided, or by virtue of any provisions of the By-Laws of Lessor, or its Articles of Incorporation, that the Lessee will on or before such termination vacate the apartment and remove therefrom all property of the Lessee which on said termination does not become the property of the Lessor and surrender possession of the apartment to Lessor, or its assigns, and surrender to Lessor his certificate or certificates for shares of stock of Lessor owned by Lessee and allocated to the apartment, and shall execute, acknowledge and deliver to the Lessor any instrument or instruments which may reasonably be required to surrender all estate and interest of the Lessee in the apartment and in the certificates

of stock allocated to such apartment. Notwithstanding the obligation of Lessee to surrender possession and to execute instruments of transfer, it is agreed that Lessor may execute a new proprietary lease on the apartment and may issue a new stock certificate for the shares of stock of the Lessor owned by the Lessee, and allocated thereto. In furtherance of the rights of Lessor to issue new proprietary leases and a new certificate of stock, Lessee does hereby irrevocably appoint Lessor corporation by and through its Secretary as attorney in fact for the Lessee to assign and surrender to Lessor this lease and the demised premises and to cancel the Lessor's stock certificate, and does further irrevocably appoint Lessor, through its Secretary, as attorney in fact of the Lessee to enter the demised premises and to remove any and all persons and property whatsoever situate upon the demised premises and to place such property in storage for the account of and at the expense of said Lessee.

B. RIGHT OF LESSEE ON TERMINATION. Upon the written request of the Lessee on or before the termination of this lease for any default, as hereinabove provided, Lessor, through its Board of Directors, may grant to Lessee one hundred twenty (120) days from the date of such termination in which to assign and transfer Lessee's interest in the demised premises, together with the stock allocated to the said apartment, to a stockholder of the Lessor corporation, or to any person who may be acceptable to the Lessor corporation as a stockholder therein. The Lessor shall at all times have a prior lien on the lease of the demised premises for all rents and for all damage, claims, costs and expenses, including reasonable attorney's fees, due and owing from the Lessee to the Lessor up to the date of execution of a new proprietary lease. In the event Lessor shall fail to consummate the transfer of the leasehold interest in the demised premises within said one hundred twenty (120) days, then the Lessee shall have no further right, title and interest of any nature whatsoever in or to this lease, or the demised premises or the accompanying stock in the Lessor corporation, and thereupon all right, title and interest of the Lessee in this lease of the demised premises and stock shall vest in the Lessor.

C. LESSOR'S OBLIGATION TO LESSEE UPON SURRENDER OR TERMINATION OF LEASE. The Lessee may at any time, even though this lease shall be in default, voluntarily surrender this lease and the demised premises and the Lessee's stock certificate in the Lessor corporation to the Lessor. At the time of such surrender Lessee shall deliver to Lessor:

- (1) A proper assignment of Lessee's counterpart of this lease whereby the full and absolute right, title and interest in and to this lease is assigned to Lessor or as Lessor may direct as of the date of surrender, free of all liens and encumbrances.
- (2) The Lessee's certificate for shares of stock of the Lessor which accompany this lease, duly stamped and endorsed in blank for transfer.
- (3) Written statement setting forth in detail those additions, improvements and fixtures such as mantels, lighting fixtures, refrigerators, cooking ranges, woodwork, paneling, doors and decorations placed in the apartment at Lessee's expense which the Lessee may have a right to remove and desires to remove and shall at the same time pay the cost of repairing any damage resulting from the removal by Lessee of such items, as estimated by the Lessor.

In the event that Lessor shall acquire title to this lease and the demised premises, as well as the accompanying stock allocated to the apartment by a voluntary surrender thereof, or by involuntary termination of this lease in accordance with its terms, then in either of such events the Lessor shall have no obligation to lease or sell the demised premises, but the Lessor may lease the demised apartment to a qualified tenant for a term not exceeding two years from the date Lessor shall take possession, or the Lessor may sell the demised apartment

to a qualified purchaser. The terms of any such rental or sale shall be such as shall be determined by the Lessor, acting in good faith, to be fair and reasonable under the circumstances. The Lessor, after deducting all rents, damage, claims, costs and expenses, including attorney's fees, due to the Lessor under the terms of this lease up to the date of such sale, shall pay the balance of the proceeds, if any, to the Lessee. For the purpose of calculating the sums due to the Lessor, there shall be included all rent assessments made against the demised apartment to the date of such sale. In the event the Lessor shall not have sold the said apartment within such two-year period, the Lessee shall have the right at any time after such two-year period to demand that the Lessor purchase the stock and proprietary lease at the appraised value thereof. The appraisal shall be made in such manner as the parties may agree upon, but if they shall fail to agree upon the manner of appraisal, then either party may require that the sole question of the then fair market value (taking into consideration the restrictions on the transfer, as well as all other pertinent matters) of the demised premises be determined by arbitration in accordance with the Florida Arbitration Code. The Lessor shall make payment to the Lessee within thirty days after the appraisers or arbitrators have filed their written report as to the fair market value, and the Lessor's failure to do so within said thirty days shall reinstate this lease in the name of the Lessee or the person having the beneficial interest therein; provided, however, that all past rents, costs and expenses to the date of such reinstatement shall be made.

COOPERATIVE PLAN

It is mutually understood and agreed between the Lessor and the Lessee that the apartment building, of which the demised premises is a part, is owned and operated on a cooperative basis for the exclusive use and benefit of the stockholders of the Lessor corporation. The certificate of incorporation and the By-Laws of the Lessor corporation set forth the requirements and method of qualification for stockholders, the rights and duties of stockholders, and the method for the termination of a stockholder's interest and for the automatic termination of membership in the event of the death of a stockholder. It is mutually understood and agreed between the Lessor and the Lessee that only stockholders in good standing in the Lessor corporation shall be eligible to become Lessees in said cooperative apartment building, and therefore this lease shall automatically terminate simultaneously with the termination of Lessee's stock interest in the Lessor corporation, or upon the death of Lessee named herein. In the event of any such termination, the rights of the Lessee, or his heirs or personal representatives, shall be governed by the other provisions in this lease dealing with the rights of the Lessee in the event of termination of this lease. In the event more than one individual, or a firm, or partnership, or a corporation is named as Lessee, each and every individual or each and every member of a firm or partnership, and each and every stockholder of the corporation must be approved by the Board of Directors of the Lessor corporation, and in the event of the death or withdrawal of such approval by the Board of Directors of the Lessor corporation, or other termination of the stock interest of any one or more of such joint Lessees, the surviving or remaining lessee shall continue as sole lessee or surviving joint lessees. Unless made to a stockholder in good standing in the Lessor corporation and in accordance with the provisions of this lease, any assignment or transfer, or attempted assignment or transfer, whether the same shall have been attempted or made voluntarily by the Lessee or by testamentary disposition, or by descent and distribution under the Laws of the State of Florida, or any other state or county, or by virtue of any bankruptcy proceedings, or by any other legal proceedings or in any other manner whatsoever, and regardless of any consideration that may have passed in connection therewith, shall automatically terminate this lease, and no such transferee, devisee, heir, judgment creditor, purchaser or distributee through any bankruptcy proceedings, or any other person, firm or corporation whatsoever shall acquire any right to the use and occupancy of the demised premises, nor shall any such person, firm or corporation have the right to sublet the demised premises unless and until such person, persons, firm or corporation shall be approved as stockholders and shall become stockholders in good standing of the Lessor corporation; provided, however, nothing herein shall prevent such unauthorized assignee from

transferring the interest so acquired in the same manner that the Lessee might do upon termination of this lease.

COMMON FACILITIES

The Lessee shall have equal rights with all other Lessees to use common facilities provided for the use of all Lessees, and Lessee agrees to abide by such rules and regulations, concerning the use of all common facilities, as may from time to time be established by the Board of Directors of Lessor.

REPRESENTATIONS MERGED

All representations and warranties, if any, made prior to the effective date of this contract shall be deemed merged hereunder. This lease replaces and supercedes any prior lease between the parties hereto covering the demised premises described herein.

TIME SHALL BE OF THE ESSENCE

It is further understood and agreed that time shall be of the essence of each and every of the payments herein provided for, and of the performance of each and every of the terms, conditions, provisions, stipulations, covenants and agreements herein contained.

DEFINITION

The word "rent" or "rental", as used herein means, as may be applicable, any maintenance charge, or charges and/or any regular or special assessment or assessments.

IN WITNESS WHEREOF, the Lessor has caused these presents to be executed by its President or its Vice President, thereunto lawfully authorized and its corporate seal to be affixed, duly attested by its Secretary or its Assistant Secretary, and the Lessee has hereunto set hand and seal, the day and year first herein above written.

Signed, sealed and delivered
in the presence of:

(As to the Lessor)

(As to the Lessee)

THE ISLAND HOUSE APARTMENTS,
INC.

By _____

President

Attest _____

Secretary

LESSOR

_____ (SEAL)

_____ (SEAL)

LESSEE