BY-LAWS OF
BAYSHORE EMBASSY CONDOMINIUM, INC.

ARTICLE I.

NAME AND LOCATION

Section 1. The name of this Association shall be

BAYSHORE EMBASSY CONDOMINIUM, INC.

Section 2. The principal office of the Association shall be in the City of Fort Lauderdale, Broward County, Florida, at 550 Bayshore Drive. The Association may have offices at such other place as the Board of Governors may from time to time determine or the Association may from time to time require.

ARTICLE II.

Section 1. These By-Laws, together with the Declaration of Condominium and Chapter 711 and Chapter 617, Florida Statutes, 1967 and all amendments thereto, together with house rules and regulations from time to time passed by the Association, shall govern and control the Condominium Association. The Condominium which the Association shall govern is designated "Bayshore Embassy Condominium" located at 550 Bayshore Drive, Fort Lauderdale, Florida.

ARTICLE III.

MEMBERS

Section 1. As is set forth in the Charter of The Association, the membership of BAYSHORE EMBASSY CONDOMINIUM, INC. shall consist of the Condominium unit owners who shall have recorded title in their names.

ARTICLE IV.

MEETINGS

Section 1. The annual meeting of the members of the Association shall be held on the day of of each year at o'clock M. in the condominium building or at such other place or places as the Board of Governors may from time to time direct.

Should the date for such annual meeting fall on a Sunday or a holiday, the meeting shall be held on the next day following the Sunday or holiday. At the annual members' meeting, the members shall fill, by plurality vote and by written ballot, the vacancies created by the expiring terms of the Board of Governors. The owner of each of the sixty-four (64) condominium units shall have one vote, there thus being a total of sixty-four (64) votes to be cast. There shall not be cumulative voting. The members shall also transact any other business as may properly be brought before said meeting.

Section 2. At least ten (10) days before the election of Governors, a complete list of the members entitled to vote at said election shall be prepared by the Secretary and shall be posted on the corporation bulletin board for the examination of all members so that every one shall be familiar with the persons entitled to vote at said meeting.

Section 3. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by the Statutes or by the Certificate of Incorporation, shall be called by the President, or the Secretary, at the request in writing of a majority of the Board of Governors, or at the request in writing of fifty per cent (50%) of the membership of this Association. Such request shall state the purpose or purposes of the proposed meeting. All business transacted at such special meeting shall be confined to the subjects stated in the Call and Notice Meeting.

Section 4. Written notice of the annual meeting and of all special meetings shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the corporation, at least ten (10) days prior to the meeting, except in the case of a special meeting, where there shall be a five (5) day allowable minimum notice.

Section 5. A majority of the total number of members of the Association, present in person or represented by proxy, shall be necessary to constitute a quorum for all meetings of the members for the transaction of business, except as otherwise provided by Statute, the Certificate of Incorporation, or by these By-Laws. If, however, such quorum shall not be present or represented at any properly called meeting of the Members, the Members entitled to vote, present in person or represented by proxy, shall have the power to adjourn the meeting until another meeting date set at the time of adjournment, which date in no case shall be less than eleven (11) days after the original meeting, at which second meeting no quorum, as above defined, shall be necessary in order to transact business. At such adjourned meeting which subsequently meets pursuant to notice given at the time of the adjournment, any business may be transacted which might have been transacted at the meeting as originally notified. It shall be necessary, however, ten (10) days prior to the meeting date designated at the time of adjournment, that all members be notified as provided in Section 2 of this Article of the date, time and purpose of the meeting, and that it is being called pursuant to this Section.

Section 6. When a quorum is present at any meeting, the vote of the majority of the members present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of the Statutes of the Certificate of Incorporation, or by these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of the question.

Section 7. At any meeting of the members, every member having the right to vote shall be entitled to vote either in person or through a proxy who shall be designated by an instrument in writing, which proxy instrument shall be subscribed by such member and bear a date not more than ninety (90) days prior in point of time to said meeting, unless the instrument specifically provided upon its face for a longer period of time within which it is valid. All proxies shall be filed with the Secretary prior to the meeting at which the same are to be used, and note of said proxy shall be made in the minutes of the meeting. The owner of each of the sixty-four (64) condominium units is entitled to cast one (1) vote for each unit owned, thus making a maximum possible vote of sixty-four (64). If ownership to said unit rests in two or more names, only one vote can be cast and this must be by unanimous consent of the owners of said unit. If the owners of a unit, if there be more than one, cannot agree on how to vote, such condominium unit shall lose its vote for the particular item voted upon, as there can be no split or fractional voting. If title to the condominium unit is held in the joint names of husband and wife, the one present and voting shall be presumed to have the consent of the other. If title to the condominium unit is held in the name of a corporation such officer as may be designated by corporate resolution shall be entitled to vote for and in behalf of the corporation, providing such resolution be filed with the Secretary of the Association at least ten days prior to any meeting. If two or more condominium units are joined together by one owner as one large condominium living unit, such owner shall have one vote for each condominium unit so joined, and should such joined condominium units thereafter be separated, one vote shall go with each separate unit.

Section 8. The transfer book of the Association shall be closed for a period of ten (10) days against any transfer immediately preceding any meeting of the Association, and only those owners properly registered therein shall be entitled to vote at said meeting. The transfer book shall again be re-opened after said meeting has been finally adjourned.

ARTICLE V.

BOARD OF GOVERNORS

Section 1. The condominium property, the business and all affairs of the Association shall be managed by a Board of Governors. The Charter of the Association provides for a Board of Governors of between three (3) and seven (7), the exact number to be determined by the By-Laws. Determination is hereby made for the number to be three (3) so long as the Developer has the right to select the Governors as herein set forth, after which the number shall automatically be increased to seven (7). The first Board of Governors, (and its successors where applicable) shall consist of three (3) persons, each of whom shall be designated and appointed by the Developer. Such Board shall continue to hold office until the Certificate of Occupancy has been issued for a period of six (6) months for the entire building, unless the Developer sooner waives this right in writing and the appointed Board resigns and the successor seven (7) members Board of Governor is elected and qualified as is herein provided. The three (3) man Board of Governors need not be owners of condominium units, nor residents of the condominium, nor members of the Association.

When the first seven (7) member Board of Governors is elected from among the members, all shall serve a term of one (1) year excepting the three (3) members receiving the highest number of votes, who shall hold office not only until the next succeeding annual meeting of the members, but shall thereafter hold over for one (1) additional term until the then following annual meeting. Excepting the first Board of Governors and their successors as appointed by the Developer, as aforesaid, upon the transfer or sale of the Governor's condominium unit, a Governor shall be deemed to have automatically resigned. Of the permanent Board of Governors, it shall be a requirement that at least two (2) of the Governors be permanent residents of the condominium, occupying their apartments for at least ten (10) out of any twelve (12) consecutive months.

Section 2. Excepting the first Board of Governors and their successors, who are appointed by the Developer, and excepting part of the first Board of Governors elected from among the members, the Governors shall be elected for a two year term, as hereinafter set forth. Each member shall be entitled to one (1) vote for each Governor to be elected to the Board of Governors. There shall not be cumulative voting. The Board of Governors shall be elected by a plurality vote. The first seven man Board shall hold office from the date of their election until the next annual meeting, at which time the terms of the four Governors who received the least number of votes when elected shall expire and the members shall elect four (4) replacements to the

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Board. Board members may succeed themselves to their expired positions. At the next annual meeting, the term of the three (3) holdovers shall expire and the general membership shall again, by plurality, elect three (3) replacements to the Board. Thereafter the procedure of electing four (4) Board members one year and three (3) Board members the next in order to insure continuity of leadership, shall be repeated.

Section 3. If the office of any Governor or Governors becomes vacant for any reason whatsoever, the majority of the remaining Governors shall choose a successor of successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

Section 4. The Governors may hold their meeting and keep the books of the corporation at the office of the Association in the City of Fort Lauderdale, Florida, or at such other places as they may from time to time determine.

Section 5. The annual meeting of the Board of Governors shall be held immediately following the adjournment of the annual members' meeting at the same location as the members' meeting.

Section 6. Special meetings of the Board of Governors, to be held at Bayshore Embassy Condominium, may be called by the President, and in the absence of the President by the Vice-President, or by the full membership of the Board of Governors. By unanimous consent of the Governors, a special meeting of the Board of Governors may be called without notice at any time and place.

Section 7. Notice of the annual meeting shall be in writing and shall be mailed to each Governor by the Secretary of the Association at least ten (10) days prior to the time fixed for the meeting. Notice of any special meeting shall be mailed to each Governor by the Secretary at least five (5) days previous to the time fixed for the meeting, except as in hereinabove provided. All notices of special meetings shall state the purpose thereof.

Section 8. A majority of the authorized number of Governors shall be necessary to consititute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Governors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Governors, unless a greater number be required by law or by the Articles of Incorportion.

Section 9. The Governors shall elect the officers of the Association at the annual Governor's meeting, such officers to be a President, Vice-President, an Executive Vice-President, a Secretary and a Treasurer. An officer may be removed at any time by a 5/7ths vote of the full Board of Governors, with or without cause and with or without notice. All Governors excepting the first Board and their successors as appointed by the Developer, shall be owners of a condominium unit. The President of this Association, when elected by a Board of seven Governors, must be a Governor and a permanent resident in the condominium. Any candidate for the office of President must declare to the Board of Governors prior to election that he is a permanent resident and intends to be in residence most of the time during his term of office.

Section 10. As is set forth in Section 1, all the affairs of the Association shall be managed by the Board of Governors and, accordingly, all powers and duties shall center therein. The Board of Governors shall, among other duties, carry out the following:

(1) Make rules and regulations respecting the use of the condominium property;

(2) Interview, investigate, approve or disapprove of proposed purchasers and lessees of condominium units;

(3) Make and collect assessments from the members and expend said assessments for maintenance, insurance, taxes, utility services for common elements, for the repair and operation of the condominium property or for such other purposes as shall fall within the general powers of the Board of Governors;

(4) Enter contracts on behalf of the condominium to employ necessary personnel, and carry out all functions and purposes of the condominium;

(5) Satisfy all liens against the condominium property, and pay necessary expenses connected therewith.

Section 11. Although the Board of Governors shall have the right to approve and disapprove proposed condominium unit leasing, such right shall exist only with regard to condominium units which have been initially sold once by the Developer and shall not apply to any condominium units which shall be owned by the Developer of the condominium property, nor shall such right exist in regard to the institutional mortgagee who took the first and original mortgagee on the condominium unit should such institutional mortgagee acquire the condominium unit as a result of a foreclosure sale or as a result of a deed conveyance to the institutional mortgagee by condominium owner of the condominium unit in lieu of foreclosure. The Developer and such institutional mortgage shall have the unrestricted right to lease or sell any unit it shall own to any person without obtaining the consent of the Board of Governors as to the approval of the Purchaser or Lessee.

Section 12. No fee or other compensation shall be paid to any member of the Board of Governors at any time except by specific corporate resolution.

Section 13. A member of the Board of Governors may be removed from office at any time during his term, either with or without cause, by a vote at a regular or special meeting of the members of sixty per cent (60%) of the total membership of the condominium, providing, however, such shall not apply to the first Board of Governors so long as it shall consist of only three (3) members.

Section 14. Upon the death, resignation, removal, withdrawal or incapacity of a member of the Board of Governors, the remaining members of the Board of Governors shall appoint a successor to serve the remainder of the term of such member affected.

ARTICLE VI.

OFFICERS

Section 1. The officers of this Association shall consist of a President, a Vice-President, a Secretary and a Treasurer, or a Secretary-Treasurer, each of whom shall be elected for the term of one (1) year and shall hold office until their successors are duly elected and qualified. The first officers of the Association shall be appointed by the Developer of the condominium. No one shall be eligible to serve as both President and Secretary or Vice-President and Secretary.

Section 2. The President shall be the executive officer of the Association and shall preside at all meetings of the members and Governors. He shall be the ex-officio member of all standing committees and shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board of Governors are carried into effect. He shall sign all written contracts of the Association and shall sign all checks issued by the Treasurer, in addition to the Treasurer's signature, which shall also be required on all checks. He shall execute all contracts requiring a seal, under the seal of the Association. Additional powers of the President may from time to time be designated by the Board of Governors.

Section 3. The Vice-President, in the absence of or because of the disability of the President, shall perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Governors may prescribe.

Section 4. The Secretary shall attend all sessions of the Board of Governors and all meetings of the members, and report all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for standing committees when required. He shall give or cause to be given, notice of all meetings of the members and special meetings of the Board of Governors, and shall perform such other duties as may be prescribed by the Board of Governors or the President under whose supervision he shall be. He shall keep in safe custody the seal of the Associaiton, and, when authorized by the Board of Governors, affix the same to any instrument requiring it and when so affixed it shall be attested by his signature. The Secretary shall also perform all other duties as are incident to his office.

Section 5. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of the receipts and disbursements in books belonging to the Association. He shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Governors. He shall disburse the funds of the Association as may be ordered by the Board taking proper vouchers for such disbursements, and shall render to the President and Governors at the regular meetings of the Board of Governors, or whenever they may require, an account of all his transactions as Treasurer and of the final condition of the Association. The Treasurer shall give bond when required by the Board of Governors, in such sums and with such securities as the Board of Governors may require, conditioned upon the faithful performance of the duties of his office. In addition, the Treasurer shall countersign all checks and expenditures with the President which shall be made by the Association.

Section 6. An officer shall receive no compensation for services rendered to the corporation unless the same be specifically set and established by a corporate resolution of the general membership.

Section 7. An officer may be removed either with or without cause by an affirmative vote of 5/7ths of the Board of Governors at a special or regular meeting.

Section 8. Any officer who shall die, be removed, resign, sell his unit or become incapacitated, shall be replaced by the appointment by the Board of Governors of a successor to serve during and for the remainder of said officer's unexpired term.

ARTICLE VII.

INDEMNIFICATION OF GOVERNORS, OFFICERS AND EMPLOYEES

Section 1. The Association shall indemnify any Governor, officer, or employee, or former Governor or employee of the Association, or any person who may have served at its requests as a Governor, officer or employee, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such Governor, officer or employee, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The Association may also reimburse any Governor, officer or employee the reasonable costs of settlement of any such action, suit or proceeding, if it shall be found by a majority of the Governors not involved in the matter of controversy (whether or not a quorum) that it was to the best interest of the Association that such settlement be made and that such Governor, officer or employee was not guilty of negligence or misconduct. Such rights of indemnification, and reimbursement shall not be deemed exclusive of any rights to which such Governor, officer, or employee may be entitled under any By-Law, agreement, vote of owners of condominium units, or otherwise.

ARTICLE VIII.

FINANCE

Section 1. The funds of the Association shall be deposited with such bank as shall be designated by the Board of Governors for that purpose, and money shall be withdrawn therefrom only upon check or order signed by the President and countersigned by the Treasurer or any two (2) officers who shall be from time to time designated by the Board of Directors for that purpose.

Section 2. The fiscal and accounting year of this Association shall be fixed by resolution of the Board of Governors of this Association. In absence of a specific designation by the Board of Governors, the accounting and fiscal year of this Association shall be deemed to begin January 1st of each year and end December 31st of the same year.

Section 3. Budget. The Board of Governors shall adopt a budget for each fiscal year of the Association. Such budget will contain estimates of the cost of operating the Association during such fiscal year and shall include all Common Expense items as may be set forth herein or items as may be designated as Common Expense in the Declaration of Condominium, these By-Laws, by resolution, or by other proper means, including but not being limited to the maintenance and operation of all common elements, such as the club room, storage facilities, ground and first floor common facilities, mezzanine, toilets, exterior walls, roof, lockers, pipes, ducts, hallways, walkways, and elevator, service areas and utility services; the cost of insurance of all types taken for the protection of the common areas and leased property, if any; taxes as levied; administration costs, and any other expense item inuring to the benefit, ratably, of all unit owners. All other expense items, although not designated as a common expense, which inure to and benefit all owners equally shall be assessed and charged to the owners as though it were a common expense. Also, the Board of Governors shall determine what assessment, if any, will be required for improvements, capital expenditure or other operations not included in the above, which shall be included in the budget.

A copy of the proposed budget shall be submitted by the Board of Governors to each member on or before the fifteenth day prior to the end of the fiscal year. Any changes in the budget shall be forwarded to each member as the budget is amended. Assessments shall be paid on each quarter-year in advance, with the first assessment payment being made on a prorated basis where proper, upon receipt by the member of his deed to his condominium unit. No unit owner who is more than thirty (30) days delinquent in the payment of his assessment shall be entitled to vote at any regular or special meeting of the unit owners. In the event of a failure on the part of a unit owner to pay the assessment within the time herein specified, such shall constitute a default hereunder and the Board of Governors shall take appropriate measures as may be allowable by law.

Section 4. The books of record of the Association shall be audited each year by a firm of certified public accountants and a copy of such audit shall be furnished to each member no later than seventy-five (75) days after the end of the fiscal year.

Section 5. All officers, Governors or employees who are responsible for the Association's funds shall be bonded at the expense of the Association.

ARTICLE IX.

MAINTENANCE AND LEASE OF NON-CONDOMINIUM PROPERTY

Section 1. The owner of each of the sixty-four (64) condominium units at the time of purchasing his condominium unit designated the Association as agent to enter into and carry out the terms and conditions of a ninety-nine year lease on the property described in EXHIBIT "A" attached hereto and by reference made a part hereof.

All sixty-four (64) unit owners, acting together, have leased one hundred per cent (100%) of the property referred to in Exhibit "A". By the terms and conditions of said lease, the owner of each unit has agreed to cause the leased property and all improvements at any time located thereon to be adequately and properly maintained. The Association being the common agent and governing body for all the condominium units, each member designates the Association as its agent to maintain the leased property, as is more fully set forth in said lease. The owner of each unit shall pay to the Association the same percentage of the cost of the maintenance and upkeep of the leased property as such owner pays of the common expenses. The Association shall include such expenses in its budget as are set forth in Article VIII above, and shall assess the same to each unit owner in the manner as therein provided. In addition, each unit owner shall pay land lease rental to the Association, which shall then pay the combined rental for and in behalf of all Lessee-Condominium unit owners, to Lessor.

Section 2. It is a requirement of ownership of a condominium unit that each condominium unit purchaser designate Bayshore Embassy Condominium, Inc. as his agent to enter and carry out the terms and conditions of said lease and that said unit owner pledge his or her condominium unit as security for the lease performance. The undivided percentage interest which each unit owner obtains in the leased premises and the rental paid therefor is directly related to the type of the apartment unit purchased. No deed for condominium unit transfer shall be recorded and no deed will be effective until the Board of Governors shall have received a fully executed copy of the new purchaser's designation of agent and pledge.

MAINTENANCE AND REPAIRS OF CONDOMINIUM PROPERTY

Section 1. Access. Any officer of the Association or any agent of the Board of Governors shall have the irrevocable right, during reasonable hours and at any time during an emergency, to have access to each unit for necessary inspection, maintenance, repairs or replacement of the common elements or limited common elements, either therein or accessible therefrom.

Section 2. Every unit owner must perform and execute all necessary maintenance and repair work in his own unit which would affect the condominium property if left unattended, and, in the absence of such unit owner making such repair and maintenance, said owner shall be responsible for damages and liabilities to the condominium or to other unit owners which may arise therefrom. Unit owners may make no material alterations or additions to their apartments, nor shall the Board of Governors cause or allow alterations or substantial additions to be made to the common elements or limited common elements except upon affirmative vote of two-thirds of the unit owners in the condominium at any regular or special meeting called for such purpose.

Section 3. In order to preserve a uniform and homogenous outside appearance, there shall be no alterations, changes, additions or other modifications, either permanent or temporary, in any manner whatsoever to the exterior of the building, by any unit owner, nor shall said unit owner make any alterations to the portions of the improvement to the condominium which are maintained by the Association or remove any portion thereof or make any additions thereto, or do any work which would jeopardize the safety or soundness of the building containing his unit, or impair any easement or violate any restrictions, without first having the approval of two-thirds of all of the owners of the condominium apartments in writing. This provision shall include prohibition against sun shutters and storm shutters.

ARTICLE XI.

DEFAULT

Default or violation under By-Laws, Declaration of Condominium, House Rules, or Corporate Charter by any unit owner shall entitle the Association or other unit owners to such legal remedies as may now or hereafter be available, including by way of illustration, foreclosure, ejectment, damages or injunction. Should a defaulting unit owner be adjudged by a court of competent jurisdiction to be in default, said owner shall pay to the Association or to such other unit owner who may have brought the action, all costs and expenses incident to such suit, together with reasonable attorneys' fees as shall be set by the court.

ARTICLE XII.

PARKING

At the time of the purchase of member's unit, member was irrevocably assigned the parking space bearing the same number designation, as purchaser's condominium unit. The condominium unit owner has the right to let any one use his parking space, but nothing herein shall be construed to allow a transfer or separation of the parking space and the unit bearing the same number designation. The parking area is declared to be a common expense and the expenses incident to the same shall be divided among the several unit owners as are other common expenses. Parking spaces are for passenger automobiles only and no boats, trucks, trailers or other vehicles or objects shall be placed in or around the parking space assigned.

ARTICLE XIII.

AMENDMENT OF BY-LAWS AND DECLARATION OF CONDOMINIUM

The Declaration of Condominium and these By-Laws shall be altered, amended, added to or modified only in the following manner:

A proposed amendment to either the Declaration of Condominium or the By-Laws may originate by a written petition signed by fifteen per cent (15%) of the general membership of the condominium setting forth the proposed change or addition, which petition shall be submitted in writing to the Board of Governors, or a proposed change or amendment may originate with any member of the Board of Governors. In either case, the proposed amendment shall be submitted in writing to the Board of Governors who shall act upon the same within thirty (30) days of its presentment in writing to them.

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Within sixty (60) days after approval of the proposed amendment or addition by 5/7ths of the Governors, in its original or in an altered form, the President of the Association shall call a special meeting of the general membership of the Association for the purpose of voting upon the proposal. Thirty (30) days prior to the special meeting at which the amendment or alteration is to be considered, written notice of the purpose of the meeting together with a copy of the proposed change, shall be given to each member in the manner required by these By-Laws for special meetings.

In order for such amendment, alteration, addition, modification or change as proposed for the By-Laws or the Declaration of Condominium to be passed, approval must be obtained from seventy-five per cent (75%) of the owners of condominium units. The amendment shall thereafter be placed in a form executed with the formality of a deed and recorded according to law in Broward County, Florida.

In the event the Board of Governors shall disapprove the proposed amendment as presented to it, nothing shall present the general membership, consisting of the condominium owners, from requiring a special meeting to be held, upon written request of fifty per cent (50%) of all unit owners, to consider such amendment or change. The President shall, upon receiving the request for a special meeting, thereafter proceed as though the amendment or change had been approved by the Board of Governors by a 5/7ths vote.

No amendment, change or addition to, or alteration or modification of any condominium document, shall abrogate any right of the Developer, the Lessor of the leased property or the original institutional mortgagee of any unit, as the case may be, as reserved in the Declaration of Condominium, these By-Laws, or the Lease above referenced. Nor shall any amendment, addition, alteration or modification change any condominium unit's proportionate share of the common elements, common expenses, common surplus, or voting rights except upon one hundred per cent (100%) vote approval of all condominium unit owners.

ARTICLE XIV.

PARLIAMENT PROCEDURE

The Association, at all its meetings, shall be governed by Roberts Rules of Order as to procedure and order, unless otherwise directed or required by these By-Laws, the Declaration of Condominium, or the laws of the State of Florida.

These By-Laws were adopted on January 2, 1969

by the first Board of Governors at Fort Lauderdale, Florida.

BAYSHORE EMBASSY CONDOMINIUM, INC.

(Corporate Seal)

By _____ President

Attest _____ Secretary

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LEASE

THIS LEASE made and entered in the City of Fort Lauderdale County of Broward and State of Florida on this 2nd day of January 196 9 by and between WILLIAM GUNDLACH, Trustee, herein designated as "Lessor" party of the first part and BAYSHORE EMBASSY CONDOMINIUM, INC. a Florida corporation not for profit, herein called "Lessee", party of the second part. This is made for the benefit of the parties, their heirs, personal representatives, successors, and assigns, and for convenience reference is made to them in the singular number and neuter gender.

WITNESSETH:

WHEREAS, Lessor is the owner of certain property more fully hereinafter described, and

WHEREAS, Lessee is desirous of leasing from Lessor said property

NOW, THEREFORE in consideration of the covenants and agreements hereinafter mentioned and to be performed by the respective parties hereto, and the payment of the rental hereinafter designated to be paid by the Lessee, in accordance with the provisions of this Lease, the Lessor has leased, rented, let and demised, and by these presents does lease, rent, let and demise unto the said Lessee, its successors and assigns, that certain property situate, lying and being in Broward County, Florida, as is more specifically described in Exhibit "A" attached hereto and by reference made a part hereof.

TO HAVE AND TO HOLD the above described premises, together with all and singular the tenements, hereditaments and appurtenances thereunto belongings, or in any wise incident or appertaining, together with the rents, issues and profits thereof (save and except the rents and other amounts due to the Lessor and owner by the Lessee herein), unto said Lessee, for a term of years as is hereinafter set forth in Paragraph 1 of this Lease.

Lessee states and Lessor acknowledges that Lessee in entering this Lease, is an agent acting collectively for each of the sixty-four condominium apartment unit owners in Bayshore Embassy Condominium, as said condominium is recorded in Official Records Book Pages , of the Public Records of Broward County, Florida, and is done for convenience purposes. The portion of the total rent which each condominium unit owner must pay and the percentage of liability which each bears for the other covenants in the Lease are set forth in Exhibit "B" attached hereto and by reference made a part hereof. No condominium unit owner is liable nor responsible for any other condominium unit owner's payments under the Lease. Each condominium unit owner's apartment is pledged as security for performance under the Lease.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

ARTICLE I.

TERM

The term of this Lease shall be for a term of ninety-nine (99) years. This Lease shall begin at twelve o'clock noon on Jan. 1, 19 70 and, as aforesaid, shall continue for ninety-nine (99) years thereafter until twelve o'clock noon on the last day of the ninety-ninth year.

ARTICLE II.

POSSESSION AND TITLE.

Lessor covenants and agrees that it is possessed of the fee simple title to the above described property, and it assures Lessee of quiet and peaceful possession against all persons whomsoever, except persons claiming under, by or through the Lessee, and subject to the rights which may exist by reason of zoning restrictions, easements, limitations, restrictions or covenants of record, taxes and special assessments, and BAYSHORE EMBASSY CONDOMINIUM, INC. rules, regulations, and restrictions. Possession of the leased premises shall be delivered to the Lessee on the day the term of the Lease shall begin.

ARTICLE III.

RENT.

The Lessee shall pay to the Lessor an annual rental in four equal quarterly installments on January first, April first, July first and October 1st of each year, each of said installments being payable in advance. In the event the Lease does not begin on a calendar quarter, the first quarter's rent shall be prorated so that the Lessee shall pay only for the remaining days in the quarter; then upon the beginning of the next calendar quarter, a full rental installment shall be due and payable in advance.

The annual rental for both the ground and condominium unit "X" shall be the combined sum of all apartment rentals, Type "A" apartments at $35.00 per month, and Type "B", Type "C", Type "D", Type "E" and Type "F" apartments at $45.00 per month. Each apartment unit owner is to pay the rate designated for the particular type of apartment owned to the lessee for transmittal to the lessor.

On January 1, 1975 and at the end of each fifth year thereafter during the term of this Lease and any automatic extension hereof, the annual collective rental, and each individual condominium unit owner's rental shall be adjusted either upward or downward, as the case may be, and it shall thereafter become such sum of money as is equivalent to the purchasing power of the annual rental as set forth above as of the months of August, September and October, 1969. The purchasing power shall be measured by the average of the index numbers of the retail commodity prices for the months of August, September and October immediately preceding the date of adjustment. The new annual rental shall be determined by multiplying the annual rental as shown on Exhibit "C" by the average of the index numbers of retail commodity prices for the months of August, September and October of the year in which the adjustment is made and dividing the result by the average of the index numbers for the months of August, September and October of 1969, which is 129.267 . The index numbers to be employed are the index numbers of the Retail Commodity Prices designated as "Consumer's Prices Index All Items (1957-9=100)" prepared by the Bureau of Labor and Statistics of the United States Department of Labor. Any publication by either the United States Department of Labor or the United States Department of Commerce in which such index numbers are published shall be admissible in evidence in any legal or judicial proceeding involving this Lease without further proof of authenticity. In the event the United States Department of Labor ceases to prepare and publish such retail commodity index numbers, the adjustments of rents thereafter shall be in accordance with the most closely comparable commodity index as determined by agreement of Lessor and Lessee, and in the absence of such agreement, then as determined by arbitration in accordance with the existing rules of the American Arbitration Association. Once the rental is adjusted during any given five year period, said rental shall continue during the entire five year period. Adjustments upward or downward shall be effective January 1, 1975 and on January first of each fifth year thereafter, and the rental as determined shall be paid for a full sixty (60) months during each five year period.

ARTICLE IV.

TAXES AND ASSESSMENT.

In addition to the rent hereinabove specified and as a further part of the consideration to be furnished by the Lessee, and as additional rental for the term demised, the Lessee covenants and agrees with the Lessor that the Lessee will, during the full term of this Lease, promptly pay all taxes of every kind and description, including by way of illustration and not limitation, sales or use taxes on rents, and real estate taxes, together with all charges and assessments, whether special or general, (including specifically all special assessments and liens for public improvements imposed subsequent to the date that the full Certificate of Occupancy is issued for the Bayshore Embassy Condominium) and other impositions and liens for public improvement, and in general, all taxes, tax liens, general obligations or liens in the nature of taxes which may be assessed, imposed or levied against the rent here agreed to be paid, the premises, including the land and all buildings, fixtures and improvements which may be hereafter placed thereon, including all taxes which are assessed by any and all governmental authorities (city, town, county, federal, special drainage, school or other taxing agencies, authorities or districts or otherwise), together with any interest, penalties, or other charges which may accrue, thereon provided that in the event any of said taxes or assessments are payable according to the terms of their imposition, in installments, then the Lessee shall have the right to pay the same as such installments fall due. The parties intend that the obligation to pay all of said taxes and charges, as enumerated in this paragraph as herein imposed upon the Lessee, shall extend to and include all taxes and charges assessed for or accruing after complete Certificate of Occupancy is issued for the entire Bayshore Embassy Condominium building. Taxes and other charges shall be paid by the Lessee prior to their due date each year in which levied. Lessee covenants and agrees that it will pay all taxes and assessments for the last full calendar year of this Lease.

In case the Lessee shall fail, refuse or neglect to make any or either of the payments in and by this Paragraph 4 required, then the Lessor may, at Lessor's option, and without its constituting a waiver of the default thus occurring in the Lease, pay the same, and the amount or amounts of money so paid, including reasonable attorneys' fees and expenses which might have been reasonably incurred because of or in connection with such payment, together with interest on all such amounts at the rate of ten per cent (10%) per annum, shall and will be paid by the Lessee unto the Lessor, upon demand by the Lessor, and the payment thereof may be collected or enforced by the Lessor in the same manner as though said amount were an installment of rent specifically required by the terms of this Lease to be paid by the Lessee unto the Lessor upon the day when the Lessor demands the repayment thereof or the reimbursement thereof of and from the Lessee.

The parties intend that any temporary extension by tax collecting authorities, or by ordinance, or by statute of the due or delinquency date of taxes shall not accrue to the benefit of the Lessee, but the Lessee shall, in any event, pay taxes no later than their normal due date in the year in which levied, and at no time later than the delinquency date, whichever is earlier.

ARTICLE V.

ACCEPTANCE OF PREMISES AND TITLE.

By the execution of this Lease, Lessee hereby accepts the title to the hereinabove described and leased property. Lessee warrants that it is familiar with the zoning ordinances, subdivision restrictions, if any, and such other statutes, both federal, state, county, municipal or otherwise, or things which may in any way affect said property.

Lessee, in acquiring this Lease, has done so as a result of a personal inspection of the premises, and no oral representations of any kind made by Lessor and not incorporated in this instrument shall be binding upon Lessor and Lessee, this Lease containing the full embodiment of the Lessor's and Lessee's agreement.

ARTICLE VI.

CONSTRUCTION

Lessee shall not in any other manner improve the premises by the addition of any other improvement or structure whatsoever without the specific approval and concurrence by the Lessor.

No structure or improvement, once constructed after approval, may be demolished or altered or in any way diminished in value by the Lessor or any person claiming hereunder, except in accordance with the provisions of the Article hereinafter contained which is captioned "DEMOLITION CLAUSE", and any attempt to demolish or diminish the size and value of such shall constitute a violation of this Lease unless done in accordance with the provisions of said "DEMOLITION CLAUSE".

ARTICLE VII.

LESSEE TO CARRY LIABILITY INSURANCE.

Lessee covenants and agrees that Lessee will pay all expenses necessary to keep and maintain in good order, condition and repair, all structures and improvements now or hereafter situated on the demised premises, which property is subject to the Lessor's lien hereunder. Lessee agrees to save and keep the Lessor free and harmless from any and all damage and liability occasioned by the use of said premises and shall indemnify and save harmless the Lessor from and against any loss, cost, damage and expense arising out of and in connection with any building and improvements upon said premises and out of any accident causing injury to any person or property whomsoever or whatsoever and due directly or indirectly to the use or occupancy of said premises; and the Lessee covenants and agrees to provide or cause to be provided fully paid up policies of insurance generally known as public liability policies and/or owners', landlord and tenant policies, insuring the Lessee and the Lessor against all claims and demands made by any person or persons whomsoever for injuries received in connection with the use, operation and maintenance of the property or the improvements and structures located thereon to the extent of not less than Five Hundred Thousand Dollars ($500,000.00) to cover the claim or damage from any single or specific cause, by any one person, and to the extent of not less than Three Million Dollars ($3,000,000.00) to cover, in connection with any one particular accident or occurrence, the total aggregate of any claims that may arise or be claimed to have arisen against the Lessor as aforesaid. Lessee agrees to adjust the minimum coverage above referenced at the time and in direct proportion to any rental increase as set forth and established pursuant to ARTICLE III above.

Whenever, under the provisions of this Lease, policies of insurance are required to be issued or maintained by the Lessee, Lessee shall cause the original of such policies or certificates of the issuance thereof to be delivered to the Lessor as evidence of the compliance by the Lessee with the terms and provisions of this instrument, except where the terms of any mortgage require that said policies be held by the mortgagee, the lessee shall furnish Lessor a conformed copy of the policies.

ARTICLE VIII.

FIRE, WINDSTORM AND CASUALTY PROVISIONS: RELATED INSURANCES.

The Lessee does hereby covenant and agree with the Lessor that Lessee will at all times during the term of this Lease insure or cause to be insured (1) any and all buildings or improvements that may be built or placed upon said demised premises, and (2) Lessee's condominium unit which is pledged to Lessor to secure Lessee's performance hereunder, in good and responsible insurance companies authorized to do business in the State of Florida, and approved by the Lessor or any mortgagee then holding a mortgage encumbering the demised premises, for protection against all loss or damage by windstorm or fire and other casualty, to an amount that will be sufficient to prevent co-insurance on the part of the Lessor or Lessee, and all policies issued and renewals thereof shall be payable in the event of loss to the Lessor and the mortgagee, if any, as their interests may appear, provided, however, that Lessee's liability for insurance costs shall be limited by Lessee's percentage interest in this Lease. In the event of the destruction of said structures or improvements or said personal property by fire, windstorm, hurricane, or other casualty for which insurance money shall be payable, such insurance money shall be paid to an Insurance Trustee as provided for in the Declaration of Condominium of Bayshore Embassy Condominium, and shall be used for the reconstruction or repair, as the case may be, of any improvement or structure damaged or destroyed by fire, windstorm, hurricane or other casualty for which the insurance money was payable. The Insurance Trustee shall pay out from the insurance proceeds from time to time, on the estimates of any architect or requisition of any general contractor licensed in the State of Florida selected by Lessee and approved by Lessor, who shall have supervision of such reconstruction and repair, providing the same certifies that the amount of each estimate or requisition is or has been applied to the payment of the reconstruction or repair, and at a reasonable cost therefor, provided further, that it first be made to appear to the satisfaction of the Insurance Trustee that the amount of money necessary to provide for the reconstruction or repair and refurnishing of any structure or improvement destroyed or damaged as aforesaid, according to the plans adopted therefor, which may be in excess of the amount received upon such policies, has been provided by the Lessee for such purpose and its application for such purpose assured.

The Lessee covenants and agrees with the Lessor that in the event of the destruction or damage of any structure and or improvements, or any part thereof and as often as the same shall be destroyed or damaged by fire, windstorm, hurricane or other casualty, and whether or not covered by insurance, the said Lessee shall rebuild and repair the same upon the same general plans and dimensions as before the said fire, windstorm, hurricane or other casualty, or upon such other plans as may be agreed upon in writing by the said Lessor and Lessee respectively, the reconstruction so rebuilt and repaired and the personal proprty so replaced to be based upon the same value as the building and improvements upon the demised property prior to such damage or destruction, and shall have the same rebuilt and ready for use within six (6) months from the time when the loss or destruction occurred and shall be free and clear of all liens or claims of contractors, sub-contractors, mechanics, laborers and materialmen or the possibility thereof.

If at any time such insurance money comes into the possession of the Insurance Trustee after destruction by fire, windstorm, hurricane or other casualty, and the Lessee is in default in the payment of any rent, tax assessment, lien or other charges which, by the terms of this Lease, has been agreed to be paid by the Lessee, or if such default shall occur during the time said insurance money, or any part thereof, is in the bank account, as aforesaid, then the Lessor shall be entitled to receive from the Insurance Trustee, upon written application therefor, so much of the insurance money as may be necessary to fully pay or discharge any such sum of money in the payment of which the Lessee is in default, as aforesaid, and this shall be done whenever and as often as any such default shall occur on the part of the Lessee. Nothing herein contained, however, shall be construed as permitting the Lessee to default in the payment of the rentals or other charges herein stipulated to be paid, or in the performance of the other covenants of this Lease, and the Lessor may, at Lessor's option, in case of default in the payment of such rents or other charges, or default in the performance of any other covenant in this Lease, proceed against the Lessee for the collection of such rentals and charges, and recover and take possession of Lessee's interest in and to the premises herein described, in accordance with the provisions of this Lease herein set forth, and without prejudice to its rights to the benefit of such insurance money as security for the payment of such rentals and other charges. Lessee will forthwith reimburse the Insurance Trustee and immediately deposit for the purpose of reconstruction or repair, any amount so paid thereout on account of any default of the Lessee.

It is agreed by and between the Lessor and the Lessee that any excess of money received from insurance remaining with the Insurance Trustee after the reconstruction or repair of such building or buildings, if there be no default on the part of the Lessee in the performance of the covenants herein, shall be paid to the Lessee. In case of the Lessee not commencing the reconstruction or repair ofsaid buildings and prosecuting them continuously to completion and causing such completion to be accomplished within six (6) months after the occurrence of such damage or loss occasioned, as aforesaid, (exclusive of delays caused by strikes, war, fire and other casualty) then the amount so collected or the balance thereof remaining with the Insurance Trustee, as the case may be, shall be paid to the Lessor, and it will be at Lessor's option to terminate this Lease for default resulting from the failure on the part of the Lessee to promptly, within the time specified, complete such work of reconstruction or repair.

ARTICLE IX.

DEMOLITION CLAUSE.

Lessee covenants and agrees that neither leasehold improvements nor Lessee's condominium unit pledged to Lessor to secure Lessee's performance hereunder, once constructed, shall be moved or torn down, in whole or in part, unless Lessee shall first have agreed in writing, in a manner approved by Lessor, to replace or restore the improvement or to repair or replace the portion thereof demolished with others of equal or greater value. Once approval of such is made, no work or demolition shall be commenced until Lessee shall have first furnished the Lessor, and the Lessor shall have approved the plans and specifications, the contract of demolition and reconstruction, and the Lessee shall have an escrow fund sufficient in amount to assure the payment for

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such work. The Lessee shall also furnish the Lessor with a good and sufficient performance and payment bond with corporate surety, by a surety company authorized to do business as such in Broward County, Florida, and currently listed on the United States Treasury List of Approved Bonding Companies in good standing and conditioned upon the said work of restoration, renovation or replacement being carried through to completion in accordance with the terms hereof, and all bills for work, labor, services and/or materials utilized in said work being paid and waivers of lien therefor procured. The said work, when started, shall be carried through continuously to completion and the time between the starting of the demolition and the completion of the work shall not be longer than twelve (12) months. Nothing herein contained shall be construed as:

(a) Prohibiting Lessee from making repairs, doing ordinary remodeling in order to preserve any structure or improvement which may be located upon the demised or pledged premises or in order to extend or bring the same up to date.

(b) Requiring the Lessor to join in any mortgage in connection with or become liable in any way for any portion of the cost of doing any work of demolition, repair, remodeling or rebuilding.

(c) Relieving Lessee of any rental payment due under this Lease.

ARTICLE X.

FIXTURES AND EQUIPMENT.

It is further understood by and between the parties that during the continuance of this Lease, the Lessee shall take care of and preserve any and all fixtures and equipment installed on the leased premises and in the pledged condominium unit, and will allow the Lessor to check said fixtures and equipment, and the Lessee will replace all broken, damaged and missing fixtures and equipment installed on or in the said demised premises and pledged condominium unit, and in the event of termination of this Lease by default, the fixtures and equipment shall belong to and be the property of the Lessor. The provisions hereof apply to the replacement of any such fixtures and equipment; but nothing herein contained shall be construed as depriving the Lessee of the privilege of selling or otherwise disposing of any part of said fixtures and equipment, if simultaneously with such sale and disposal, the Lessee replaces such article so sold and disposed of with other articles of similar utility, and of the same quality and value, of greater, as the disposed of articles had when new; nor shall this section of the Lease be so construed that the natural depreciation and obsolescence loss through use of said personal property will constitute a default hereunder.

ARTICLE XI.

LESSOR'S INTEREST NOT SUBJECT TO MECHANIC'S LIEN.

It is hereby stipulated and agreed by and between the parties hereto that during the demised term, there shall be no mechanic's lien upon the Lessor's interest in the demised land and in the structures and improvements located thereon arising through the act of the Lessee, or any person claiming under, by or through the Lessee, and that no person other than the mortgagee as provided for herein below shall ever be or become entitled to any lien, directly or indirectly derived through or under the Lessee, or through or under any act or omission of Lessee, superior in rank or dignity to that of this indenture reserved to the Lessor upon the lands hereby demised or upon any improvement now or hereafter situate thereon, or upon any insurance policies of insurance money aforesaid, for or on account of any labor or material furnished for any such improvements, or for or on account of any material or thing whatsoever, and nothing in this indenture contained shall be construed in such a way as to contradict this provision in this indenture. All persons furnishing any such labor or material to the Lessee, or to the premises, at the Lessee's order, or at the order of any person dealing directly or indirectly with the Lessee, as well as all persons whomsoever, shall be bound by this provision and by notice thereof from and after the date of this indenture, and all materialmen, contractors, mechanics and laborers are hereby charged with notice that they must look to the Lessee and Lessee's interest only in the above demised land and Lessee's interest in all buildings and improvements thereon located, to secure the payment for any bills for work done, or materials furnished or performed during the term hereby granted.

The Lessee shall have no authority to create any lien for labor or material upon the Lessor's interest in the demised premises, and neither the Lessee, nor any one claiming by, through or under the Lessee, shall have any right to file and place any labor or material lien of any kind or character whatsoever upon the demised premises, and the building and improvements thereon located so as to encumber or affect the title of the Lessor in said land and the buildings and improvements thereon located, and all persons contracting with the Lessee, for the erection, construction, installation, alteration, or repair of any building, buildings, seawall, groin or other improvements, or for the destruction or removal of any building or buildings upon the demised premises, including furnishings and fixtures, and all materialmen, contractors, mechanics and laborers, as heretofore mentioned are hereby charged with notice that as and from the date of this instrument they must look to the Lessee and the Lessee's interest only in and to the demised premises to secure the payment of any bill for work done, or materials furnished, or performed, during the term hereby granted.

The mere fact of the existence of a mechanic's or materialman's lien or liens, however, shall not of itself operate as a forfeiture or termination of this indenture, provided the Lessee, within thirty (30) days after receipt by it of written notice of lien from the lienor or within thirty (30) days after the recording of such notice of lien among the Public Records of Broward County, Florida, in the event notice of lien is not served upon the Lessee, shall cause the same to be cancelled, released and extinguished, or the premises released therefrom by the posting of bond, or by any other method prescribed by law, and proper evidence thereof be furnished to the Lessor, and if such lien or liens appear of record, the Lessee shall cause the same to be cancelled, satisfied, and discharged of record. If, however, the Lessee shall dispute the amount or validity of any mechanic's or materialman's lien claimed, or any other claim asserted, the Lessee shall post a bond with the Lessor in the amount of one and one-half times the amount of the lien or claim, and with all due diligence, institute or defend an appropriate action or proceeding in a court or courts of competent jurisdiction upon the cause of action, and shall, by injunction, due defense of the suit, or otherwise prevent any sale or impairment of the title of the Lessor, and shall prosecute or defend such action or proceeding with reasonable diligence to a final determination, and if such suit or defense shall be instituted within said period of thirty (30) days after the time when said lien shall have been filed, then, in such a case, the time reasonably required in the litigation of such action shall be added to the above thirty (30) days time; provided, however, that in any event it shall be the duty of the Lessee after contesting such lien, to cause the said lien to be cancelled, released, extinguished, or adjudicated not to exist, or to cause the premises to be released therefrom by the posting of bond or by any other method prescribed by law at least thirty (30) days before the time when the premises or any interest therein, or the Lessee's interest therein, might otherwise be offered for sale by reason of said lien; and promptly upon relieving the premises of such claim, the Lessee shall have the duty of furnishing the evidence thereof unto the Lessor.

ARTICLE XII.

PAYMENT OF INSURANCE PREMIUMS.

It is further understood and agreed that the Lessor shall in no way be or become liable for the payment of any of the premiums required to be paid for any of the policies of insurance required in and by this instrument to be procured by the Lessee nor shall the Lessor in any way be responsible for the collection or non-collection of any of the proceeds from any of the said policies of insurance.

It is further covenanted and agreed that in case, at any time during the continuance of this indenture, the Lessee shall fail, refuse or neglect, after being given ten (10) days notice by the Lessor to procure or pay for any of the policies of insurance required in and by this instrument to be procured and paid by the Lessee or to keep and maintain the same in full force and effect, the Lessor, at its option (and without such act constituting a waiver of the default by the Lessee thus occuring) may procure or renew such insurance; and thereupon, the amount or amounts of money paid as the premium or premiums thereon, plus interest at the rate of ten per cent (10%) per annum, shall be collectible as though it were rent then matured hereunder and shall be due and payable in ten (10) days after the date of payment by the Lessor, or in lieu thereof, this indenture and the term hereby created may, at the option of the Lessor, be terminated and declared at an end, and all of the rights, estates and interest of the Lessee in such event hereunder shall immediately cease.

ARTICLE XIII.

LAWFUL USE OF PREMISES.

Lessee further covenants and agrees that said premises and all structures and improvements thereon, during the term of this Lease, shall be used only and exclusively for lawful purposes, and that said Lessee will not use or suffer any one to use said premises or structures thereon for any purpose in violation of the laws of the United States, the State of Florida, or the ordinances and regulations of the municipaltiy in which it lies. Said Lessee covenants and agrees to save said Lessor harmless from every such violation.

ARTICLE XIV.

COMPLIANCE WITH REGULATIONS OF PUBLIC BODIES.

Lessee covenants and agrees that it will, at its own cost, make such improvements on the premises and perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the property, including, by way of illustration and not in limitation, compliance with fire, sanitary, health and safety regulations and zoning and set-back requirements.

ARTICLE XV.

UTILITY CHARGES.

The Lessee agrees and covenants to pay or cause to be paid all charges for water, gas, electricity, and/or public utilities used on or about the said premises, and to pay or cause to be paid the same monthly or as they shall become due.

ARTICLE XVI.

ASSIGNMENT.

Assignment of this Lease shall be made only by an instrument of assignment, duly signed by all parties, witnessed, acknowledged, notarized and recorded of public record, and only if the lease at the time of assignment is in good standing and there is no existing default on the part of the Lessee herein, provided, however, that such assignee shall consent to, shall agree to abide by, and be bound by the several terms and conditons of this Lease to the same degree and extent as though such assignee were the original Lessee hereunder.

ARTICLE XVII.

MAINTENANCE AND REPAIRS.

The Lessee agrees and covenants that it will pay all expenses and charges in order to keep and maintain, and replace as necessary when worn out or obsolete, all structures, fixtures and improvements which may at any time be situated on said demised premises during the term of this Lease, and all appurtenances thereunto belonging or appertaining, including by way of illustration but not limitation, all landscaping, sidewalks, steps, the interior and exterior of all structures, in good and substantial repair and in a clean and sanitary condition, and will use, keep and maintain such premises and improvements thereon, as well as the sidewalks in front of and around such building, in conformity to and in compliance with all orders, ordinances, rulings and regulations of all Federal, State, County and City governments or regulating bodies having jurisdiction thereof, and the statutes and the laws of the State of Florida, and of the United States and of any lawful authority applicable to and affecting the same, and will protect and indemnify forever, save and keep harmless the Lessor from and against any loss, costs, damages and expenses occasioned by or arising out of any breach or default in the performance and observation of any provision, conditions, covenants and stipulations in this Lease contained or occasioned by or arising out of any accident or injury or damage to any person whomsoever or whatsoever happening, or done, in or about or upon the said premises or due directly or indirectly to the construction, tenancy, use or occupation of said premises, or upon the sidewalks adjoining the same by the Lessee or any person or persons occupying, holding or claiming by, through or under it.

ARTICLE XVIII.

NON-INSURED DAMAGE.

The parties hereto have agreed that Lessee will carry the maximum amount of insurance for Lessee's and Lessor's protection, however, should any structure or the improvements placed on the herein leased premises be damaged by a cause or causes not covered by or not available through insurance policies, then in such event, the following provisions shall appy:

(1) If the damage is less than Ten Thousand Dollars ($10,000.00), Lessee shall immediately and forthwith repair the premises as though the same were a repair occasioned by normal wear and tear, and as covered by the repair and maintenance clause of this Lease.

(2) Should the damage to the premises exceed Ten Thousand Dollars ($10,000.00), then in such event, Lessee shall, within thirty (30) days of the damage, deposit with Lessor a sum of money in cash sufficient to repair all damages, and thereafter Lessee shall actively begin repairs on the buildings and premises, and such repairs shall be diligently continued until completion of all repairs.

ARTICLE XIX.

LESSEE AGENT FOR CONDOMINIUM UNIT OWNERS: DEFAULT, PART ONE.

Lessee warrants to Lessor as follows:

(1) That Lessee has been directed by each unit owner individually and all unit owners collectively, in the Bayshore Embassy Condominium to act as their agent and to enter this Lease with Lessor, for and in their individual and collective behalf. This is a convenience method of entering this Lease by each Lessee with Lessor which avoids the necessity of having sixty-four (64) separate leases with Lessor. The real parties in interest are each of the sixty-four (64) condominium unit owners individually and collectively, and the Lessor. Lessee agrees to furnish Lessor with the name of any unit owner who is more than ten (10) days delinquent in payment of any monies due hereunder by such unit owner. To this end, Lessee agrees at all times to make available to Lessor the books and records of Lessee for Lessor's inspection.

(2) That Lessee will obtain from each unit owner and will deliver to Lessor upon receipt of same, a written pledge to Lessor of such unit owner's condominium unit, properly signed by the entity holding title to said condominium unit, witnessed and notarized, said pledge being given as security for and as a guarantee of payment by the unit owner of all monies, charges, expenses, rents, assessments, taxes, maintenance or other obligations for which such unit owner shall be responsible as his part of this lease.

(3) That Lessee is acting as agent for each unit owner and that each unit owner has agreed to be directly liable to Lessor for any default which such unit owner may occasion. Lessee agrees, for and in behalf of each unit owner, that such unit owner shall be responsible for and shall pay his or her portion of the "pure rent" as is set forth for his or her condominium unit in Exhibit "B" attached to this lease and by reference made a part hereof, but that the condominium unit owner shall be liable for his or her portion of all other rents, charges, cost of living increases (as provided for in Article III, supra.) or other expenses, under this lease in the same proportion as his or her percentage is in the common element expense of Bayshore Embassy Condominium. Lessee covenants with Lessor that should a condominium unit owner default in the payment of his or her portion of the rent (as set forth in Exhibit "B"), or fail to pay his or her proportionate part of any monies due under this Lease, Lessee will expend every effort to have such unit owner comply with such obligation, but should the unit owner fail to correct said default within fifteen (15) days from the date of the default, Lessor shall enforce its rights hereunder against the defaulting unit owner directly, as though said unit owner were the named Lessee.

Upon default, should Lessor proceed against the condominium unit owner, Lessor shall have the right: (1) to accelerate all rents due by such condominium unit owner during the entire term of the Lease, or to accelerate any part thereof, sufficient in Lessor's opinion to provide protection against future default, which shall, upon notice, become immediately due and payable, or (2) Lessor shall be entitled to enforce the pledge of the apartmeng by the unit owner and enter such unit either with or without process of law and take possession, and either at a private or a public sale, with or without order of Court, sell said apartment to the highest bidder, applying the proceeds of such sale to the debt owed to the Lessor and paying the balance to the Lessee. There shall be no deficiency judgment obtained against the unit owner. In the event that Lessor shall institute foreclosure proceedings against the unit owner's pledged condominium unit, said unit owner shall pay to Lessor all court costs, interest and reasonable attorneys' fees incurred or accrued by Lessor.

ARTICLE XX.

DEFAULT, PART TWO.

In the event that there shall be a default under this Lease by Lessee, not involving the payment of money, Lessor shall notify Lessee of such default in writing and thereafter Lessee shall have fifteen (15) days within which to start such corrective action as may be necessary to remedy the default. Failure of the Lessee to begin corrective action within said fifteen days and to proceed thereafter with dispatch to complete the same shall automatically authorize Lessor to remedy the default and to charge all costs, charges and expenses, both direct and indirect, including attorneys' fees, incurred in correcting the default to Lessee or to each condominium unit owner, should Lessor elect, and if charged to the condominium unit owners, then each condominium unit owner shall be liable to Lessor for such part of the total monies expended in the same proportion that each of their common element percentages bears to the whole (see Exhibit "B"). No condominium unit owner shall be liable for any other condominium unit owner's share of the expense. Failure of Lessee to pay the entire charge, or the condominium unit owner to pay its proportional part of the charge, or if it be such a default that more than one condominium owner is in default but still less than all are in default such shall entitle the Lessor to enforce any rights reserved to Lessor in Paragraph XIX above, "Default: Part One".

ARTICLE XXI.

LESSEE'S DUTY TO INDEMNIFY LESSOR AGAINST LITIGATION.

It is mutually covenanted and agreed by and between the parties hereto that in case the Lessor shall, because of Lessee's default hereunder, bring suit against Lessee or should Lessor be made a party to any litigation commenced by or against the Lessee, then in either event Lessee shall pay all costs and reasonable attorneys' fees incurred by or assessed against the said Lessor in bringing such suit to enforce the covenants, agreements, terms and provisions of this Lease or in connection with effecting the collection of any rents hereunder, or in requesting or compelling the Lessee, by service of notice, to comply with the terms, covenants, agreements and provisions of this Lease or as may be incurred by Lessor in defending against a suit brought by Lessee or such other person where there has been no default hereunder by Lessor. All such costs and reasonable attorneys' fees, if paid by the Lessor, and the rent reserved in this Lease, and all taxes and assessments and the payment of all money provided in this Lease, to be made by the Lessee, shall be and they hereby are declared to be a first lien upon Lessee's condominium apartment as aforesaid and upon all structures and improvements placed upon said demised premises at any time during the term of this Lease, and upon the leasehold interest hereby created, and upon the rent of all buildings and improvements situated upon said premises at any time during said term, subject to the provisions of this Lease respecting the existence or creation of liens which are or will be prior to the lien for rent. In the event that legal proceedings should be instituted against Lessee for alleged default in any of the covenants, agreements, terms and provisions of this Lease, or in connection with effecting collection of any rents hereunder, or in requesting or compelling the Lessee, by service of notice, to comply with the terms, covenants, agreements and provisions of this Lease, and should said litigation terminate in favor of the Lessee or should litigation be involuntarily dismissed by the Lessor, then in such event the Lessor agrees to pay to Lessee's attorney a reasonable attorney's fee for services rendered for the Lessee in such proceeding or proceedings.

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ARTICLE XXII.

INDEMNIFICATION AGAINST CLAIMS.

Lessee shall indemnify and save harmless the said Lessor from and against any and all claims, suits, actions, damages and/or causes of action arising during the term of this Lease, for any personal injury, loss of life and/or damage to property sustained in or about the demised premises or the buildings and improvements thereon, or the appurtenances thereto, or upon the adjacent sidewalks or streets, and from and against all costs, counsel fees, expenses and liabilities incurred in and about any claim, the reasonable investigation thereof relative to any lawsuit or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein.

ARTICLE XXIII.

CONDEMNATION CLAUSE.

It is agreed that if at any time during the term of this Lease any other part of the demised real estate, or the improvements or structures thereon located, or any portion thereof, be taken or appropriated, or condemned by reason of eminent domain, that there shall be such division of the proceeds and awards in such condemnation proceedings, and such abatement of rent and other adjustments made as shall be just and equitable under the circumstances. If the Lessor and the Lessee are unable to agree upon what division, total abatement of rent and other adjustments are just and equitable within thirty (30) days after such award has been made, then the matters in dispute shall, by appropriate proceedings, be submitted to a court then having jurisdiction of the subject matter in Broward County, Florida, for its decision and the determination of the matters in dispute.

As security for restoring and repairing the premises and improvements, the monies awarded to the Lessee in condemnation shall be deposited and thereafter disbursed in the same manner as has been hereinabove provided in Paragraph 8 with reference to the receipt and disbursement of benefits accruing from the proceeds of fire or windstorm insurance policies; and after the work of repair and restoration is fully completed, free and clear of all liens and encumbrances, the balance, if any, of the said sum remaining shall be paid to the Lessee according to Lessee's interest herein by the Insurance Trustee. If the condemnation results in no physical damage to the building then on the demised premises, then any award to Lessee for Lessee's percentage interest taken shall be paid directly to the Lessee. If the leased premises shall be wholly taken by the exercise of the power of eminent domain, then this Lease shall immediately terminate, but in the event only a portion of the premises is taken, the rent to be paid thereafter shall be revised as set forth hereinabove.

ARTICLE XXIV.

LEASE NOT AFFECTED BY DAMAGE TO PROPERTY.

No destruction or damage to the land or any building or improvements by fire, hurricane, windstorm, erosion, insurrection, riot, war or other casualty or calamity of any kind, character or nature shall be deemed to entitle the Lessee to surrender possession of the demised premises or to terminate this Lease, or to violate any of its provisions, or to cause any rebate or abatement in rent then due, or thereafter becoming due under the terms thereof.

ARTICLE XXV.

RETURN OF PREMISES TO LESSOR IN EVENT OF DEFAULT.

The Lessee covenants, stipulates and agrees that upon the termination of this Indenture by default, Lessee will at once peaceably and quietly deliver to Lessor all of the demised premises, including all structures and improvements situated thereon, and all of the fixtures and equipment thereunto belonging, in as good state and condition as reasonable use and wear thereof will have permitted, and that all structures, improvements, fixtures and equipment then situate upon the described premises and belonging to the Lessee shall belong to the Lessor, and that no compensation shall be allowed or paid to the Lessee therefor.

ARTICLE XXVI.

LESSOR'S RIGHT OF ENTRY.

The Lessor and the Lessor's agents shall have the right to enter the leased and pledged premises at all reasonable times to examine the condition and use thereof, provided only, that such rights shall be exercised in such manner so as not to interfere with the use of said premises; and if the same premises are damaged by fire, windstorm, or by any other casualty which causes the premises to be exposed to the elements, then the Lessor may enter upon the premises to make emergency repairs, but if the Lessor exercised Lessor's option to make emergency repairs, such act or acts shall not be deemed to excuse the Lessee from Lessee's obligation to keep the premises in repair, and the Lessee shall, upon demand of the Lessor, reimburse the Lessor for the cost and expense of such emergency repairs.

ARTICLE XXVII.

LIABILITY OF CONDOMINIUM UNIT OWNERS.

Lessee and Lessor acknowledge that each condominium unit owner shall be liable to the Lessor for only his common element expense percentage of all costs, expenses, charges, damages, claims or other monies owed. due or arising in favor of Lessor under this Lease where all condominium unit owners must act in concert with the others for full performance. There are sixty-four (64) condominium unit owners who have agreed with the Lessee and with each other that each and all will comply with the several terms and conditions hereof; that each and all will pay the charges on their part to be paid, and that each and all will cooperate with the others and act in concert to fulfill all the terms and conditions hereof. Lessor agrees with Lessee that Lessor shall not look to the condominium unit owners as being jointly liable where money obligations are involved, but shall look simply to each such unit owner for the performance of their monetary obligations hereunder, and a breach of this Lease by one unit owner shall not cause the entire Lease to be in default, or the other unit owners to be in default, but such monetary default shall relate only to the particular unit owner in default. Action for such default shall be taken against such defaulting unit owner only. See Article XX "Default, Part Two", for non-monetary defaults.

ARTICLE XXVIII.

NET LEASE.

It is understood by and between Lessor and Lessee that the intent and purpose of this Lease is to provide Lessor a net lease rental diminished by not a single expense, liability, claim, demand or encumbrance as a result of the ownership of the herein leased property. To this end and for this purpose, Lessee and Lessor have entered into this Lease.

ARTICLE XXIX

PLEDGE OF CONDOMINIUM; LESSOR SUBORDINATION.

Lessee covenants, for itself and as agent for and in behalf of all condominium unit owners in Bayshore Embassy Condominium, that any subsequent purchaser of a condominium unit shall, as a condition precedent to such purchase, designate Lessee as its agent hereunder, ratify, confirm and approve this Lease, agree to be bound by and comply with the several terms and conditions thereof, and execute and deliver a pledge of the purchased condominium unit to Lessor as security for the performance of the several terms and conditions of this Lease.

Lessor has heretofore agreed with each of the sixty-four (64) Lessees, and by restatement here, agrees that should Lessee desire to place, from time to time, an institutional mortgage on Lessee's condominium unit, Lessor will, and does hereby agree to subordinate and make inferior all Lessor's rights in and to the Lessee's apartment pledge to the operation and effect of such institutional mortgage, providing such mortgage does not exceed sixty per cent (60%) of the Developr's sale price of the condominium unit, or sixty per cent (60%) of its appraised value at the time of the mortgage, whichever is less. Likewise, if the institutional mortgagee acquires title thereto by reason of foreclosure or by deed in lieu of foreclosure as a result of a default in such mortgage, Lessor will subordinate said apartment pledge to the operation and effect of any new mortgage, within the limitations as to the amount as is in this article set forth, necessary to be placed thereon in order to resell such foreclosed condominium unit. Any purchaser from such institu tional lender shall acquire such unit subject to the obligations and restrictions of this article and this Lease, and shall pledge his condominium unit to secure the performance of the terms hereof.

ARTICLE XXX.

NOTICES.

Notices as shall be required from time to time under the several terms and conditions of this Lease shall be sent to the Lessor at the following address, unless otherwise notified in writing: 300 Bayview Building, 1040 Bayview Drive, Fort Lauderdale, Florida

and to the Lessee at the following address, unless notfied otherwise in writing: 550 Bayshore Drive, Fort Lauderdale, Florida.

The notices shall be in writing and shall be delivered to the other party either in person or by registered mail addressed to the above addresses, return receipt requested.

ARTICLE XXXI.

GENDER.

It is understood and agreed by and between the parties that the use herein of the plural shall include the singular, and the use of the singular shall include the plural; the use of the masculine gender shall include all genders, and the use of the neuter gender shall include all genders; the use of the words "Lessor" and "Lessee" shall include their spouses, if any, their heirs, representatives, successors, grantees and assigns.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed on the day and year first above written.

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ARTICLE XXXII.

Nothing herein contained shall be construed to permit or grant to Lessor the authority or right to cancel this lease under the provisions of Article XIX or XX in the event of an uncorrected default by the Lessee, Bayshore Embassy Condominium, Inc., or the individual unit apartment owners.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals this second day of January, 1969.

Witnesses:

_____ _____ (SEAL)
William Gundlach, Individually and as Trustee

_____ _____ (SEAL)
As to Lessor Juanita M. Gundlach

LESSOR

BAYSHORE EMBASSY CONDOMINIUM, INC.

_____ By _____
Its President

_____
As to Lessee

LESSEE

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared WILLIAM GUNDLACH, individually and as Trustee, joined by his wife, JUANITA M. GUNDLACH, to me known and known to me to be the individuals described in and who executed the foregoing instrument, and they acknowledged to and before me that they executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal at Fort Lauderdale, Broward County, Florida, this second day of January, 1969.

_____
Notary Public

My commission expires:

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared CHARLES A. MICHELI, known to me and to me known to be President of Bayshore Embassy

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Condominium, Inc., and he acknowledged to and before me that he executed the same as such President on behalf of said corporation freely and voluntarily for the purposes therein stated, and that the corporate seal affixed thereto is the true corporate seal of said corporation and is affixed thereto under due and proper corporate authority.

WITNESS my hand and official seal at Fort Lauderdale, Broward County, Florida, this second day of January, 1969.

_____
Notary Public

My commission expires:

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LAND LEASE DESCRIPTION

All of Lots 9, 10, and 11, Block 6, BIRCH OCEAN FRONT SUBDIVISION, according to the plat thereof, recorded in Plat Book 19, Page 26, of the Public Records of Broward County, Florida, excepting that portion thereof described as follows:

Commencing at the Southwest corner of said Lot 9; thence Northerly along the West line of said Lot 9, a distance of 14.90 feet; thence Easterly, parallel to the South line of said Lot 9, a distance of 17.80 feet to the Point of Beginning; thence continuing Easterly along the last mentioned course, a distance of 71.40 feet; thence Northerly parallel to the east lines of said lots 9, 10, and 11, a distance of 267.40 feet; thence Westerly, parallel to the North line of said lot 11, a distance of 71.40 feet; thence Southerly, parallel to the West line of said Lots 11 and 10, a distance of 102.30 feet; thence Westerly, parallel to the North line of said Lot 11, a distance of 17.80 feet to a point on the West line of said Lot 10; thence Southerly along the said West line of lot 10, a distance of 20 feet; thence Easterly, parallel to the South line of said Lot 9, a distance of 17.80 feet; thence Southerly, parallel to the West line of said Lots 10 and 9, a distance of 145.10 feet to the Point of Beginning.

Said lands situate, lying, and being in Broward County, Florida.

TOGETHER WITH:

That condominium unit designated as "Condominium X" or "Condominium Unit X" as is identified in the Declaration of Condominium and as is designated and located in Attachment "B" to the Declaration of Condominium.

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Witnesses:

_____ _____ (SEAL)

_____ _____ (SEAL)

STATE OF FLORIDA
COUNTY OF BROWARD

BEFORE ME, the undersigned authority, personally appeared

_____ to me known and known to me to be the person (s) who signed the foregoing instrument, and _____ acknowledged to and before me that _____ executed the same freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official seal at _____ this _____ day of _____ 196 ___.

_____
Notary Public

My commission expires:

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

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