

Community Facilities Lease
King's Gate Association, Inc.

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Description Of Community Facilities Property

COMMUNITY FACILITIES LEASE

THIS LEASE, made and entered into this 24th day of August 1972, by and between KING'S GATE CAMPER'S HOLIDAY, INC., a Florida corporation, hereinafter referred to as "Lessor", and KING'S GATE ASSOCIATION, INC., a non-profit Florida corporation, hereinafter referred to as "Lessee".

WITNESSETH:

That 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 Lessee in accordance with the provisions of this Lease, Lessor has leased, rented, let and demised any by these presents does lease, rent, let and demise unto said Lessee, its successors and assigns, the following described property situate, lying and being in Sarasota County, Florida, to-wit:

Community Facilities Property Description
Schedule 1
Attached Hereto and Made a Part Hereof

TO HAVE AND TO HOLD the above described premises, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise incident or appertaining, together with the rents, issues and profits thereof (save and except the rents and other amounts due the Lessor by Lessee herein), unto said Lessee, subject to all the terms and conditions hereof including without limiting the foregoing, the provisions of Article 25 reflecting this is a non-exclusive lease, for the term of ninety-nine (99) years and two (2) months beginning on the first day of November, 1972, and ending on the 31st day of December, 2072, unless terminated prior to said date in accordance with the terms and conditions hereof. (Unless the context otherwise requires, references herein to KING'S GATE, a Condominium, are to KING'S GATE, a Condominium, Section No.1.)

ARTICLE 1.
POSSESSION

Possession shall be delivered to the Lessee on the 1st day of November, 1972, and Lessee shall be entitled to peaceful possession of the same as long as Lessee is not in default under the terms of this Lease. At the expiration of said term, possession of said property shall be redelivered by Lessee to Lessor.

EXHIBIT B

ARTICLE 2.

TITLE

Lessor covenants that it is the owner of the fee simple title to the demised real property and that said real property is free and clear of all liens and encumbrances except for the following:

- A. Real estate taxes, and all other levies, assessments and taxes against the above described real property, if any, for the year 1972
- B. Restrictions and easements of record, if any.
- C. Applicable zoning ordinances

D. A certain mortgage dated June 2, 1972, given by Lessor to PALMER FIRST NATIONAL BANK AND TRUST COMPANY of Sarasota, Florida recorded in Official Record Book 966, Pages 171-176, Public Records of Sarasota County, Florida, which said mortgage the Lessor expressly agrees to pay and keep free from default so long as Lessee is in good standing hereunder.

ARTICLE 3.

RENTAL

The Lessee covenants and agrees to pay to Lessor as the minimum rent due hereunder the following sums payable in current legal tender of the United State of America, to-wit:

A. For the months of November and December, 1972, the sum of \$3.00 per month per Condominium Unit and for each full calendar year beginning January 1, 1973, and continuing each year thereafter through the calendar year 2072, the sum of \$36.00 per annum (plus any applicable rental sales taxes) per Condominium Unit in KING'S GATE, a Condominium, adjacent to the leased property herein. Payments are to be made annually in advance and shall be due and payable on the first day of January of each and *every* year. Lessee shall be liable for said rental on a per unit basis (total number of units in the Condominium) until all the Condominium Units in KING'S GATE have been first sold and conveyed by Developers at which time said basic annual rental will become fixed at that figure. For example, if there are a total of 100 Condominium Units in KING'S GATE for which Warranty Deeds have been issued by Developers and the project has been completed, the annual rental shall be \$3,600.00 for each year thereafter, continuing through the term of this Lease. Lessee's liability for annual rental payments shall commence and the first payment shall be due at the time of delivery of each Warranty Deed from KING'S GATE CAMPER'S HOLIDAY, INC., Developers of Condominium Units in KING'S GATE, as grantor, to a purchaser of one of the Condominium Units, as grantee. (For example, as each Deed is delivered, the annual rental shall be increased by \$36.00.) The first payment for each Unit conveyed shall be prorated to the first day of January of the following year, and thereafter payment to be due and payable in advance on or before the first day of January of each year and every year thereafter for the balance of the term of this Lease, regardless of occupancy, subsequent sales or other transfers.

B. In addition to the minimum rental specified above, Lessee agrees to pay to Lessor as additional rent hereunder, in equal annual installments which are to be added to the installments of minimum rent paid during each year, the additional sum, if any, determined in accordance with the provisions of Article 27 hereunder.

C. The rent due hereunder, meaning the minimum rental plus any increase thereof as may be required pursuant to Article 27 hereunder, shall be and constitute a net rental to Lessor and be in addition to the payment of real estate taxes, assessments, insurance premiums, maintenance expense or other expense to which Lessee may be put and has agreed to pay in accordance with the terms, provisions and conditions of this Lease, and no deductions for the foregoing shall be made from the said installments of rent.

ARTICLE 4.
INSURANCE

Lessee shall, during the entire term hereof, cause to be kept in full force and effect a policy of public liability insurance and/or owner's, landlord's and tenant's liability policies covering the leased premises and in which both Lessor and Lessee shall be named as parties covered thereby and in which the limits of liability shall be not less than \$300,000.00 for one person and \$500,000.00 for more than one person in any single accident.

Lessee agrees to cause to be placed and maintained fire, windstorm, casualty and comprehensive insurance covering the leased premises in amounts to assure replacement of the buildings and other improvements on the leased premises. All policies issued and renewals thereof shall be payable in event of loss to the Insurance Trustee, as designated by the Board of Directors of KING'S GATE ASSOCIATION, INC. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the benefit of Lessor, Lessee and mortgagees, if any, as their interests may appear. In event of destruction of any building, improvements or appurtenances by fire, windstorm or other casualty for which insurance money shall be payable, such insurance money shall be available to Lessee for the reconstruction or repair and shall be paid by the Insurance Trustee from time to time as may be required for such purposes. Construction of such rebuilding and/or repairs shall be of the same general character and equal value as the buildings and improvements upon the demised property prior to such damage or destruction.

The policy or policies of insurance maintained pursuant to this Article 4 shall be in companies approved by Lessor and shall be paid for by Lessee, who shall hold the original policy or policies or deliver same to the designated Insurance Trustee and deliver to Lessor a certificate of insurance or other acceptable evidence that such insurance is in force and that premiums have been paid. Lessee may insure the leasehold improvements along with the Condominium improvements in KING'S GATE, a Condominium, in, one policy.

ARTICLE 5.
MAINTENANCE AND REPAIR OF PROPERTY

Lessee agrees and covenants that it will, at its own expense, keep and maintain all buildings, swimming pools, tennis courts, shuffleboard courts, grounds, parking areas, driveways, utilities and other fixtures and improvements which may at any time be situated during the term of this Lease on the demised premises, and all appurtenances thereunto belonging, including both the interior and exterior of any buildings, in good and substantial repair and in a clean and sanitary condition and agrees that lessor has no obligation whatsoever to maintain the leased premises or any of the improvements thereon. Lessee agrees to permit no waste, damage or injury to said premises.

It is contemplated between Lessor and Lessee that Lessee shall, subject to the provisions of Article 25 hereof, have full and complete and exclusive control and possession of the leased premises and, therefore, Lessee shall, except to the extent hereinafter expressly provided, be exclusively responsible and liable to any third parties by reason of any damage or personal injury of any kind sustained by them upon the premises or occasioned by any acts of Lessee or by any breach or default of the Lessee.

ARTICLE 6.

DAMAGE OR DESTRUCTION OF BUILDINGS

The parties agree and covenant that damage to or destruction of any building or any portions thereof on the demised premises at any time by fire, hurricane or act of God shall not work a termination of this Lease or authorize Lessee or those claim; by, through or under it, to quit or surrender possession of said premises or any part thereof, and shall not release lessee in any way from its liability to pay to Lessor the rent provided for herein, or from any of the agreements, covenants and conditions of this Indenture. In the event of loss, destruction or damage to any building or buildings now located or hereafter erected upon the demised premises, Lessee agrees and covenants to rebuild or restore a like building or buildings and improvements of equal value and quality to the ones destroyed, injured or damaged as often as such destruction or damage may occur.

ARTICLE 7.
TAXES

As this is a net Lease, Lessee covenants and agrees with Lessor that Lessee will cause to have promptly paid, in addition to the rents provided to be paid under this Lease, and as a further part of the consideration to be furnished by Lessee, all taxes of every kind or character levied or assessed at any or all times during the term hereby demised, by any and all taxing authorities, including all taxes, charges, assessments, impositions, liens for public improvements and in general, all taxes, tax liens in the nature of taxes which may be assessed against the demised premises and against any building, fixtures and improvements thereon, or which may hereafter be placed thereon, including all taxes which are or may be assessed by any government authority, including but not limited to the city, state, county, national, special drainage, school or other taxing districts or otherwise, and specifically including any tax which may be levied against the use of the land by any such taxing authorities together with any interest, penalties or other charges which may accrue thereon; provided, however, that in the event that any of the said taxes or assessments are payable according to the terms of their imposition in installments, then Lessee shall have the right to pay the same as such installments fall due.

Nothing in this Article contained shall obligate Lessee to pay any income, inheritance, estate or succession tax, or any tax in the nature of any such described taxes, or any other tax which may be levied or assessed against Lessor with respect to the rent derived from this Lease or Lessor's ownership of the demised premises.

The parties understand and agree that Lessee shall pay the taxes and other charges as enumerated in this numbered paragraph and shall deliver official receipts evidencing such payment to Lessor at the same place as has been designated by Lessor as the place at which rental payments are required to be made, which payment of taxes shall be made and said receipts delivered at least 45 days before the said taxes would become delinquent in accordance with the law then in force governing the payment of such tax or taxes. If, however, Lessee desires to contest the validity of any tax or tax claims, Lessee may do so without being in default hereunder as to its obligation pay taxes; provided, Lessee gives Lessor written notice of its intention to do so and furnishes Lessor with a cash bond in one and one-half times the amount of the tax item or items to be contested, conditioned to pay the tax item or items when the validity thereof finally has been determined, which said written notice and bond shall be given by Lessee to Lessor not later than a date which is 45 days before the tax item or items proposed to be contested would otherwise become delinquent. The failure

The failure of Lessee to pay taxes or other charges as enumerated in this numbered paragraph and furnish the receipts thereof, or to furnish the written notice and bond herein referred to not later than 45 days before the said tax or taxes or any item of them would become delinquent, shall constitute Lessee in default under this Lease at Lessor's option, as hereinafter set forth.

ARTICLE 8.

UTILITY CHARGES

Lessee agrees and covenants to pay all charges for utilities supplied to the demised premises, whether they are supplied by a public or private firm, and to pay them monthly as they become due. It is contemplated that this will include all charges for water, gas, electricity, telephone, sewer, cable TV if any, and any other type of utility or any other type of service charge.

ARTICLE 9.

COMPLIANCE WITH REGULATIONS OF PUBLIC BODIES

Lessee covenants and agrees that it will, at its own expense, make such improvements on the demised premises and perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the same, in order to comply with sanitary requirements, fire, hazard requirements, zoning requirements, setback requirements, and other similar requirements designated to protect the public.

ARTICLE 10.

LAWFUL USE OF PREMISES

Lessee covenants and agrees that during the term hereof it will conform to and observe all ordinances, rules, laws and regulations of the County of Sarasota, State of Florida, and the United States of America, and all public authorities and board of officers relating to said premises, or improvements upon the same, or use thereof, and will not during such time permit the same to be used for any illegal or immoral purpose, business, or occupation; provided, that a violation of this Section shall operate as a breach of this Lease only in the event that the property herein described shall be closed by the proper legal authorities for any illegal or immoral purpose, business or occupation, and Lessee has failed to abate such condition or has failed to take reasonable steps to obtain such abatement within 30 days after such closing, In the event of such failure on the part of Lessee, and the exercise of Lessor's option to treat the same as a breach of this Lease, such breach and the right to terminate shall exist only after the expiration of 30 days' written notice and demand for the abatement of such condition.

ARTICLE 11.

INSPECTION OF PREMISES

Lessee agrees and covenants that Lessor or their agents, at all reasonable times and during all reasonable hours, shall have free access to said demised premises and to any building or structures that may at any time be thereon, or any part thereof, for the purpose of examining or inspecting the condition of the same, or of exercising any right or power reserved to Lessor under the terms and provisions of this Lease.

ARTICLE 12.
LIENS CREATED BY LESSEE

Lessee covenants and agrees that it has no power to incur any indebtedness giving a right to a lien of any kind or character upon the right, title and interest of Lessor in and to the land covered by this Lease, and that no person shall ever be entitled to any lien, directly or indirectly derived through or under it, or its agents or servants, or on account of any act or omission of Lessee, which lien shall be superior to the interest in this Lease reserved to Lessor upon the leased premises. All persons contracting with Lessee for furnishing materials or labor to Lessee, or its agents or servants, as well as all persons whomsoever, shall be bound by this provision of this Lease. Should any such lien be filed, Lessee shall discharge the same by paying it or by filing a bond, or otherwise as permitted by law.

ARTICLE 13.
INDEMNIFICATION AGAINST CLAIMS

Lessee shall indemnify and save harmless 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 any buildings and improvements thereon or the appurtenances thereof, or upon the adjacent sidewalks, approaches or streets, and from and against all costs, counsel fees, expenses and liabilities incurred in and about any such claims, investigations thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgements or decrees which may be entered in respect thereto.

ARTICLE 14.
INDEMNIFICATION AGAINST COSTS AND CHARGES

In the event Lessor is compelled to incur any expense in collecting any sum of money due under this Lease, for rent or otherwise, or in the event suit shall be brought by Lessor for the purpose of evicting or ejecting Lessee from the leased premises, or if suit be brought by Lessor for the purpose of compelling the payment of any other sums which should be paid by Lessee under the terms hereof, or for the purpose of enforcing performance by Lessee of any of the several agreements, conditions and covenants contained herein, Lessee covenants and agrees to pay to Lessor all expenses and costs of litigation, including a reasonable attorneys' fee for Lessor's attorney, provided such suit terminates in favor of Lessor.

Any sums due under the terms and provisions of this paragraph may be properly taxed by a court of competent jurisdiction against Lessee.

Any sums due under the terms and provisions of this paragraph shall constitute a lien against the interest of Lessee in the premises and its property thereon, to the same extent and on the same **conditions** as delinquent rent would constitute a lien upon said premises and property.

ARTICLE 15.
ACCEPTANCE OF PREMISES

It is further covenanted and agreed that Lessee in acquiring this Lease has done so as the result of a personal inspection of the premises by its duly authorized representatives, and that no oral representations of any kind or nature whatsoever have been made by Lessor, and that only the terms of this Lease are to be binding upon Lessor and Lessee.

ARTICLE 16.

WAIVER

It is covenanted and agreed that no waiver of a breach of any of the covenants of this Lease shall be considered to be a waiver of succeeding breach of the same covenant.

ARTICLE 17.

TRANSFER OF LESSOR'S INTEREST

Lessor shall have the right to sell, mortgage, assign to others, or otherwise dispose of its interest in this Lease and its right to receive money and other things of value accruing to it by reason of this Lease. Provided, however, commencing after January 1, 1978, in the event Lessor decides to sell or assign its interest in this Lease to someone other than their immediate family, Lessor shall give to Lessee the first right of refusal to purchase its interest in this Lease, on the same terms and conditions as are offered by a bona fide purchaser and shall be allowed a period of 30 days from date of notification by Lessor to Lessee within which to enter into a binding contract accordingly.

ARTICLE 18.

INTEREST

All sums of money required to be paid by Lessee to Lessor shall bear interest from the due date or maturity thereof at the rate of eight (8) percent per annum until paid, which interest shall be due and payable to Lessor upon its written demand.

ARTICLE 19.

BANKRUPTCY

Neither this Lease nor any interest therein, nor any estate thereby created shall pass to any trustee or receiver or assignee for the benefit of creditors, or otherwise, by operation of law.

ARTICLE 20.

DEFAULT

It is covenanted and agreed by and between the parties hereto that in the event at any time of a default under the terms of this Lease on the part of Lessee for the periods hereinafter set forth, then and in that event it shall and may be lawful for Lessor, at its election, to declare said demised term ended and re-enter into said premises and any building or buildings and improvements and personal property of Lessee situated thereon, or any part thereof, either with or without process of law, Lessee hereby waiving any demand for possession of the said demised premises and any and all building or buildings, improvements and personal property of Lessee situated thereon and Lessor shall not be liable for damages by reason of such re-entry or inspection; but notwithstanding such re-entry by Lessor, the liability of Lessee for the rent provided for herein shall not be relinquished or extinguished for the balance of the term of this Lease. All revenues derived or accruing from the leased premises subsequent to the date of the termination of said Lease shall constitute the property of Lessor, and the same is hereby declared, to be a trust fund and shall not constitute any asset of Lessee or any trustee or receiver appointed for Lessee's property.

A. A default on the part of Lessee in making any. payment of rental due under this Lease, if such default has continued for 30 days after notice thereof in writing has been furnished Lessee by Lessor.

B. Any default on the part of Lessee in failing to pay any taxes or assessments herein provided to be paid by Lessee, within 30 days prior to the time when same would become delinquent, if such default has continued for 10 days after notice thereof in writing has been furnished to Lessee by Lessor.

C. In case Lessee fails to keep insurance on any building or buildings and improvements which may now or hereafter be upon the same demised premises as herein provided for, or fails to pay the premium for the same, or fails to expend t insurance money as herein provided for, or fails to rebuild as herein provided for, or if it shall fail to keep the premises in good order or repair in the manner here provided for, or if it shall fail to perform or become in default in any of the ot~ covenants of this Lease by it to be kept and performed, and any such failures or defaults shall be continued for 20 days after notice thereof in writing by Lessor to Lessee, specifying the default complained of.

During any of the above periods, if Lessee cures the default, Lessee shall be deemed restored in good standing.

The Lessee further covenants and agrees that upon the termination of the said demised term, at such election of Lessor or in any other way, Lessee will immediately surrender and deliver up said premises and the improvements and any buildings situated thereon (without compensation to Lessee for improvements or buildings) peaceably to Lessor, its agents or attorneys.

, The provisions of this Article 20 shall not be construed to divest the Les~ in the event of any default of any legal rights and remedies which it may have by statutory or common law, enforceable by law or in equity, it being intended that the provisions of this paragraph shall afford to Lessor a cumulative remedy, in addition to such other remedy or remedies as the law affords Lessor when the terms of a lease have been broken by the Lessee.

ARTICLE 21-
NOTICES

All notices required by law and this Lease to be given by one party to the other shall be in writing and the same may be served as follows: Lessor shall give notice of an~ default by Lessee to any institutional mortgagee of the Condominium Units in KING'S GATE, a Condominium, simultaneously with the giving of notice to said Lessee.

A. Upon Lessor by personal delivery or by certified mail addressed to Lessor at the place where the rental under this Lease is then being paid, or at such other address as Lessor may, by notice in writing, designate to Lessee.

8. Upon Lessee by personal deli very to Lessee's agent in charge of the leased premises, or by certified mail addressed to Lessee at the office of KING'S GATE ASSOCIATION, INC., Laurel, Florida, or at such other address as Lessee may by notice in writing designate to lessor.

ARTICLE 22.
ASSIGNING OR SUBLEASING OF LESSEE'S INTEREST

Lessee shall not assign or sublet this Lease at any time. No assignment or sublease of this Lease shall operate to relieve Lessee from liability for the payment or performance of the terms and conditions of this Lease, it being understood that Lessee shall remain liable hereunder, unless released from liability by written instrument duly executed by Lessor. No assignment or sublease shall effect any change or modification in the provisions respecting Lessor's rights and remedies under this Lease, and a default or termination of this Lease shall automatically effect a default and termination of all subleases, assignments or use rights so transferred.

ARTICLE 23.
CONDEMNATION PROVISION

A. If at any time during the continuance of this Lease, the legal title to the demised real estate or the improvements or any building located thereon, or any portions thereof, be taken or appropriated or condemned by reason of eminent domain, 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; provided, however, that in the event of a partial condemnation of the demised premises, such as does not interfere with the full use thereof ~ for example, in case of condemnation of a few feet for sidewalk purposes or for street purposes, there shall be no abatement of rent. If Lessor and Lessee are unable to agree upon what division, annual abatement of rent, or other adjustments are just and equitable within 30 days after such award has been made, then the matters in dispute shall by appropriate proceedings be submitted to a court having jurisdiction of the subject matter of such controversy in Sarasota County, Florida, for its decision and determination of the matters in dispute. If the legal title to the entire premises be wholly taken by condemnation, the Lease shall be cancelled.

B. Although the title to any building and improvements located upon the demised premises is held by Lessor nevertheless, for the purposes of condemnation, the deprivation of Lessee of the use of such buildings and improvements shall be an item of damage in determining the portion of the condemnation award to which Lessee is entitled. In general, it is the intent of this paragraph that, upon condemnation, the parties herein shall share their awards to the extent that their interests respectively are depreciated, damaged or destroyed, by the exercise of the right of eminent domain".

C. Notwithstanding the above and foregoing provisions, in the event of condemnation or taking of the whole of the demised premises within the first ten (10) years of this Lease, the amount of the condemnation award due to Lessor shall, between Lessor and Lessee, in no event be less than the amount of the entire condemnation award (including the amount awarded to Lessor and Lessee), or, the sum of \$150,000.00, whichever is the lesser. In the event that the condemnation award is in excess of \$150,000.00, then and in said event, the sums awarded (whether to Lessor or Lessee) in excess of \$150,000.00 shall belong to Lessee, provided any institutional first mortgages are paid in full.

ARTICLE 24.
DEMOLITION

Although it is Lessee's duty under the terms hereof to keep and maintain any building and improvements on the demised premises in good repair, this shall not be construed as empowering Lessee to tear down and destroy any building or buildings hereafter on the demised premises, or any substantial part thereof, or to cause any items of major repair and reconstruction to be made unless and until Lessee:

A. Causes plans and specifications for the new building or the new construction to be prepared by a duly licensed architect and submitted to Lessor for its approval, together with the written contract between Contractor and Lessee, all in the same manner as reconstruction or repair would have been accomplished in accordance with Articles 4 and 7 hereof.

B. Furnish Lessor with a performance and payment bond with corporate surety satisfactory to Lessor, in an amount equal to the cost of any demolition work to be performed upon the demised premises, plus the cost of any improvements to be constructed upon said premises, conditioned to complete the said demolition work and improvements, free and clear of all liens and/or claims for labor and materials, and conditioned further to fully indemnify and save harmless Lessor from all costs, damages and liabilities of every nature and character which may be suffered by Lessor by reason of failure of Lessee to complete and fully pay for said demolition work and said improvements.

C. The work of reconstruction, repair or replacement must have a value equal to the value of the building or buildings or the portion thereof then being demolished and replaced or repaired.

D. For the purpose of this Section of the Lease, no work will be deemed demolition or major repairs so as to bring it within the terms of this Section of the Lease, unless it constitutes either the actual destruction of any building or a substantial part thereof, or unless it constitutes a remodeling which in substance requires the tearing down of a substantial part of any building. In general, this Section of the Lease is intended to apply wherever the work which Lessee purposes to do is of such a nature that the doing of the work necessitates a substantial improvement of any then existing building.

ARTICLE 25.
USE

Lessee covenants that it is leasing hereunder an interest in premises already or in the process of being improved for recreational, community facilities, driving and parking areas. The demised premises and improvements now or hereafter situate thereon shall be used by Lessee and its membership, comprised of the persons who are the owners of units of KING'S GATE, a Condominium, Section No.1, being established upon certain property adjacent to the demised premises and to the quest~, invitees and lessees of members of Lessee, all as may be prescribed in Rules and Regulations established by Lessee and which may be contained in the Declaration of Condominium establishing said KING'S GATE, A Condominium, Section No.1, Lessee acknowledges that this is a non-exclusive- lease and **that-when** additional sections are developed North of Shakett Creek as a separate condominium or condominiums, . Lessor will enter into a similar lease with the Associations of said Condominiums or if Lessee Association operates and manages said condominium or condominiums as is presently contemplated, such additional unit owners will be entitled to use of the demised premises in the same manner and upon the same terms and conditions as the unit owners of KING' GATE, a Condominium~ Section No.1.

ARTICLE 26.
RIGHTS OF THIRD PARTIES

In the event any person becomes the owner of the leasehold interest of the Lessee, or any portion thereof, through the foreclosure or other enforcement of a mortgage or lien upon the interest of the Lessee hereunder, such owner shall take the lease subject to exactly the same conditions as now prevail herein, including the condition that any and all owners or holders of the Lessee's interest, or any portion thereof, shall be obligated to perform, comply with and abide by each and every term, condition, stipulation and agreement herein contained by Lessee herein to be kept and performed.

ARTICLE 27.
ADDITIONAL RENT BASED UPON COST OF LIVING INDEX

On the first day of January, 1983, and on the first day of January following the end of each tenth calendar year thereafter, during the term of this Lease, the minimum rents required hereunder shall be adjusted provided that the same would result in an increase of the minimum rent, so that the minimum rent paid hereunder from time to time shall have the equivalent purchasing power that the minimum rent hereunder has on the beginning date of the term of this Lease. For purposes of calculating additional rent due hereunder, if any, reference is made to the Index Number of Retail Commodity Prices designated "Consumer Prices Index-All Items" (1956-59=100) prepared by the Bureau of Labor Statistics of the U.S. Department of Labor or the United States Department of Commerce, in which such Index numbers are published, hereinafter referred to as the "Index." Said Index numbers, as published, shall be admissible in evidence in any legal or judicial proceedings involving this Lease without further proof of authenticity, and in the event that the U.S. Department of Labor or Department of Commerce cease to prepare and publish such Index, the adjustment of rent thereafter shall be according to the most comparable commodity Index as determined by agreement of Lessor and Lessee, and in absence of such agreement then by arbitration in accordance with rules of the American Arbitration Association. In the event of any delay in establishing the additional rental, Lessee shall continue to pay the rental as established by the last price adjustment until such time as the new adjustment is determined, if any, at which time an accounting will be made retroactive to the beginning of the adjustment period in question.

The additional rent per annum shall be computed by multiplying the minimum rental specified herein by a fraction of the numerator of which shall be the Index Figure indicated for the month of December immediately preceding the end of the 10 year term and the denominator of which shall be the Basic Standard Index Figure of such Price Index for the month of December, 1972. The product of such multiplication shall be the amount of the annual rental payments to be made hereunder for the succeeding 10 year period until the next computation provided for hereunder shall be made.

Notwithstanding the foregoing provisions, it is specifically agreed that the minimum rent specified hereunder per annum, for full calendar lease years, shall never be reduced by reason of any adjustment made as specified in this Article 27, and adjustments in minimum rent due hereunder shall only be made if the same constitute an increase. However, if the determination made at the end of one period requires an increase in minimum rent, and the same determination made at the end of another period would require a decrease, the decrease in said additional rent would be applicable so long as the minimum rent is never reduced to a sum which is less than the minimum rent per annum specified herein for any full calendar year during the term hereof.

ARTICLE 28.
UNIT DEFINED

The term "Unit" as used herein shall mean "Unit" as defined in the Condominium Act, the same being Chapter 711, Florida Statutes, 1965, or as defined in the Declaration of Condominium of KING'S GATE, a Condominium.

ARTICLE 29.
RENTS, .ETC~ TO BE INCLUDED IN'ASSESSMENTS BY LESSEE

Lessee, in the administration and operation of KING'S GATE, a Condominium, herein agrees with Lessor during the term of this Lease to include in the budget of KING'S GATE, a Condominium, each year, an allocation to cover rent due hereunder and cost of insurance, taxes and other expenses which Lessee has obligated itself to pay under this Lease and such monies shall therefore be included in the annual assessment levied by Lessee against the owner or,owners of Units in the Condominium.

ARTICLE 30.
SECURITY

For the purpose of securing into the Lessor the payment of rent, taxes and insurance premiums, and 'for the purpose of securing the performance of each of the covenants of the Lessee herein made for the use and benefit of the Lessor (and not another lessee of the demised premises), the Lessee does hereby grant unto the Lessor the liens described in this Section 30. The liens so described shall be cumulative and the Lessor may exercise one or some without waiving the others or may exercise all simultaneously.

A. Lessee's Interest. The Lessee does hereby give and grant unto the Lessor a continuing first lien paramount and superior to all others upon any right, title and interest of the Lessee in and to this lease and the demised premises.

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

C. Condominium Property. The Lessee hereby does give and grant unto the Lessor a continuing lien in the nature of a mortgage upon all of the condominium property described in the Declaration of Condominium of The Condominium, its appurtenances, improvements, buildings now or hereafter placed thereon, all furniture, fixtures, furnishings, machinery and equipment now or hereafter placed, kept or used in and about the common elements, all condominium units and condominium parcels of the condominium, and all fixtures and equipment now or hereafter contained or placed upon any condominium parcel or unit, which lien shall be prior and superior to all other liens and encumbrances except institutional first mortgages against single condominium parcels or units. Each person, firm and corporation, upon acquiring any fee simple or other interest in a condominium parcel, upon and by reason of the event of "acquisition, shall have reimposed, ab initio and anew, the lien rights against such condominium parcel and The Condominium property herein granted the Lessor. This lien shall secure the payment of all monies due the Lessor hereunder and may be foreclosed in a court of equity in the manner provided for the foreclosure of mortgages. In any such action or other action to enforce the provisions of this lien, including appeals, the Lessor shall be entitled to recover reasonable attorneys' fees incurred by it, abstract bills and court costs.

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

E. Automatic Consent and Ratification of this Lease by Unit Owners and Others. Each and every person, whether real or corporate, who shall take any interest whatsoever in or to The Condominium described herein, any of the Condominium's properties, or in or to any condominium parcels or units in The Condominium after the recording of this lease, by acceptance, delivery or the recording of the deed, contract, grant, assignment or other instrument granting, conveying, or providing for such interest, or by the mere first exercise of the rights or uses granted herein, shall be deemed to consent to and ratify without further act being required, the provisions of this lease and especially the provisions of this entire paragraph to the same effect and extent as if such person or persons had executed this lease with the formalities required in deeds, for the purpose of subordinating and/or subjecting such person or persons' interests, in full, to the terms of this lease and granting, creating, constituting, affirming and imposing, ab initio and anew, the lien rights to Lessor provided for in this Section 30.

ARTICLE 31.

GENDER

It is understood and agreed by and between the parties that the use herein of the plural shall include the singular, and 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 heirs, legal representatives, successors and assigns.

ARTICLE 32.

COVENANTS TO BIND SUCCESSORS AND ASSIGNS

The covenants and agreements contained in this Lease shall be binding upon and shall inure to the benefit of the Lessor, its successors and assigns, and the Lessee and its successors and assigns, and all persons claiming by, through or under Lessor and Lessee, and the same shall be construed as covenants running with the land during the term of this Lease.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed by their proper officers and their seals to be affixed the date first above written.

KING'S GATE CAMPER'S HOLIDAY, INC.

In the presence of:

Loretta K. Irons

By Lynn A Morey Jr.
Its President

Michael J. Furen
As to "Lessor"

Attest Marquerite F Morey
Secretary

"Lessor"

KING'S GATE ASSOCIATION,
INC.

Loretta K. Irons

By: Lynn A Morey Jr.
Its President

Michael J. Furen
As to "Lessee"

Attest: Marquerite F. Morey
Secretary

STATE OF FLORIDA)

COUNTY OF SARASOTA ?

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized and acting, LYNN A. MOREY, JR. and MARGUERITE F. MOREY, President and Secretary respectively of KINGIS GATE CAMPERIS HOLIDAY, INC., a Florida corporation, to me known to be the persons who signed the foregoing Leas~ as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the. act and deed of said corporation.

Witness my hand and seal in the County and State aforesaid, this 24th day of August, 1972.

Loretta K. Irons
Notary Public

My Commission Expires:
Notary Public ,State of Florida at Large
My Commission Expires Aug. 9, 1974
Bonded by American Fire and Casualty Co.

STATE OF FLORIDA)

ss

COUNTY OF SARASOTA . ~

I. HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized and acting, LYNN A. MOREY, JR. and MARGUERITE F. MOREY, President and Secretary respectively of KINGIS GATE ASSOCIATION, INC., a non-profit Florida corporation, to me known to be the persons who signed the foregoing Lease as such officers, and severally acknowledged the execution thereof to be their free act and deed as such officers, for the uses and purposes therein mentioned, and they affixed thereto the official seal of said corporation, and that the said instrument is the ac' and deed of said corporation.

Witness my hand and seal in the County and State aforesaid, this 24th day of August, 1972.

Loretta K. Irons
Notary Public

My Commission Expires:
Notary Public, State of Florida at Large
My Commission Expires Aug. 9. 1974
Bonded by American Fire & Casualty Co.

DESCRIPTION OF COMMUNITY FACILITIES

PROPERTY

From the SW corner of the NE 1/4 of Section 29, Township 38 South, Range 19 East, Sarasota County, Florida, run North 43°03'33" East 81.11 feet to the Point of Beginning; thence run North 0°12'30" West, 429+ feet to the centerline of Shakett Creek; thence meandering along the centerline of Shakett Creek in a Northeasterly direction 400+ feet; thence run South 0°08'32" West, 160 feet, thence run South 21°08' East 40.00 feet to a point on a curve having a radius of 310 feet; thence with the curve curving left run through a central angle of 6°28' an arc distance of 34.99 feet to the P.C. of a curve to the right having a radius of 25 feet; thence with the curve curving Southeasterly run through a central angle of 92°24'20" an arc distance of 40.32 feet; thence run South 26°04' East, 167.29 feet to the P.C. of a curve to the left having a radius of 120.00 feet; thence run South 0°46'19" West 238+ feet to a point on the South line of the Northeast 1/4 of Section 29; thence run North 89°13'41" West 606+ feet to the Southwest corner of the Northeast 1/4 of Section 29; thence run North -43°03'33" East 81.11 feet to the Point of Beginning. containing 5+ acres.

Subject to a nonexclusive perpetual access easement along a roadway running from King's Way, a County road, to Bainbridge, the Easterly 440.39 feet of which is 20 feet wide and the Westerly 194 feet of which varies in width from 20 feet to 100 feet as shown on the plat of the "Leased Area" of King's Gate, the centerline of said access road being described as follows:

From the SW corner of the NE 1/4 of Section 29, Township 38 South, Range 19 East, run N. 00012'30" West, 51.13 feet to the Point of Beginning, thence run North 58°57'30" East, 18.0 feet (20 foot wide) to the circumference of a 100 foot diameter circle. thence run North 58°57'30" East, 50 feet to the centerline of said 100 foot diameter circle; thence run North 35°11'30" East, 126 feet to the P.C. of a curve (20 foot wide) to the right having a radius of 246.21 feet, run through a central angle of 36° an arc distance of 154.7', thence run North 84°11'30" East, 74 feet to the P.C. of a curve to the right having a radius of 146.18 feet, run through a central angle of 11°43' an arc distance of 29.90 feet. thence run South 84°05'30" East, 125 feet to the P.C. of a curve to the left having a radius of 111.39 feet, run through a central angle of 25°18' an arc distance of 49.19 feet; thence North 70°36'30" East, 37.5 feet.

SCHEDULE 1

Icard, Merrill, Cullis, Timm & Furen, P.A. Attorneys at law Postal Drawer 4195, 2041 Main St
Sarasota, Florida 33578