

HIGHLAND TOWERS INCORPORATED

AMENDED AND RESTATED PROPRIETARY LEASE

INDENTURE OF LEASE, dated the _____ day of _____, 20____, between Highland Towers Incorporated, a corporation organized and existing under the Laws of the State of Florida, hereinafter called the Lessor and [], hereinafter called the Lessee.

WHEREAS, the Lessor is the owner of the land and building erected thereon consisting of a fifty (49) unit cooperative building, manager's apartment and accessory facilities known by name as Highland Towers and by street number as 2921 South Ocean Boulevard Highland Beach, 33487, which said land and building are more particularly described as follows: real property lying and being in Palm Beach County, Florida. That part of the South two-hundred (200) feet of the North one thousand two-hundred (1200) feet of Government Lot 1, Section 33, Township 46 South, Range 43 East, lying East of State Road A1A and real property lying and being in Palm Beach County, Florida, and that part of the South two-hundred (200) feet of the North one thousand two-hundred (1200) feet of Government Lot 1, Section 33, Township 46 South, Range 43 East, lying West of State Road A1A; and

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

WHEREAS, the Lessee is the owner of _____ shares of capital stock of the Lessor represented by stock certificate number _____ of even date herewith, which said certificate and this lease jointly give the Lessee the exclusive right to the use and occupancy of the apartment hereinafter described upon the terms and conditions herein after set forth.

1. Demised Premises

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and agreements hereinafter provided and contained, the Lessor does hereby lease 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 said apartment building known and designated as apartment number _____ consisting of and hereinafter referred to as the apartment.

2. Terms

TO HAVE AND TO HOLD the apartment, together with the appurtenances, unto the Lessee and authorized assigns of the Lessee upon the terms and conditions herein set forth from the effective date of this lease at a rent for each year or portion of 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.

3. 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 judgment, 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 funds, alterations, replacements and repairs, expenses and liabilities incurred by the Lessor under or by reason of this or other leases, the payment of any other liens or charges, the payment of any deficit remaining from the 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 such expenses which accrued or became payable in a previous year, or which might have been included in such 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 stockholders may discuss the budget and may make recommendations concerning it, but the final approval shall rest exclusively with the Board of Directors. 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 statement thereof shall be sent to each tenant-stockholder.

4. Rent and Assessments

A. During the continuance of this lease, Lessee shall be liable for both rent and amounts by way of assessment as determined by the Board of Directors of Lessor, to be levied against each share of stock multiplied by the number of shares of stock owned by the Lessee.

B. Rent for the unit herein shall be due and payable in installments as provided by the Board of Directors as follows: said rent shall be due and payable in advance on the first day of each quarter commencing January 1 of each year and continuing quarterly thereafter with payments on April 1, July 1, and October 1, in an amount as the Board of Directors may determine.

C. Assessments will be made against the unit on the basis of the proportionate share of common expenses allocated to the unit. Although amounts required to be funded by assessment will be determined on a yearly basis, the actual assessments for the unit will be made quarterly covering the next succeeding three months Lessee shall also pay promptly when due such additional assessments as may be provided for herein.

D. In every Proprietary Lease hereafter to be executed by the Lessor, there will be specified the proportionate share of common expenses allocated to the apartment or other space described in the lease.

5. Payment of Rent and Assessments

Lessee will pay the rent and assessments to Lessor on the terms and at the times herein provided, without any deduction on account of any set-off or claim the Lessee may have against Lessor. If Lessee shall fail to pay any installment of rent or assessment promptly when due, Lessee shall pay a late fee of \$25.00 per month or fraction of a month the payment from the due date of such installment to the date of payment thereof.

6. Lessor's Lien for Unpaid Rent or Assessments

Lessor has and may enforce a lien on the unit for any unpaid rent and/or assessments, interest thereon at the legal rate, as provided by law, and an administrative late fee as provided in the Bylaws. Such lien also secures payment by Lessee of reasonable attorney's fees incurred by Lessor in collecting overdue rent or assessments or in enforcing the lien. In any action by Lessor to enforce such lien, Lessee shall have the right to interpose any defenses, legal or equitable, that Lessee may have against Lessor under this lease.

In addition to the above, in the event of default by Lessee in payment of rent or assessments, Lessor shall be permitted to institute an action to foreclose upon its lien pursuant to applicable law. Upon the successful foreclosure of the lien by Lessor through the courts, Lessee's lease shall be deemed cancelled and terminated, and Lessee's share of stock in the corporation shall be forfeited to the Lessor, subject to the requirements of Article 21 of this Lease.

In the event of any pending foreclosure of an apartment, Lessee shall, upon demand of Lessor, be required to pay a reasonable rental for the apartment during the pendency of the foreclosure and Lessor shall be permitted to move the Court to appoint a receiver to collect the rent.

7. Charter 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 Certificate of Incorporation of the Lessor corporation as now existing or as the said Certificate of Incorporation may from time to time be amended. For purpose of reference a portion thereof is as follows:

That the amount of authorized stock of this corporation is 1735 shares of common stock of the par value of \$10, all are issued fully paid. The corporation shall have a lien on all stock issued to guarantee the performance of the stockholders for the payment of all charges and the performance of all covenants under the terms and conditions of these Articles of Incorporation, the By-Laws and the Proprietary Lease to their respective apartments.

Each block of stock as provided in the Purchase Agreement shall entitle the owner thereof to lease, in accordance with the terms and conditions of a uniform proprietary lease, one of the apartments. The stock and proprietary lease shall be inseparable.

That there are one thousand seven hundred and thirty-five (1735) votes allotted to the stockholders of this corporation. Each share of stock shall entitle the registered owner thereof to one vote in person or by proxy, in all matters whereupon the stockholders shall be entitled to vote.

That the corporation shall make no profits and shall declare no dividends and no stockholder shall have any right whatsoever to any dividends except upon whole or partial liquidation or dissolution of the corporation. Upon liquidation or dissolution, distribution shall be made equally for each share of outstanding stock.

That the stock and the accompanying proprietary lease shall be transferred only to such person, persons, who have complied with the requirements that shall from time to time be established by the Board of Directors and who have also been approved by a majority vote (which shall be by secret ballot if so requested by any director present) of the Board of Directors at any regular or special meeting, or approved in writing by at least four members of the Board of Directors. In order to carry out the cooperative features of this corporation and to assure the tenant-stockholders that said apartment building shall always be occupied by a group of compatible people, the Board of Directors is hereby given the absolute and uncontrolled right to accept or to reject any proposed or prospective tenant-stockholder and no reason need ever be given, and neither this corporation nor any director, officer or stockholder shall be held accountable in any manner whatsoever for failing to approve any proposed or prospective tenant-stockholder. No transfer or attempted or purported transfer of any stock in this corporation and the proprietary lease issued in connection therewith, whether by reason of death, or by operation of law, or by virtue of any legal proceedings or otherwise, and regardless of any consideration that may have passed, shall be recognized by this corporation unless and until such transferee shall have complied with all the requirements of, and been approved, as a tenant-stockholder. Stock and accompanying proprietary lease shall be transferred upon the books of the corporation to a qualified and approved transferee upon the delivery to the corporation for cancellation of the outstanding stock certificate and accompanying proprietary lease, duly endorsed, and the issuance of a new stock certificate and proprietary lease in the name of such qualified and approved transferee. The By-Laws and the proprietary lease may contain further provisions governing the rights and duties of tenant-stockholders, not inconsistent with these Articles of Incorporation.

8. Covenants of the Lessor

The Lessor does covenant and agree to and with the Lessee as follows:

A. **QUIET POSSESSION:** That if and so long as the Lessee pays the rent reserved hereby, and performs and observes the covenants and provisions hereof, the Lessee shall quietly enjoy the demised premises subject, however, to the terms and conditions of this lease.

B. **TAXES:** The Lessor obligates itself to pay all local taxes, assessments, levies and charges of every kind, character and description, which shall be levied on the said premises by the United States of America, or by any state, county or municipality or by any other governmental taxing unit or district or authority de facto or de jure, together with all assessments for public improvements which may be lawfully levied against the Lessor or the property owned by the Lessor, provided, however, the Lessor shall not be liable for income or inheritance or intangible personal property taxes levied or assessed upon the Lessee by reason of the Lessee's interest in the said property.

C. **REPAIRS BY LESSOR:** Lessor shall keep in good repair all of the exterior of the building and that portion of the interior used in common by the Lessees and the equipment and facilities therein, as well as the sidewalks, parking areas, seawalls, bulkheads, swimming pool, and landscaped areas located on the premises, excepting only those portions of the maintenance and repair which are expressly stated to be the responsibility of the Lessee in Section 9 herein.

D. **SERVICES BY LESSOR:** Lessor shall maintain and manage the building as a first class apartment building, and shall keep the elevators, walkways, lobbies, stairways, basements and storage areas clean and properly lighted and shall provide the number of attendants requisite and shall provide a sufficient supply of water, in the judgment of the directors, for the proper care and service of the building. Covenants of Lessor contained herein are subject to the discretionary power of the directors to determine from time to time what services, attendants, and manner of maintaining and operating the building are proper, and what existing service should be increased, reduced, or otherwise modified or terminated.

E. **INSURANCE:** Said Lessor further covenants and agrees with the Lessee that the Lessor will carry such insurance as the Board of Directors may from time to time direct, provided, nothing herein shall prevent the Board of Directors from directing the Lessor to act as self-insurer or as co-insurer. 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.

F. **TITLE:** The Lessor hereby covenants and agrees with the Lessee that the title of the Lessor, in and to the demised premises is good and marketable, and the Lessor hereby warrants the title to said premises, subject to zoning ordinances as may or shall hereafter affect the subject property and conditions, restrictions, and limitations now of record common to the neighborhood, and will defend the same and

the use and occupancy thereof during the aforesaid period against the lawful claims of all persons whosoever other than those claiming by, through or under the Lessee.

G. INSPECTION: The Lessor and the Lessor's agents shall be permitted at any time during the term to visit and examine the premises of the Lessee at any reasonable hour of the day, and workmen may enter at any time, when authorized by the Lessor or the Lessor's agent, to make or facilitate repairs in any part of the building; and if the Lessee shall not be personally present to open and permit an entry into said premises, at any time, when for any reason an entry therein shall be necessary or permissible hereunder, the Lessor or the Lessor's agent may forcibly enter the premises without rendering the Lessor or such agents liable to any claim or cause of action for damages by reason thereof (if, during the 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. LIABILITY: The Lessor shall not be liable for any failure of water supply, electric current or telephone service, nor for injury or damage to person or property caused by the elements or by the other lessees or persons in said building. If the Lessor shall furnish to the Lessee any storeroom, use of laundry or any other facility outside of the apartment demised, it is understood and agreed that if any person shall use the same such person does so at his own risk and upon the express stipulation that the Lessor shall not be liable for any loss or property therein, or for any damage or injury whatsoever to person or property. The Lessor shall not be liable for any damage or injury whatsoever to person or property. The Lessor shall not be liable for any damage to any property in said premises or building from water, electricity, rain, sewage or any substance which may leak into, issue or flow into or from any part of said building of which the premises hereby leased are a part, or from any other place or quarter, nor for any damage that may be suffered by the Lessee through the fault or negligence of another Lessee of the building, of which the demised premises form a part, nor by reasons of any other matter, cause or thing in whatsoever manner the same may be caused.

9. Covenants of the Lessee

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

A. INTERIOR REPAIRS:

1. Lessee shall keep the interior of the unit, including interior walls, floors, ceiling, windows, entrance, and terrace and balcony doors, frames and sashes in good repair. Lessee shall do all painting and decorating required in the unit, including the interior of window frames, sashes, and sills and shall be solely responsible for the maintenance, repair and replacement of plumbing and heating fixtures and equipment, such as refrigerators, dishwashers, removable wall air conditioners, washing machines, ranges and other appliances as may be in the unit. "Plumbing and heating fixtures" as used herein includes the water pipes attached to fixtures, appliances and equipment and to fixtures, appliances and equipment to which they are attached, as well as any special pipes or equipment the Lessee may install

within the wall or ceiling, or under the floor. The term shall not include water, or other pipes or conduits within the walls, ceilings, or floors that are part of the standard building equipment. Lessee shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment; also, all meters, fuse boxes or circuit breakers, and the electrical wiring and conduits form the junction box at the riser into and through Lessee's unit.

2. Lessee shall not permit any unreasonable noises or vibrations or anything else that would interfere with the rights of or unreasonably annoy other Lessees and Lessee shall not obstruct the walkways or stairway.

3. If, in Lessor's sole judgment, any of Lessee's equipment or appliances result in or present a substantial danger of damage to the building or poor quality or interruption of service to other portions of the building, or overloading of, or damage to facilities maintained by Lessor for supplying to the building, or if any appliances visible from the outside of the building become rusty or discolored, Lessee shall promptly on notice from Lessor, correct, remove or cease using any appliance or equipment creating the objectionable condition or danger thereof.

4. Lessee shall comply with all requirements of the National Board of Fire Underwriters, insurance authorities, and all governmental authorities, and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the unit.

5. Lessee shall not, without first obtaining the written consent of the Lessor, which consent shall not be unreasonably withheld, make any alteration or structural change to an apartment which will affect the exterior appearance of the building, such as, but not limited to, installing or replacing windows, awnings, or entrance doors, or a central air-conditioning system in the apartment. When installing a central air-conditioning system, Lessee shall, at his own expense, remove metal covering of wall units no longer used, repair the opening, and paint the exterior walls. All open balconies are considered the exterior of the building and, therefore, no modification can be made to the exterior surfaces (floor, walls and ceilings) without the approval of the Architectural Review Committee or the Board of Directors. All renovations requiring a permit shall be submitted, along with the contractor's contract, to the Architectural Review Committee, or the Board of Directors, for review and approval.

In the event a contractor files a construction lien in the public records against the cooperative building as a consequence of Lessee's failure to make payment to said contractor for services performed at the request of Lessee, the lien shall be released as against the cooperative building, via payment or through procurement of a bond, at the cost and expense of Lessee within ten (10) days of receipt of notice from Lessor. In the event Lessor secures the release of the lien, at its own expense and after giving notice to Lessee as provided herein, Lessor shall be entitled to recover said expense as an assessment pursuant to the terms of the Proprietary Lease. The foregoing language shall in no way impair the Lessee's right or ability to pursue a claim against any contractor who files a mechanic's lien as a result of services performed at the request or direction of such Lessee.

B. 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.

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 sued, for any purpose other than as a private dwelling apartment for the Lessee and family of the Lessee, and shall not permit nor 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 hall 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 regulation with respect to said premises.

D. HOUSE RULES: The Lessee will observe and comply with, and the Lessee agrees that all persons dwelling in or visiting the demised premises will observe and comply with such house rules and regulations as the Lessor may from time to time deem needful and prescribe, for the safety, care and cleanliness of the building, and for the preservation of good order therein as well as the comfort, quiet and convenience of other occupants of the building.

E. UTILITIES: The Lessee will pay all charges and expenses for utilities and special services used on or in connection with the leased premises. The Lessee shall be entitled, without special charge therefore, to the use of and service for all public or common facilities or parts of the building as are provided for other tenants of similar apartments in the building.

F. STOCK AND LEASE INSEPARABLE: 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 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 of said Lessor corporation, and that any transfer or attempted transfer 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.

G. NOT TO MORTGAGE LEASE: The Lessee for himself and his legal representatives, covenants that he will not mortgage or pledge or otherwise encumber this lease without first obtaining the written consent of the Lessor, which shall not be unreasonably withheld.

In addition, a Lessee, or prospective Lessee, shall not be permitted to secure a mortgage which is in excess of 50% of the value of the apartment at any time during

the course of his or her ownership of the lease. For purposes of this Section G, the "value" of an apartment shall be determined as the current assessed value of the apartment as identified by the property tax appraiser of Palm Beach County, Florida, at the time of closing, or the purchase price, whichever is greater. Subsequent thereto, no apartment may be pledged, hypothecated or used as collateral for the issuance of monies, as a home equity loan or otherwise without the express written approval of the Lessor, which Lessor shall require the maintenance of the 50% equity requirement.

H. SUBLETTING: The Lessee may sublet these premises at any time they are not desired for personal occupancy, subject to the prior written approval of the Board of Directors of Lessor; provided, however, the minimum period of any sublet shall be three months and the maximum period not to exceed one year and further provided that premises may be sublet only once in any calendar year irrespective of period of sublet and provided written consent of the Board of Directors is obtained. Any such letting shall be in strict compliance with such rules and regulations as the Board of Directors of Lessor may from time to time establish regarding subletting, and provided further that no subletting shall relieve the Lessee of his obligations and covenants hereunder, and provided further that any sublease may be terminated on five days' notice by the Board of Directors of Lessor 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 the sublessee for any such action.

Notwithstanding the foregoing, or any other provision herein, there shall be no subleasing of an apartment during the first two (2) years after Lessee acquired shares of stock in the Lessor. This prohibition shall not apply to acquisition of shares of stock by family members of current shareholders. "Family member" in this context shall include parent, child (including step or adopted), spouse or widow/er of a child, grandchild, and a Family Trust as defined below. "Family Trust" is defined as a trust created by the current shareholder(s) for the purpose of holding legal title to the shares and Proprietary Lease for the benefit of family members. No other legal entity of any kind or description shall qualify for the exemption provided herein.

In addition, the Board of Directors of Lessor, within its discretion, shall be permitted to charge a transfer fee, at the highest rate allowed by law as same may be amended from time to time, to an applicant who desires to sublease an apartment within the cooperative as more specifically provided in the By-laws; provided if the sublease is a renewal no such application fee shall be charged to the applicant unless there are new or additional occupants to reside within the apartment. At the discretion of the Board of Directors, the Lessor may require an approved sublessee to pay a security deposit with Lessor, at the highest rate allowed by law as same may be amended from time to time, for the term of the sublease, and for any renewal term, as more specifically provided in the By-laws. The Lessor shall have authority to conduct a criminal and credit background investigation of a subleasing applicant through an appropriate agency and to require the subleasing applicant to submit to an interview before the Board of Directors prior to approving the sublease. The Board of Directors of Lessor shall have the discretion to disapprove an application to sublease an apartment on such grounds as reasonably determined by the Board including, but not limited to, the applicant's criminal, credit or occupancy history.

In the event of a delinquency in the assessment obligations of Lessee during the term of a sublease, the Lessor shall be permitted to garnish the rents of the Lessee's sublessee until such time as the Lessee no longer is delinquent with the Lessor. In such event, the Lessor shall notify the sublessee to make payment of rents directly to the Lessor. In the event the sublessee fails to remit payment of rents to the Lessor after receipt of notice thereof, Lessor shall be permitted to terminate the sublease and evict the sublessee from the premises. Any expenses incurred by the Lessor in the enforcement of collection of rents and/or eviction of sublessee, including reasonable attorney's fees, shall be recoverable from Lessee as an assessment.

Notwithstanding anything contained in this Section H or the cooperative documents, sublessees shall be prohibited from subletting an apartment. Guests of the sublessee shall not be permitted within the apartment in the absence of the sublessee.

The Lessor shall be permitted to adopt rules and regulations prohibiting, limiting or restricting the occupancy of an apartment by a person, regardless as to whether said person is or intends to occupy an apartment under an approved sublease or otherwise.

I. NO ILLEGAL USE: The Lessee further covenants and agrees that the premises herein and hereby lease shall not be used for any illegal or immoral business; and if by reason of any illegal or immoral act or acts of the Lessee any claim, either civil or criminal, be made against the Lessor herein, then in such event the Lessee agrees to save harmless the Lessor from the consequence of such act or acts and furthermore obligates and binds himself to promptly and expeditiously pay any final judgment or decree that may be obtained against the Lessor by reason of any breach by the Lessee of the covenants of this lease in this paragraph contained.

J. TO PAY COURT COSTS: If the Lessee shall at any time be in default hereunder and if the Lessor shall bring suit against the Lessee based upon such default then the Lessee shall pay to the Lessor all court costs, if any, on such suit and reasonable attorney's fees and disbursements thereby incurred by the Lessor, so far as the same are reasonable in amount. Also, so long as the Lessee shall be a tenant hereunder, the amount of such expenses shall be deemed to be additional rent hereunder and shall be due from the Lessee to the Lessor on the first day of the month following the incurring of such expenses.

K. QUIETLY SURRENDER PREMISES: The Lessee agrees with 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 premise in the same repair and condition in which they were received, ordinary wear and tear excepted, to the Lessor. Lessee shall deliver to the office of the Lessor keys to his individual unit for ready access by the Lessor when necessary.

L. PETS: That the Lessee will abide by such rules and regulations concerning the keeping of pets on the premise, as may from time to time be established by the Board of Directors of the Lessor.

M. INSURANCE REQUIREMENTS: Lessee shall be required to carry the minimum liability insurance Lessee's carrier will provide with respect to damages caused to person and/or property as a consequence of acts or omissions of Lessee.

At the request of Lessor, Lessee shall furnish a certificate of insurance evidencing such insurance coverage to the Board of Directors, or a duly authorized agent of Lessor. In the event Lessee fails to secure such insurance, as provided herein, Lessor may secure and pay for such insurance coverage and thereafter seek reimbursement from Lessee as an assessment secured by a lien against the apartment in the manner provided elsewhere under this lease.

N. LESSOR'S RIGHT OF APPROVAL/DISAPPROVAL OF ANY TRANSFERS AND RIGHT OF FIRST REFUSAL: In order to maintain a stable residential community, the Lessor shall have the right of first refusal with respect to any transfer by Lessee of the Lessee's shares of stock and use and occupancy rights under the Lessee's Proprietary Lease. Lessee shall not transfer Lessee's shares of stock and Lessee's use and occupancy rights under Lessee's Proprietary Lease without Lessor's prior written approval. Lessee shall give Lessor notice of Lessee's intention to transfer Lessee's shares of stock and Proprietary Lease at least thirty (30) days prior to the intended effective date of transfer, together with the name, address and telephone number of the proposed transferee, a copy of any proposed sales contract, if any, and such other information as Lessor may reasonably require. Lessor may require a personal interview with any proposed transferee as a precondition to approval. If no notice is given, any purported transfer shall be null and void. Lessor, however, at its election, and in its sole and absolute discretion, may approve of any transfer notwithstanding the lack of notice, within a reasonable time after Lessor learns of the transfer, and such approval, if given, shall be retroactive to the effective date of the transfer.

Within thirty (30) days after receipt of the required notice and all information and interviews requested by Lessor, if any (but in no event later than sixty (60) days after receipt of the required notice), Lessor shall approve or disapprove of the transfer. If Lessor disapproves of the transfer, Lessor shall have the right, but not the obligation, to furnish an approved alternate transferee who shall accept the transfer of Lessee's shares of stock and Proprietary Lease for the same price and upon substantially the same terms as in the disapproved sales contract, if any, or if no contract is involved, for the fair market value of the unit determined by the arithmetic average of appraisals by two (2) state certified property appraisers, one selected by Lessee and other by Lessor. The cost of the appraisals, and all other closing costs in the case where no sales contract is involved, shall be shared equally by Lessee and the transferee, except that the transferee shall pay for his own title insurance, if any, and all costs of mortgage financing. Real property taxes and any assessments owed Lessor shall be prorated as of the effective date of the transfer and the parties shall bear their own attorneys' fees, if any. The closing date shall take place no later than sixty (60) days after the date Lessor disapproves of the transfer, or thirty (30) days after determination of fair market value by appraisal, whichever occurs last. Failure or refusal to close by either party shall constitute a breach of contract and shall entitle the other party to seek specific performance or damages. Lessor shall not deny approval of any transfer

to Lessee's spouse, or any transferee related to Lessee by blood or adoption within the first degree.

Notwithstanding anything herein to the contrary, Lessor shall have the right to disapprove any transfer without the need to exercise Lessor's right of first refusal. Any transfer made without Lessor's prior written approval or made after Lessor's disapproval, shall be null and void, unless subsequently approved in writing by Lessor.

10. Condemnation

It is further stipulated and agreed that if at any time during the term of this lease, the demised real estate, or the improvements of buildings located thereon, or any portion thereof, be taken or appropriated, or condemned by reason of the exercise of right 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 Lessee are unable to agree upon what division, abatement of rent and other adjustments are just and equitable within thirty days after such award has been made, then the matter in dispute shall by appropriate proceedings be submitted to a Court having jurisdiction of the subject in Palm Beach County, Florida, for its decision and determination of the matters in dispute.

11. Reconstruction of Damage to Building

In case the building in which the apartment is located shall be partially, or substantially damaged or destroyed by fire, windstorm, or otherwise, the said building shall be repaired or rebuilt as speedily as possible by the Lessor with the funds secured from the insurance company or companies together with the other funds herein provided for, so as to conform to the original plans and specification for the said building. In the event there are not sufficient funds reserved from the insurance company or companies, the Lessee agrees with the Lessor to be bound and obligated to pay any proportionate assessment made by the Board of Directors for the purpose of repairing or rebuilding, said assessment being based upon the number of shares owned by the Lessee in relation to the total authorized capital stock of the Lessor. Any and all funds available or made available under this paragraph shall be disbursed for the purpose of repairing or rebuilding as provided for by the Board of Directors of the Lessor. Any construction under this paragraph shall conform to the original plans and specifications of the said building, or as the same may be modified at a stockholders meeting upon the affirmative vote of the owners of a majority of the shares of the authorized stock.

12. Determination Not to Repair

If the Board of Directors determine that (1) the building is totally destroyed by fire or other cause (2) the building is so damaged that it will not be possible to repair it within a reasonable time after the loss has been adjusted with the insurance carriers or (3) the destruction or damage was caused by hazards not covered by Lessor's insurance policies then in effect; and if in any such case members entitled to at least a majority of the votes allotted to the stockholders of the corporation

at a members' meeting duly called for the purpose and held within 30 days after the determination by Directors, vote not to repair, restore or rebuild, then on the giving of notice pursuant to Section 17 hereof, this lease and all other proprietary leases, and all right, title and interest of the parties thereunder and tenancies thereby created shall terminate in accordance with the Articles of Incorporation and By-Laws. Rent and assessments shall be payable to the date of such destruction or damage.

13. Liens for Labor and Material

The Lessor and the Lessee both agree that any liens for labor or material upon the Lessor's interest or the Lessee's interest in the apartment building, the demised premise or any apartment shall be discharged by the respective parties either by payment or by bond posted in the manner prescribed by Statute within ten (10) days after same shall have been finally adjudicated to exist. All persons contracting with the Lessor or Lessee for any work done on the apartment building, the demised premises or any apartment are hereby charged with notice that they must look to the Lessor's or Lessee's interest in the property to secure the payment of any bills for work done or materials furnished or performed during the rental period herein created.

14. Condition of Premises

It is distinctly understood and agreed that the Lessee herein accepts the property herein leased and demised in its present condition, being governed by his own personal inspection of the premises, and that in executing this lease, he has not been governed or influenced by a representation of the Lessor as to the size, dimensions or location of said premises, and that the Lessee herein shall, under no circumstances, assert or maintain any claim for damages against the Lessor by reason of any future condition of the building, or the demised apartment, and that no verbal agreements, stipulations, reservations, exceptions or conditions whatsoever have been made or entered into in regard to the above described property which will in any way vary, contradict or impair the validity of this lease, or of any of the terms or conditions herein contained, and that this lease contains each and every of the agreements of the Lessor and Lessee with reference to said premises.

15. Abatement of Rent

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 buildings or its appliances, nor for any space taken to comply with any law, ordinance or order of a government authority. In respect to the various "services," if any, herein expressly or impliedly to be furnished by the Lessor to the Lessee, it is agreed that there shall be no diminution or abatement of rent, or any such other compensation, for interruption or curtailment which shall be due to accident, alterations or repairs desirable or necessary to be made or to inability or difficulty in securing supplies or labor for the maintenance of such "services" or to some other cause, not gross negligence on the part of the Lessor. No such interruption or curtailment of any such "services" shall be deemed a constructive eviction. The Lessor shall not be required to furnish, and the Lessee shall not be entitled to receive, any of

such "services" during any period wherein the Lessee shall be in default in respect to the payment of rent, or of any part thereof.

16. Waiver

That the failure of the Lessor to insist, in any one or more instances, 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 proceeding, or otherwise to act as though this lease had expired pursuant to the provisions hereof, shall not be construed as a waiver or a relinquishment for the future, of such covenant or option, or right thereafter to serve notice and to have this lease expire under any of the provision of this lease, 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, and no waiver by the Lessor or any provision hereof shall be deemed to have been made unless expressed in writing and signed by an officer of the Lessor pursuant to authority contained in a resolution of the Board of Directors.

17. Notice

Any notice of 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 in any general or branch post office, enclosed in a postpaid envelope addressed to the Lessee at the building in which the demised premises are situated. Any notice by the Lessee to the Lessor shall be deemed to be duly given if in writing and delivered personally to one of the officers of the Lessor, or by registered mail, as aforesaid, to the Lessor at 2921 S. Ocean Boulevard, Highland Beach, Florida 33487.

18. Joint and Several Liability of Lessee

If more than one person signs or executes this instrument, as Lessee, said Lessee shall be jointly and severally bound by each and every term, condition, obligation, duty and penalty therein imposed upon the Lessee.

19. Call of Stockholders Meeting

In order to carry out the intent and purpose of this agreement, where not herein specified, it is the understanding and agreement between the parties that the Board of Directors shall have the privilege of calling a meeting of the stockholders by giving ten (10) days' written notice to the stockholders prior to the said meeting, and then transact any business necessary to carry out the intents and purposes of this agreement in accordance with the terms of this lease and by-laws and certificate of incorporation of the Lessor corporation.

20. Lessor's Remedies on Default

1. If Lessee fails for 30 days after notice to make repairs to any part of the unit or its fixtures or equipment, as required herein, or fails to remedy any condition that has become objectionable to Lessor for any of the reasons set forth above, or if Lessee or any persons dwelling in the unit requests Lessor or its agents or employees to perform any act not herein required to be performed by Lessor, Lessor may make or cause to be made such repairs, and may remove such objectionable condition, without incurring any liability therefore. If, in the sole judgment of Lessor, the condition requires prompt action, notice of less than 15 days may be given, and if, in the sole judgment of Lessor, an emergency exists, no notice need be given. In all actions taken or caused to be taken by Lessor hereunder, Lessor and its agents, employees and contractors shall, as between Lessor and Lessee, be conclusively deemed to be acting as agents of Lessee, and all contracts entered in to by Lessor pursuant to this section shall be so construed whether or not made in the name of Lessee. If Lessee fails to perform or comply with any of the other covenants or provision of this lease within such time, not less than 15 days, as may be required by a notice from Lessor, then Lessor may, but need not, comply therewith, and for such purpose may enter the unit. Lessor shall be entitled to recover from Lessee all expenses incurred or for which it has contracted hereunder, and such expenses shall be payable by Lessee on demand as an additional assessment.

2. If default shall be made on the part of the Lessee in performance of or compliance with any of the terms of this agreement except as hereinabove otherwise provided for default in the payment of any rent, and the same shall continue for five (5) days after written notice to Lessee thereof shall have been given, then in such event, the Lessor may, at any time after the expiration of five (5) days, give three (3) days written notice to Lessee of its intention to terminate this lease (during which three (3) days Lessee may remedy said default, or in a manner satisfactory to the Lessor, guarantee the remedying thereof, and avoid forfeiture of this lease), AND in case Lessee shall fail to remedy this default, or give satisfactory guarantee, then the Lessor may declare this lease terminated and may re-enter upon the leased premises, with or without judicial process, and take possession thereof, and thereupon this lease shall become null and void, and the Lessor shall repossess the said premises as in its former estate.

21. Right of Lessee to Sell Stock if Lease is Terminated

In the event the Lessor shall declare this lease terminated by virtue of the lawful exercise of any of its rights or if this lease be declared by any court of competent jurisdiction to be terminated, then in either event the Lessee shall have ten (10) days, or such longer period as the Board of Directors may authorize, in which to sell the stock of said Lessee, together with this lease, to any party or parties authorized by the Charter of the Lessor corporation, but the Lessor shall have a prior lien on said stock and this lease for all payments, and for all damage and/or claims, due the Lessor up to the time said days shall be completed. In the event the Lessee shall fail to sell said stock and this lease within said date, or such longer period as the Board of Directors may authorize, then the Lessee shall have no further right, title or interest of any kind or nature whatsoever in or to the said stock, this lease, or the leased

premises, and thereupon the Lessor shall have the right to demand and to obtain the immediate surrender and delivery to it of the said stock, lease and the leased premises, and the Lessee does hereby irrevocably appoint the Lessor corporation, by and through its Secretary, as attorney for the Lessee, to transfer title to the Lessor of said stock and this lease.

22. Pledge of Lease

1. A pledge of this Lease shall not constitute a violation hereof. However, neither the pledgee nor any transferee of the pledged security shall be entitled (1) to exercise the membership vote to which Lessee is entitled, (2) to occupy the unit or permit its occupancy by others, or (3) to assign this lease, without first obtaining the consent of the Lessor in accordance with and after complying with all the provisions of Sections 9 C and 9 H as the case may be. The acceptance by Lessor of payments by the pledge or any transferee of the pledged security on account of rent, assessments, or additional assessments shall not constitute a waiver of the aforesaid provisions. The provisions of this subsection shall be subject to subsection (2), below.

2. Lessee may pledge and assign this lease as security for a loan made to Lessee by a bank, trust company, insurance company, or other recognized institutional lender (sometimes hereinafter called lender) for no more than 50% of the current assessed valuation of Lessee's apartment, as provided under Paragraph 9G herein. In the event of any default by Lessee hereunder, Lessor will give written notice thereof to lender, if written notice of the name and address of lender has been given by registered or certified mail to Lessor prior to the date of any such default.

23. Dissolution of Lessor Corporation

At any time, upon written consent of the stockholders of the Lessor corporation owning eighty percent (80%) or more of the authorized stock, the said corporation may be dissolved and the property sold, and in such event this lease and all other leases shall terminate in accordance with the consent agreement.

24. 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. Lessee's rights may be terminated by Lessor's Board of Directors if the Lessee is in arrears on the payment of any obligation(s) to Lessor by more than ninety (90) days.

25. Release of Lessee

Whenever the owner of any proprietary lease shall, under the provisions thereof, be permitted to assign the same and shall so assign it, and the assignee shall deliver to the Lessor an instrument in writing assuming all of the unfulfilled obligation of the assignor thereunder, and said lease shall in all respects be in good standing, such assignor shall have no further liability on any of the covenants thereof to be

thereafter performed. Upon any assignment of proprietary lease being made, as herein provided and permitted, the same shall be surrendered and new lease for the remainder of the term hereof, in the same form, shall in such cases be entered into between the Lessor and such assignee.

26. Singular and Plural

It is agreed that the terms "Lessor" and "Lessee" as herein contained shall include the singular and/or plural, masculine, feminine, heirs, successor, executors, administrators, personal representatives and/or assigns wherever the context so requires or permits.

27. 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, that all covenants, provisions, conditions and agreements in this lease shall be construed as running with the land.

In Witness Whereof, the Lessor has caused these presents to be executed by its President, or Vice President, thereunto lawfully authorized and its corporate seal to be affixed, duly attested by its Secretary [], and the Lessee has hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered
in the presence of

(As to Lessor)

HIGHLAND TOWERS INCORPORATED

By: _____
President

Attest: _____
Secretary

_____(SEAL)

(As to Lessee)

Lessee

STATE OF Florida
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this _____ day of _____, 2017
by [], as President of Highland Towers Incorporated
he/she is personally known to me or has produced _____ as identification.

[], President

Printed Name: _____
Notary Public
My Commission Expires: _____

STATE OF Florida
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this _____ day of _____, 2017
by [], as Treasurer/Asst. Secretary of Highland Towers Incorporated
he/she is personally known to me or has produced _____ as identification.

[], Treasurer/Asst. Secretary

Printed Name: _____
Notary Public
My Commission Expires: _____

STATE OF Florida
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this _____ day of _____, 2017
by _____, hereinafter called the Lessee
he/she is personally known to me or has produced _____ as identification.

Print Name: _____, Lessee

Printed Name: _____
Notary Public
My Commission Expires: _____