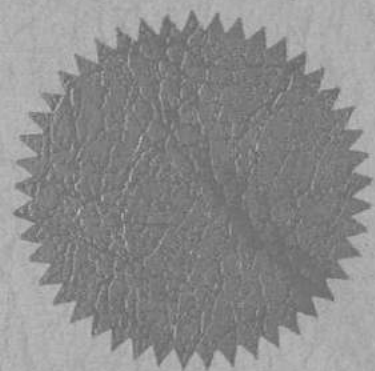


Seminole  
Gardens Apartment



I HEREBY CERTIFY that prior to the execution of the Purchase Agreement contained herein, I received from RIDGE SEMINOLE, INC., a booklet identical in all respects to this one.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

I HEREBY CERTIFY that prior to the execution of the Contract of Sale of Leasehold Interest, Membership and accompanying Stock attached hereto, I received from \_\_\_\_\_

\_\_\_\_\_ a booklet identical in all respects to this one.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

# Seminole Gardens Apartment Purchase Agreement

## I. APARTMENT DESIGNATION AND PURCHASE PRICE

The undersigned, \_\_\_\_\_ hereinafter referred to as the "SUBSCRIBER," having legal residence in the State of Florida, or having a bona fide intent to establish legal residence in the State of Florida, in consideration of the mutual promises of other Subscribers hereto, and other good and valuable considerations, herewith applies for Apartment No. \_\_\_\_\_, hereinafter referred to as the "APARTMENT," in Apartment Building No. \_\_\_\_\_, hereinafter referred to as the "APARTMENT BUILDING," which is presently located on or which may soon be constructed in SEMINOLE GARDENS, a development located upon lands owned and being developed by Ridge Seminole, Inc., the other party to this contract and hereinafter referred to as the "DEVELOPER," and said Subscriber agrees as follows:

That the purchase price of said Apartment is \$\_\_\_\_\_, of which \$\_\_\_\_\_ shall be the cash down payment, and the balance of said purchase price shall be Subscriber's proportionate share of an indebtedness secured by a construction and/or permanent mortgage loan obtained by the Developer or Builder upon said Apartment Building. The above apartment price does not include optional extras ordered, if any.

Any optional extras or alternates made in the apartment being purchased shall be by change orders, which shall be in writing and signed by the Subscriber and the Developer and shall specify with particularity the extras ordered or adjustments to be made and the increase or decrease in the contract price.

## II. RECEIPT #1

By the execution of the Sales Order and Deposit Receipt #1, we acknowledge receipt of \$\_\_\_\_\_ by check, subject to collection, or cash, from the Subscriber, which amount shall hereinafter be referred to as the "initial deposit." A copy of the Sales Order and Deposit Receipt #1 is attached hereto and made a part hereof.

## III. RECEIPT #2

By the execution of the Sales Deposit Receipt #2, we will acknowledge receipt of \$\_\_\_\_\_ by check, subject to collection, or cash, from the Subscriber, which amount shall be paid on or before the closing, as provided for in Section XI of this Agreement, and which amount shall hereinafter be referred to as the "BALANCE OF CASH DOWN PAYMENT." A copy of the Sales Deposit Receipt #2 to be executed is attached hereto and made a part hereof.

**ADVANCE PAYMENTS MADE  
PURSUANT TO THIS CONTRACT  
MAY BE USED FOR CONSTRUCTION  
PURPOSES BY THE DEVELOPER.**



#### IV. DEPOSITS

All monies deposited or advanced under this contract prior to the filing of a Notice of Commencement pursuant to Part I of Chapter 713, Florida Statutes, for the construction of the Apartment Building, shall be held in a special account by the Developer or its duly authorized agent.

After the filing of the Notice of Commencement pursuant to Part I of Chapter 713, Florida Statutes, for the construction of the Apartment Building, the Developer may withdraw any deposits or advance payments from the special account and use such sums in the actual construction and development of the Apartment Building in which the Apartment to be sold is located.

#### V. AMOUNT OF FINANCING

The maximum principal amount of the construction and/or permanent mortgage which shall encumber the said Apartment Building shall be \$\_\_\_\_\_. The mortgage is payable to the mortgagee in monthly installments. The balance of construction mortgage will be reduced at a later time, and this balance will be evidenced by a modification agreement.

In addition to the monthly payment, the mortgagee may require the monthly funding of an escrow for taxes and insurance.

Said mortgage shall bear interest at the rate of \_\_\_\_\_ percent per annum.

#### VI. SUBJECT MATTER OF PURCHASE

It is understood and agreed that Subscriber is purchasing membership in SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., a private cooperative housing corporation, which is or which may be duly organized under the laws of the State of Florida, hereinafter called the "CORPORATION." It is further understood that such membership will entitle Subscriber to occupancy and possession of the above described Apartment, subject to the terms and conditions of a Proprietary Lease which provides, in part, that said Subscriber will be required to pay his proportionate share of insurance, fee rental, mortgage amortization and interest, taxes and other expenses of maintenance and operation of said Apartment Building and of the recreational and park areas, and other areas of common use.

It is further agreed that no purchase of stock is involved in this transaction but that the capital stock of the Corporation, consisting of 100 shares having a par value of \$1.00 per share, will be distributed and held in the proportion the square footage of the apartment to be purchased bears to the square footage of all other apartments in the Apartment Building. Such capital stock will be so issued as evidence of said membership, as an incident to the aforementioned lease, and for the principal purposes of equitably dividing the cost of maintenance and operation of the cooperative apartment house owned by the Corporation, and the recreational and park areas, and to provide each Subscriber an equitably proportionate vote in the affairs of the Corporation. It is specifically understood that said stock and said Proprietary Lease are not severable, and that neither may be transferred, assigned or otherwise disposed of except in conjunction with the other and then only in accordance with the provisions of the Proprietary Lease and the By-Laws of the Corporation. Such lease shall be delivered and the capital stock incidental thereto shall be issued to the Subscriber upon the consummation of this transaction providing that the complete cash payment called for herein shall have been made and the Subscriber shall have done all things to be done by him according to this contract.

#### VII. TOTALESTIMATED UPKEEP

It is estimated that the total monthly upkeep of the Apartment applied for herein, including a pro rata proportion of the costs of maintaining the private recreational areas and park areas described below, will be \$\_\_\_\_\_ per month. It is understood and agreed, however, that this figure is an estimate and may vary from time to time as costs

of maintenance, taxes and other costs fluctuate; however, the mortgage amortization and interest will be constant.

Upon Subscriber's request, the Developer will give the Subscriber a breakdown of the various cost elements which have gone into the computation of said estimate.

#### VIII. QUALIFICATION OF THE SUBSCRIBER

An investigation of each Subscriber may be made to determine if said Subscriber's character and habits are generally desirable, and to determine the credit acceptability of said Subscriber. The Developer, in its capacity as Developer, or as Agent for the Corporation, may at any time prior to giving notice to the Subscriber of his acceptance for membership, cancel this contract if for any reason deemed sufficient by the Developer, the Developer believes that the Subscriber's character and habits are undesirable or that the Subscriber's credit is unacceptable. Cancellation must be by written notice to the Subscriber at the address provided for herein for the giving of notice, and returning to said Subscriber any and all sums paid by him, without interest. When said deposits shall have been returned to the Subscriber, all rights of the Subscriber hereunder shall cease and terminate without further liability on the part of any of the parties hereto. It is further understood by all parties concerned that there shall be no liability upon the Developer, the Corporation, or any other party hereto, or any of their agents, either for approving or disapproving of a Subscriber or as to the making of any of the investigations contemplated herein.

#### IX. RECREATIONAL AND PARK AREAS

The Corporation shall be granted a non-exclusive easement and license running to the benefit of its member-stockholders to use the private recreational facilities so long as the Corporation shall continue to pay a proportionate share of the expenses of maintenance, upkeep, administration and management of said facilities in accordance with the agreement under which the Corporation shall acquire interests in the Apartment Building.

The Developer shall retain and have the exclusive right to create additional non-exclusive easement and licenses to occupants and owners of lands within the subdivision, to-wit: as it shall see fit so to do, providing only that any additional license or easement right holder shall pay his or its proportionate share of the expenses and costs of said areas, as more specifically mentioned above.

#### X. PRIORITY OF MORTGAGE LIEN

This contract and all rights, privileges, and obligations hereunder are, and at all times shall be, subject and subordinate to the lien and operation of the mortgage or mortgages described herein executed by Developer and /or Builder, whether or not the owners of the fee shall subordinate their interests to the lien and operation of said mortgage. In the event the mortgagee shall so require it, Developer at closing shall execute a subordinate agreement, sufficient in the mortgagee's opinion, to effectuate this paragraph and to demonstrate that all Subscriber's rights in and to the Apartment, Apartment Building and appurtenant lands, as well as recreational and park areas, are subordinate to the lien and operation of said mortgage.

#### XI. CLOSING

When said Apartment Building shall be ready for occupancy, the Developer shall notify the Subscriber by certified mail of that fact, and upon said notification being given, it shall be the obligation of the Subscriber to execute closing documents with the Developer and two copies of the Proprietary Lease and deliver said signed documents to the Developer within thirty (30) days of said notice being given. Developer shall prepare and submit all documents required at closing to the Subscriber. The closing shall be at such place as the Developer shall designate. However, the Subscriber may execute all documents and deliver them by mail.

The Developer shall deliver said Proprietary Leases to the Corporation for

execution and shall have its closing with said Corporation within a reasonable time thereafter. Subscriber shall, as stockholder in said Corporation, do all things required of him by the Developer to cause the Corporation to ratify the leases and to consummate its closing with the Developer.

## XII. DEFAULT

If the Subscriber shall not do any of the several things required of him herein within the time allowed therefor, then said Subscriber shall be in default. If said default shall continue for ten (10) days, then this contract, at the option of the Developer, shall be deemed terminated between Subscriber and all other parties without any notice being required to be given and the Subscriber's deposits hereunder shall be deemed liquidated and agreed upon damages, and all obligations and duties of the parties hereto shall cease.

## XIII. RETENTION BY DEVELOPER OF UNSOLD MEMBERSHIPS WITH RIGHT OF SALE

If, at the time of closing, there remains unsold memberships, proprietary leases and accompanying stock, the Developer shall have the right to continue to sell said interests to prospective members, or sub-lease said Apartments or have the proprietary lease and capital stock issued in its own name. It is understood and agreed that the Developer may continue to do these things in its complete discretion and without the consent of the Corporation, its members or subscribers, provided that the Developer will continue to use discretion in choosing the occupants of the apartments. If, after closing, there remain any apartments which are unsold, the Developer will pay all "carrying charges" pertaining to said apartment or apartments.

## XIV. ADDITIONAL PROVISIONS

1. The Developer, Builder, and the Corporation retain the right to change any of their corporate names if they so desire, without notice to the Subscriber.

2. The Developer, Builder, and the owners of the fee may replat the subdivision know as SEMINOLE GARDENS APARTMENT for whatsoever purpose they may desire, providing only that in so doing the lands appurtenant to the Apartment Building and the recreational and park areas shall not be materially diminished nor the fee rental therefor increased.

3. This form agreement may be modified by the Developer and Builder for the sale of the remaining memberships and apartments in the Apartment Building and in other Apartment Buildings in such manner as shall not materially affect the rights of the parties hereto, without notice and without consent, if such modification shall, in the opinion of counsel, be required by law to effectuate this contract and the general plan for the development of SEMINOLE GARDENS APARTMENT.

4. Subscriber acknowledges and agrees that he intends to occupy said Apartment applied for herein.

5. This agreement is not assignable or transferable without the written consent of Developer.

6. Notwithstanding the fact that this contract contemplates the right to use and/or occupy land, it is understood and agreed that Subscriber shall obtain and have such rights only under the operation of the Ninety-Nine (99) Year Lease between the fee owners and the Corporation. Subscriber specifically disclaims any interest in and to the lands mentioned herein except as such interest shall derive from said leases and assignments.

XV. Subscriber acknowledges receipt of a signed copy of this contract with all blanks filled.

## XVI. DISCLOSURE

RIDGE SEMINOLE, INC., Seller, prior to the execution of this contract, has provided Subscriber with, and Subscriber hereby acknowledges that prior to the execution of this contract he has received from Developer, the following information relative to the cooperative apartment to be purchased:

1. Copy of Proprietary Lease granting to the Subscriber the right of use and occupancy of the Apartment.
2. Copy of the Articles of Incorporation of the Corporation.
3. Copy of the By-Laws of the Corporation.
4. Copy of the underlying ground lease.
5. Copy of the management or maintenance contract.
6. Copy of a projected operating budget for the cooperative apartment to be sold to the prospective buyer, including full details concerning the estimated monthly payments for the cooperative apartment, estimated monthly charges for maintenance or management of the cooperative apartment project, and monthly charges for the use, rental, or lease of recreational facilities.
7. Copy of the sales brochure and a floor plan of the apartment to be purchased by the prospective buyer and including information showing the description and location of recreational facilities, parking facilities, and other common areas together with a statement indicating which of the facilities will be owned by the apartment owner and which will be owned by others.

Items 1 through 5 inclusive are bound in the booklet, of which this contract is a part, and for the purposes of identification, the Subscriber has signed his name on the Developer's copy of the booklet, of which this contract is a part, and has affixed his initials to the Developer's copies of Items 6 and 7, which have been attached to the booklet and made a part thereof.

If for any reason Developer is unable or fails to provide Subscriber with any or all of the foregoing prior to the execution of this contract, this contract shall be voidable at the option of the Subscriber at any time up until fifteen (15) days after the last item of the foregoing is furnished to Subscriber, which furnishing shall occur no later than ninety (90) days prior to the closing of the sale.

## XVII. ADDRESSES OF PARTIES TO THE AGREEMENT

For the purposes of this contract and for the giving of any and all notices hereunder:

- (a) Ridge Seminole, Inc., P.O. Box 3095, Seminole, Florida 33540
- (b) Seminole Gardens Apartment, 11200 - 86th Avenue North, Seminole, Florida 33540
- (c) The Subscriber's mailing address is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

XVIII. This contract constitutes the entire agreement between the parties and any modification of this contract must be in writing and signed by the respective parties. This contract shall be binding upon the heirs, executors, personal representatives, successors and assigns of the respective parties.



DATED THIS \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

**ADVANCE PAYMENTS MADE  
PURSUANT TO THIS CONTRACT  
MAY BE USED FOR CONSTRUCTION  
PURPOSES BY THE DEVELOPER.**

\_\_\_\_\_  
SUBSCRIBER

\_\_\_\_\_  
SUBSCRIBER

RIDGE SEMINOLE, INC.

By: \_\_\_\_\_  
DEVELOPER

\_\_\_\_\_  
Sales Agent

**SALES ORDER AND DEPOSIT RECEIPT NO. 1**

TO: RIDGE SEMINOLE, INC.

Date \_\_\_\_\_ 19\_\_

FROM: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PURCHASE PRICE FOR APT. NO. \_\_\_\_\_  
IN BUILDING NO. \_\_\_\_\_ BEING A \_\_\_\_\_  
BEDROOM \_\_\_\_\_ BATH APT. \_\_\_\_\_

\$ \_\_\_\_\_

PROPORTIONATE SHARE OF MORTGAGE  
ASSUMED (if any) \_\_\_\_\_

DEPOSIT RECEIPT NO. 1 \_\_\_\_\_

DUE \_\_\_\_\_

TO BE PAID  
AT CLOSING

\_\_\_\_\_  
\_\_\_\_\_

SALES DEPOSIT RECEIPT NO. 2

Date \_\_\_\_\_ 19\_\_

RECEIVED of \_\_\_\_\_ and \_\_\_\_\_  
of \_\_\_\_\_

the sum of \$\_\_\_\_\_ as cash balance due on the Purchase of Membership  
in SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC. for Apartment No. \_\_\_\_\_  
located at 86th Avenue and 112th Street North in Seminole, Pinellas County,  
Florida:

PURCHASE PRICE	\$ _____	
Optional Extras and Adjustments		
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	
	\$ _____	
TOTAL PURCHASE PRICE		\$ _____

PROPORTIONATE SHARE OF MORTGAGE ASSUMED (if any)	\$ _____	
DEPOSIT RECEIPT NO. 1	\$ _____	
PAID _____	\$ _____	
PAID _____	\$ _____	
		\$ _____
CASH AT CLOSING		\$ _____

\_\_\_\_\_  
PURCHASER

\_\_\_\_\_  
PURCHASER

RIDGE SEMINOLE, INC.

BY: \_\_\_\_\_

PROPRIETARY LEASE

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_, by  
and between SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., and \_\_\_\_\_  
\_\_\_\_\_ as Lessee, hereinafter called STOCKHOLDER or MEMBER:

W I T N E S S E T H:

WHEREAS, the CORPORATION is the lessee of the following described real  
property and owner of the improvements situated thereon, known as Apartment Building \_\_\_\_\_,  
SEMINOLE GARDENS APARTMENT, hereinafter referred to as the Apartment Building, situ-  
ate in the County of Pinellas, State of Florida, located at:

(For a complete legal description of this property see the underlying ground lease between  
Ridge Seminole, Inc. and Seminole Gardens Apartment No. \_\_\_\_\_, Inc.) and

WHEREAS, the Corporation has been formed for the purpose of acquiring,  
owning or leasing, and operating a cooperative housing apartment building located upon the  
real estate above-described, with the intent that its stockholders, hereinafter sometimes  
called "Members," shall have the right to occupy the Apartment Building under the terms and  
conditions of the within Agreement, the By-Laws and the Corporate Charter of the Corpora-  
tion; and

WHEREAS, the stock of the CORPORATION consists of one hundred (100)  
shares of One Dollar (\$1.00) par value common stock and the MEMBER is the owner and  
holder of \_\_\_\_\_ shares, being \_\_\_\_\_ per cent of all the shares of the capital stock of the  
CORPORATION, and by reason of such ownership, is entitled to a lease of Apartment No.  
\_\_\_\_\_ in the Apartment Building.

I. APARTMENT LEASED

NOW, THEREFORE, in consideration of the premises, and the covenants,  
agreements and provisions hereinafter set forth on the part of the MEMBER to be kept, per-  
formed and fulfilled, the CORPORATION, as Lessor, has leased and demised, and by these  
presents does lease and demise to the Member, and the MEMBER hereby takes as Lessee all  
that certain space, hereinafter collectively referred to as the "Apartment," designated as  
Apartment No. \_\_\_\_\_ in the Apartment Building \_\_\_\_\_, SEMINOLE GARDENS APARTMENT.

II. TERM

TO HAVE AND TO HOLD the said Apartment as a private residential apart-  
ment and not otherwise, during a term commencing on the date hereof and which term shall  
terminate on the date the Underlying Ground Lease between RIDGE SEMINOLE, INC. and  
SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., covering the same premises termi-  
nates.

III. CARRYING CHARGES OR RENT

The MEMBER agrees to pay as carrying charges and/or rent for the Apart-  
ment an annual sum equal to \_\_\_\_\_ per cent of the cost of maintenance and operation of the  
Apartment Buildings, its associated appurtenances and lands, as determined by the Board of  
Directors from time to time, including but not limited to the following items:

- A. The cost of all operating expenses of the Apartment Building, its asso-  
ciated appurtenances and lands, and services furnished.
- B. The cost of necessary management and administration.
- C. The amount of all taxes and assessments levied against the Apartment  
Building, its appurtenant lands, and the CORPORATION, or the amount of any



taxes and/or assessments which the CORPORATION is required to pay, and ground rent.

D. The cost of liability, fire and extended coverage insurance on the Apartment Building and such other insurance as the CORPORATION may effect, as may be required by the mortgage on the Apartment Building.

E. The cost of furnishing water, electricity, heat, gas, sewage service, garbage and trash collection, and other utilities, if furnished by the CORPORATION, except that water and/or sewage service may be provided by the CORPORATION on a per capita or number of bedrooms, or number of occupants in apartments, basis.

F. That the Member will pay all electrical and telephone bills rendered against or charged upon the premises hereby rented, when the same becomes due and payable, and in the event that the member shall fail to pay the same when due, the CORPORATION, or its managing agent, may pay the same and the amount so paid shall be added to the amounts due monthly by the MEMBER of the corporation.

G. All reserves set up by the Board of Directors, including a general operating reserve, and any reserve for replacements.

H. The estimated cost of repairs, maintenance and replacement of the Apartment Building and its appurtenant property, which estimate may be made by the CORPORATION.

I. The CORPORATION's share of the cost of maintenance and upkeep of the private recreational areas, which costs shall be determined from time to time by the Managing Corporation.

J. Any other expenses of the CORPORATION approved by the Board of Directors, including operating deficiencies, if any, for prior periods, and including reserves to abide cash deficiencies which might arise for reason of one or more Members defaulting under his or their leases.

K. If the entire individual membership price (full selling price) has not been paid by the MEMBER, then he will, in addition to the amounts designated above, pay his share of the principal and interest which shall become due upon the financing mortgage which has been placed against the Apartment Building and the premises described herein, by Ridge Seminole, Inc., or Ridge Seminole Management Corporation. It is understood that the MEMBER will make equal monthly payments on his unpaid balance, with said balance being reduced accordingly. It is further understood that the amount of this monthly payment, if not ascertained at the time of the signing of this lease, will be ascertained by the CORPORATION as quickly as possible, and that the MEMBER will be notified thereof. This paragraph will not apply to one who has paid his entire membership price.

The above paragraph is binding only during the duration of the existing mortgage and should the corporation refinance or obtain additional financing, then the Board of Directors shall have the discretion in making the decision as to how the payments thereon will be made in a manner fair and equitable to all Members. This paragraph is applicable to all Members.

L. In case of emergency requiring additional funds, the Board of Directors may make a supplemental estimate of such requirement, which shall become payable in such manner as determined by the Board of Directors.

Until further notice from the CORPORATION, the total carrying charges or rent (which include the below mentioned monthly ground fees) for the above mentioned Apartment shall be payable in advance in monthly installments of \$ \_\_\_\_\_.

#### IV. CARRYING CHARGES PAYABLE TO MANAGING AGENT

All rent carrying charges or other payments reserved hereunder, herein collectively referred to as "rent," shall be paid free from all claims, demands or set offs against the CORPORATION of any kind or character, and, until further notice, all payments shall be made to the managing corporation, RIDGE SEMINOLE MANAGEMENT CORPORATION, Seminole, Pinellas County, Florida.

#### V. UNDERLYING LEASE

It is understood and agreed that the Apartment Building, of which the Apartment is a part, as well as the aforesaid land upon which said Apartment Building is located (including all improvements thereon) and the lands upon which the private recreational facilities sometimes referred to herein are located, are covered by and subject to that certain lease or a reference instrument dated \_\_\_\_\_ and recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, of the Public Records of Pinellas County, Florida, by and between RIDGE SEMINOLE, INC., as Lessor, and SEMINOLE GARDEN APARTMENTS NO. \_\_\_\_\_, INC., as Lessee, which lease is sometimes referred to herein as the "Underlying Lease."

The MEMBER acknowledges that under the Underlying Lease his rights, with respect to the Apartment, and the rights of the CORPORATION herein, are in all respects subject to the terms and provisions of said Underlying Lease. The MEMBER acknowledges further that he has been informed by the CORPORATION that the CORPORATION's obligation under said Underlying Lease includes the obligation to pay an annual rental of which the MEMBER's share shall be \$ \_\_\_\_\_ a month for the lands upon which said Apartment Building is located, along with other carrying charges set forth in the aforementioned documents applicable for the most part to the rental maintenance and upkeep of the private recreational facilities referred to herein and the lands appurtenant thereto.

#### VI. DETERMINATION OF CARRYING CHARGES AND THE PAYMENT THEREOF

A. Rent or carrying charges as called for herein shall, from time to time, be set by the Board of Directors of the CORPORATION upon its determination and estimation of the various costs and expenses as contemplated by Paragraph III herein. Such determination and estimation shall be made without the concurrence or any action on the part of the stockholders of the CORPORATION.

B. All carrying charges and other payments shall be due and payable on the first day of the month next succeeding that in which the determination by the Board of Directors was made after notice has been given to the MEMBER. It being understood that the monthly rental or carrying charges, once determined by the Board of Directors, shall be due and payable each month without notice thereof being given.

C. In the event of special or emergency assessments, as contemplated by Paragraph III herein, the CORPORATION shall give the MEMBER at least ten (10) days written notice of the MEMBER's share of any such assessment as determined by the Board of Directors, such notice to be addressed to the MEMBER at his apartment in the Apartment Building, or at such other address as to which the MEMBER may from time to time advise the CORPORATION in writing that he desires notification be given.

D. The MEMBER shall pay his pro rata share of any assessment contemplated by subparagraph "C" above within fifteen (15) days of its due date, specified by the CORPORATION's Board of Directors. If such payment is not received by the CORPORATION, or its managing agent, within said fifteen (15) day period, the MEMBER will pay an additional charge of One Dollar (\$1.00) per day for each day the payment is delinquent beyond the fifteen (15) day grace period, which additional funds shall be deposited into and become



a part of the funds of the CORPORATION deposited to meet future expenses. In the event that said special assessment shall not be paid by the MEMBER within seventy-five (75) days of the date upon which it shall have become due, then such failure of payment shall constitute a default hereunder.

The Board of Directors may, in its sole discretion, extend the time for payment of such assessment and/or waive the aforementioned additional payment of One Dollar (\$1.00) per day, as to any individual member, upon said MEMBER making arrangements satisfactory to the CORPORATION for payment of same.

E. The determination by the Board of Directors of the amount of any regular carrying charges, special assessments or other payments, herein collectively referred to as "carrying charges" or "rent," for any of the purposes as set forth or described or referred to in Paragraph III of this Lease, shall not be subject to approval, amendment, or any other action, challenge, review or change by the stockholders of the CORPORATION, or any of them; and such determination shall be final, binding and conclusive on each MEMBER. However, nothing herein shall be construed to give the Board of Directors the power to change the percentage by which each MEMBER's share of the total carrying charges is determined, as such percentage is set forth in Paragraph III herein.

F. The MEMBER shall be obligated to pay the amount of the assessment levied and determined by the CORPORATION and its Board of Directors, pro-rated as herein provided, regardless of the extent to which he uses or does not use any area or facility located on, or constituting a part of the Apartment Building or premises of which it is part, or the private recreational areas referred to herein.

G. The power and authority to determine and establish the amount of and to require payment of the carrying charges or rent above provided for, shall be possessed only by the Board of Directors of the CORPORATION, elected by its stockholders, and shall not pass or be exercised by:

1. Any creditor, receiver or trustee of the CORPORATION or any representative of any such creditor, receiver or trustee.
2. Any Board of Directors elected by any such creditor, receiver, or trustee, or by any representative of any such creditor, receiver or trustee.

#### VII. MEMBER'S ACCEPTANCE OF PREMISES

The MEMBER represents that he has examined the apartment he is going to occupy and the entire Apartment Building and he hereby accepts his demised Apartment in the Apartment Building, and the grounds and all improvements thereon, in their present condition and state of repair, and without any representations, statements or warranties, expressed or implied, in respect thereto, in respect to the condition or use or occupation that may be made thereof, and the CORPORATION shall, in no event, be liable for latent defect therein. Any change requested by MEMBER to be made, and permitted to be made by the MEMBER under the terms of this agreement, shall be made at the MEMBER's expense. The Apartment Building and other improvements on the premises described herein were constructed by RIDGE SEMINOLE, INC. The MEMBER understands and agrees that he has no right against RIDGE SEMINOLE, INC., or any other person, firm or corporation to demand further construction work to be done on the demised Apartment or upon the Apartment Building, or upon any other part of the premises of which the Apartment Building is a part.

#### VIII. USE OF THE PREMISES

The MEMBER agrees that he will not use or occupy the premises hereby demised, nor permit the same, or any part thereof, to be used or occupied for any purpose

other than as a private residence, and will not conduct or carry on therein, or permit to be carried on therein, any trade, business, profession, or manufacturing whatsoever, and will not permit in said Apartment any noisy or disorderly conduct, or any behavior of any kind likely to annoy or disturb the other occupants of the Apartment Building, and will not knowingly allow any person of bad or loose character to enter said apartment or remain therein, nor will he allow any improper behavior therein. The MEMBER will comply with all Federal, State and Municipal laws, ordinances and regulations, applicable to the demised premises. The MEMBER will not do or suffer to be done in or about the demised premises anything that will increase the rate of fire insurance or other insurance on said building or its contents.

#### IX. PRIVATE RECREATIONAL FACILITIES

In the event the CORPORATION acquires any easement or license rights in and to the private recreational facilities within the cooperative development known as SEMINOLE GARDEN APARTMENTS, the CORPORATION hereby agrees that the MEMBER may, subject to the terms of this agreement, the CORPORATION's By-Laws, its Corporate Charter, and properly promulgated house rules, and the terms of the Underlying Lease, use and enjoy said private recreational facilities so long as this Lease shall be in full force and effect and not in default. The MEMBER specifically acknowledges and agrees that any rights he may have under this paragraph derive from the aforesaid non-exclusive easement and license which the CORPORATION has or may have in and to the private recreational facilities mentioned. The MEMBER acknowledges that any rights which he may have are no greater than or more extensive than the CORPORATION's rights, and are limited by the CORPORATION's obligations with regard to said private recreational facilities to the Management Corporation and to the owners of the fee.

#### X. SUBLETTING OF THE HEREIN DEMISED PREMISES

A. The MEMBER hereby agrees that he shall not sublet the whole or any part of the demised apartment to any person without the prior consent of the Board of Directors of the CORPORATION or, alternatively, of a majority of the MEMBERS of the CORPORATION. It is understood and agreed that the power and authority to give consent on behalf of the CORPORATION may be delegated to Ridge Seminole Management Corporation, and if so, the said management company shall have full control over this procedure. The approvals herein called for shall be done in the form prescribed below for the assignment and transfer of this leasehold estate and shares of stock.

B. It is understood further that all subtenants shall be bound by this Lease, and any violation of the terms hereof by any subtenant shall, at the election of the CORPORATION, be deemed a violation by the MEMBER.

C. Wherever the MEMBER applies to the CORPORATION for consent to a subletting, said request shall be in writing, and the CORPORATION may require that the MEMBER deliver to the CORPORATION a copy of the sublease to which consent is requested, and furnish all necessary information which the CORPORATION reasonably desires concerning the qualifications of the proposed subtenant. The CORPORATION will act on the request within ten (10) days after receiving same.

D. The MEMBER agrees and understands that the subletting of the Apartment will not in any manner relieve him of his obligations under this lease.

E. Any attempted sublease of this lease, or the interest of the MEMBER herein, or otherwise, than in accordance with the provisions herein, shall be null and void, and shall be considered a default under this lease.

F. No executor, administrator, personal representative, or successors of the MEMBER, or trustee, or receiver of the property of the MEMBER, or anyone to whom the interest of the MEMBER hereunder shall pass by law, shall be entitled to sublet the apartment, or any part thereof, except on com-



pliance with the provisions herein relative to subletting the interest herein.

G. It is specifically understood and agreed that the provisions requiring consent before subletting shall not apply to Ridge Seminole, Inc. and/or Ridge Seminole Management Corporation, their successors or assigns, as to the sale of their memberships in the CORPORATION and/or the original memberships, unless this privilege is taken away by the Board of Directors.

H. Any approval of an application for the subletting of the demised apartment shall not be deemed to be an approval of any further requests for subletting or for any extension of any term approved to the same or to any other subtenant.

I. Should the CORPORATION so require it, the MEMBER who sublets his apartment shall deliver his certificate of stock forthwith to the CORPORATION with the appropriate transfer documents executed in blank, to be held by the CORPORATION as security for the performance by the MEMBER of his covenants and obligations hereunder, and to further evidence the lien which the CORPORATION has in the shares of stock of the CORPORATION owned by the MEMBER.

#### XI. TRANSFER, SALE OR ASSIGNMENT OF THE LEASEHOLD INTEREST, AND SHARES OF STOCK OF THE MEMBER

The MEMBER agrees that he will not sell or assign this lease nor attempt to sell or assign this lease, nor sell or attempt to sell his shares of stock in this CORPORATION which entitles him to occupy the apartment herein being leased except on the following terms and conditions:

A. It is expressly understood by all of the parties hereto that the ownership of the stock in this CORPORATION which entitles the MEMBER to rent the apartment being leased, and the ownership of this leasehold estate, are inseparable, and that the ownership of said interests must be in one person, or persons, at all times, and, if transferred, said interests must be transferred as an entirety. Any attempt on the part of a MEMBER to separate this ownership will be considered a default hereunder, and said attempt shall be null and void.

B. It is understood that the provisions in this section of this lease must be strictly complied with, and that any attempt of transfer, gift, assignment or sale of the leasehold estate or the stock herein shall be null and void unless the provisions of this section XI are followed.

C. If a member desires to assign and/or sell his interests (stock and leasehold estate) the first step for him to take is to notify the CORPORATION or its managing agent of his desire and intent to sell or assign his interest in writing. The MEMBER, when he obtains a prospective purchaser shall, by using the form provided to him furnish the CORPORATION or its managing agent the information required by said form.

D. The stock in this CORPORATION, and accompanying leasehold estate, shall be assigned or sold only with the previous consent of the Board of Directors of the CORPORATION, given pursuant to a resolution adopted at any meeting of said Board of Directors, duly and regularly called for that purpose or on the approval of a majority in amount of the stock represented at any meeting duly and regularly called. The approval of the members must be in writing, and signed by all those approving the request, and a duplicate original shall be kept by the CORPORATION. It is specifically understood and agreed by the parties hereto that the Board of Directors may delegate the power to accept or reject prospective members to Ridge Seminole Management Corporation by a corporate resolution for a year at a time, and that if this is done the said management company shall have full control over this

procedure. The purpose of this is to relieve the Board of Directors from this responsibility in regard to these decisions in order that the entire cooperative will be run efficiently. It is understood and agreed that the decision as to approval or rejection shall be conclusive and binding on all the parties hereto.

E. Within twenty (20) days after the information requested in the form is received, the MEMBER shall be notified whether or not consent by the CORPORATION, or its managing agent, to assign, sell or transfer his interests is given.

F. The MEMBER hereby gives to the CORPORATION an absolute option to purchase the stock in this CORPORATION with the accompanying leasehold estate, together with all of the MEMBER's rights with respect to the dwelling unit for a period of thirty (30) days after the information referred to above is received by the Board of Directors, or its managing agent, at an amount equal to the "fair market value" of said interests, less any amounts due the CORPORATION from the MEMBER. The purchase by the CORPORATION of the membership under this paragraph will immediately terminate the MEMBER's rights and the MEMBER shall forthwith vacate the premises.

G. This leasehold estate and accompanying stock can be assigned only to a person, or persons, qualified to hold the lease for the MEMBER under the Charter and By Laws of this CORPORATION.

H. If the transfer, sale or assignment of stock and this leasehold estate is approved, the MEMBER shall surrender his certificate of stock and this lease to the CORPORATION, and a new certificate of stock and a new proprietary lease shall be executed and issued to the assignee. If the stock and lease is not surrendered, the CORPORATION may cancel said stock and lease and issue new ones.

I. When an assignment is made in accordance with the provisions heretofore, the MEMBER so assigning shall be relieved of all liability thereafter accruing under the terms of this lease, but will not be released from any liability which accrued before said assignment.

J. Before said assignment shall take effect, the MEMBER must have paid, or made arrangements to pay, all sums due at that time from him to the CORPORATION, together with a sum to be fixed by the Board of Directors of this CORPORATION, to cover reasonable legal and other expenses of the CORPORATION in connection with such assignment and transfer of stock. This requirement may be waived at the option of the Board of Directors.

K. It is specifically understood and agreed that the provisions requiring consent before sale or transfer shall not apply to Ridge Seminole, Inc. and/or Ridge Seminole Management Corporation, their successors or assigns, as to the sales of their memberships in the CORPORATION and/or the original memberships unless this privilege is taken away by the Board of Directors.

L. No executor, administrator, personal representative or successor of the MEMBER, or trustee, or receiver of the property of the MEMBER, or anyone to whom the interest of the MEMBER hereunder shall pass by law, shall be entitled to assign this lease and the stock held herein, or any part thereof, except on compliance with the provisions herein relative to transfer, assignment and selling of the interests herein named.

M. Any approval of an application for the transfer, sale or assignment of the leasehold interest and shares of stock of the MEMBER, shall not be deemed an approval of any further requests for the transfer, sale or assignment of the leasehold interest and shares of stock of the MEMBER.



## XII. TERMINATION OF MEMBER'S INTEREST

It is an essential condition of this Lease, and this Lease is made, executed and accepted by the MEMBER on the express condition that this Lease, and the estate hereby created, shall cease, determine and become null and void at the option of the CORPORATION, and that the CORPORATION shall have the right of re-entry on the happening of any one of the following events or contingencies:

A. If at any time during the term hereof the CORPORATION shall determine by the affirmative vote of a majority of its Board of Directors, ratified by the holders of at least 80% of its capital stock, either at a meeting of stockholders duly called for that purpose, or by their assent in writing, to sell the above described property of the CORPORATION, then and in such event this Lease and all rights and estate of the MEMBER hereunder shall cease and terminate at a time fixed by the CORPORATION for the consummation of the sale of said property, or the CORPORATION's interests therein, to the end that the CORPORATION may deliver good and sufficient title to any purchaser thereof free, clear and discharged of any estate or interest of the MEMBER therein.

B. In the event of a total or substantial destruction of the Apartment Building by fire or other casualty, such that the cost of re-building or restoration would exceed fifty (50%) per cent of its value, as determined by the Board of Directors, and the CORPORATION shall elect not to rebuild the same as herein provided.

C. If at any time during the term of this Lease, the MEMBER shall cease to be the owner of and have standing in his name on the books of the CORPORATION the number of shares of the capital stock of the CORPORATION above specified; provided, however, that in the event of the death of the MEMBER, during the term of this Lease, and the personal representative of the MEMBER shall duly perform each and every one of the obligations of the MEMBER hereunder, said rights of the CORPORATION to terminate this Lease by virtue of this clause shall be suspended for a period of eighteen (18) months from the date of death of the MEMBER if the obligations hereunder are being carried out by the personal representative of said MEMBER.

D. If at any time during the term of this Lease, MEMBER, or his successors in interest, shall be adjudged a bankrupt; or a receiver of all or substantially all of the property of the MEMBER be appointed, or MEMBER shall make a general assignment for the benefit of his creditors; or if any interest of the MEMBER hereunder or in the stock of the CORPORATION shall be attached or levied on by any judicial process, and such attachment or levy shall not have been released within ten (10) days; or if the MEMBER shall pledge or give as security his stock interest in the CORPORATION or his interest hereunder, to any person, real or corporate, other than the CORPORATION.

E. If the MEMBER shall suffer any lien to be placed on or against the property of the CORPORATION on account of any material or labor used in the making of any decorations or repairs of the demised Apartment, chargeable to said MEMBER under the terms hereof, and, in the further event that said lien is not released within thirty (30) days after the filing of same.

F. If a member shall remain in default for a period of thirty (30) days after written notice of non-payment by the CORPORATION, in the payment of his rent or pro-rata share of any regular or special assessment or mortgage made by the CORPORATION, or of any of the carrying charges as assessed by the CORPORATION.

G. If a member shall breach any of the covenants or agreements or undertakings by him to be performed under this lease and/or to do any act declared

to be a default hereunder, and such breach shall continue for thirty (30) days after written notice of breach is given to the MEMBER by the CORPORATION.

H. In case, at any time, it shall be determined by the CORPORATION, in the method prescribed below, and ratified by a meeting of MEMBERS (stockholders) called at least in part for that purpose, by resolution adopted by two-thirds vote of the MEMBERS (as defined in Paragraph XXIV of this Lease) owning at least two-thirds of the outstanding shares of stock of the CORPORATION, that because of conduct deemed objectionable by the CORPORATION on the part of the MEMBER, or of a person dwelling in or visiting the demised apartment, the tenancy of the MEMBER in question is undesirable. It being understood, by way of illustration and not of limitation, that the repeated violation of the covenants, agreements and undertaking of this lease, or disregard of the house rules and regulations as they may, from time to time, be promulgated by the CORPORATION in accordance with the By-Laws and Charter of the CORPORATION, or the permitting or tolerance of a person of dissolute, loose or immoral character to enter and remain in the Apartment Building or demised apartment, shall be deemed to be "objectionable" conduct.

In order for the CORPORATION to exercise its option to declare this lease null and void under the above provisions, the Board of Directors must elect to do so at a Board of Directors meeting and said determination must be in the form of a corporate resolution. The Board of Directors, if it so desires, may give the MEMBER notice of the aforesaid Board of Director's meeting and the purpose thereof as it affects him, and the said MEMBER may be present and be given a chance to show why the lease should not be declared to be null and void. The decision of the Board of Directors on this matter will be conclusive, and binding on the MEMBER.

If the CORPORATION shall elect to terminate this lease as herein provided for, the term hereby created shall cease and terminate as fully as if such expiration were the date herein fixed for the expiration of the term of this lease, and the MEMBER agrees to surrender possession of the herein rented apartment after written notice is given by the Board of Directors in the manner herein set forth. Said notice must give the MEMBER at least five (5) days for the premises to be vacated. A longer period of time may be given by the Board of Directors if it so desires. In the event the occupants, after the notice is given, fail to remove themselves, it shall be lawful for the CORPORATION or its agents to re-enter said apartment and remove all persons and possessions from the apartment.

## XIII. CERTAIN REMEDIES OF THE CORPORATION

In the event the CORPORATION, by and through its Board of Directors, terminates this lease in accordance with paragraphs D, E, F, G and H of the above section, the following provisions will apply and control, and the parties hereto agree that:

A. The CORPORATION will then have the absolute express right of re-entry and express power to sell, assign or transfer the MEMBER's right, title and interest in and to this lease, together with the MEMBER's shares of stock in accordance with the provisions herein.

B. The above interests (stock and leasehold interest) shall be sold to any person who would, at the time of the sale, qualify to lease this apartment and to own the accompanying stock, and it being understood that the provisions as herein set forth for the assigning or selling of these interests must be followed by the CORPORATION and the purchaser.

C. Such sale by the CORPORATION, may be either public or private, with or without advertising, or giving prior notice, and the CORPORATION may sell said interest for any amount and on such terms as it may deem appropriate and reasonable under the circumstances. The CORPORATION will



always act in good faith and will at all times make reasonable efforts to secure the "fair market value" of the interests being sold. This sale shall be handled by the Board of Directors and shall not be handled by the management corporation.

D. The CORPORATION may be a purchaser at said sale if the Board of Directors decides that it is in the best interest for the CORPORATION for it to do so. In the event the CORPORATION purchases the interests at the sale, it shall pay a purchase price of no higher than the "fair market value" of the interests. It is expressly understood and agreed that the Board of Directors will act in good faith, if and when the CORPORATION purchases said interests. If the CORPORATION purchases said shares of stock and the interest in the leasehold estate, it will have no more than six (6) months in which to pay or make suitable arrangements to pay the balance which may be due and owing to the MEMBER.

E. Upon the execution of documents of sale, transfer or assignments to such purchaser by the CORPORATION, whether or not such purchaser be the CORPORATION, then the MEMBER shall have no further right whatsoever in or to this Lease, the term thereof, the possession or occupancy of the demised Apartment, or his shares of stock in the CORPORATION, except as herein expressly provided with respect to the payment to MEMBER of the surplus proceeds of sale referred to in sub-paragraph "J" hereof.

F. In the event that the CORPORATION shall have at any time the right to sell, assign, and transfer the right, title and interest of the MEMBER as set forth above, the CORPORATION may, pending such sale, sublease the demised Apartment for the account of the MEMBER, to such person, for such rent, and for such period of time, and on such terms and conditions as the CORPORATION may determine in its absolute discretion. However, the CORPORATION shall sublet said premises for an amount at least equal to the monthly charges charged by the CORPORATION to another person occupying the same size of apartment. Before the apartment can be rented for less than this amount, the consent of the Board of Directors must be obtained.

G. In the event that the CORPORATION shall have at any time the right to sell, assign and transfer the right, title and interest of MEMBER, as set forth above, the CORPORATION shall have the right, but not the obligation, prior to such sale, or prior to subleasing the demised Apartment under sub-paragraph "F" above, to re-enter the demised Apartment, and to recover possession of said Apartment by such legal proceedings as are provided by law, without relieving MEMBER of his duties and obligations under the terms of this Lease, or terminating this Lease.

H. In connection with any sale, assignment, transfer, or sublease of MEMBER's right, title and interest in and to this Lease, and sale of said MEMBER's shares of stock as provided in this Paragraph XIII, the MEMBER does hereby irrevocably appoint and constitute the CORPORATION, its agent and attorney in fact to execute on behalf of the MEMBER such instruments and documents as the CORPORATION may, in its discretion, deem necessary, appropriate, or desirable to effect such sale, assignment or sublease, as the case may be, and to remove any and all personal property whatsoever, situated upon the demised Apartment and place such property in storage for the account of and at the expense of said MEMBER. The MEMBER hereby waives all claims for damage that may be caused by the CORPORATION's re-entering and taking possession of the demised Apartment or removing the persons, or removing and storing the property, as herein provided, and will save the CORPORATION harmless from any loss, liability, costs or damages occasioned to the CORPORATION hereby.

I. In the event of the termination of this Lease by the CORPORATION pursuant to the provisions of this lease, the CORPORATION shall have the right to enter into a new proprietary lease covering the demised Apartment on such terms and at such time as the CORPORATION may determine; provided, however, that such new proprietary lease shall be in the same form as all other proprietary leases then applicable to apartment units in the Apartment Building, and that the standard carrying charges will be paid by the new occupant.

J. In the event of the sale, assignment or transfer of this Lease and the shares of stock in the CORPORATION under the provisions of Section XIII, the proceeds of such sale, assignment or transfer, after deduction therefrom of the amounts set forth in this paragraph shall be paid to the MEMBER. The CORPORATION shall be entitled to deduct from such proceeds all expenses it has incurred pursuant to such sublease and/or sale.

K. Neither the sale, assignment or transfer of this Lease, nor the termination of this Lease, nor the execution of a sublease or a new proprietary lease, with respect to the demised Apartment, nor the re-entry or recovery of possession of the demised Apartment, nor any of these events under this Lease, shall be deemed to discharge any liability of the MEMBER to the CORPORATION that may have accrued prior to or after such sale, assignment, transfer, lease, sublease, termination, re-entry or recovery of possession, as the case may be, and all such accrued liabilities of the MEMBER shall remain due and owing unless satisfied from the proceeds of the sale or otherwise.

L. The rights of the CORPORATION shall be cumulative and the exercise of any right, option or privilege by the CORPORATION under the provisions of the Lease, or as may be provided by law, shall not be deemed to waive or otherwise interfere with any other right, remedy, option or power of the CORPORATION under the provisions of this Lease or as by common law or statute provided. The CORPORATION shall hereunder always have all the rights of a landlord against a tenant and against the furniture, furnishings and properties of a tenant in connection with all amounts for assessments or amounts otherwise due to the CORPORATION from the MEMBER under the terms of this Lease.

M. The MEMBER's rights with respect to this Lease, the Apartment herein demised, the possession of said Apartment, and the ownership of said shares of stock are subject to all the provisions of this Lease, including but not limited to this Section XIII.

#### XIV. COVENANTS OF THE CORPORATION

The CORPORATION, subject to limitations of liability hereinafter stated, and subject to the MEMBER's prompt payment of the carrying charges and assessments due and payable under this Lease, and subject to this Lease being in good standing, hereby covenants with the MEMBER as follows:

A. That the CORPORATION, at its own expense, will operate and maintain said Apartment Building as a first class apartment building, and that it will endeavor to furnish an ample supply of water, a reasonable number of attendants for the proper care and service of the Apartment Building, and make proper connections for furnishing to the MEMBER at his own expense, electricity, gas and telephone, when available, for use in the Apartment, and that it will use reasonable diligence to maintain the sidewalks, public halls, lobbies, stairways and passageways clean, unobstructed and properly lighted, and will provide means for the removal and disposal of garbage. The CORPORATION will keep in good repair and condition said Apartment Building



and its appurtenances during the term hereof, excepting the portions thereof required to be kept in repair by the MEMBER and including, without limiting the generality of the foregoing, the sidewalks, concealed wiring and concealed plumbing, stairways, public halls, furnishings, furniture and equipment intended for general use in the Building, and upon its appurtenant lands.

B. Insofar as funds for the purposes have been collected from the MEMBER, the CORPORATION covenants and agrees that it will make payments out of said funds and out of all residual funds in its possession belonging to it in the following order of priority and to the extent indicated:

1. The CORPORATION shall make, as they become due, such monthly payments to the holder or holders of the mortgage encumbering the Apartment Building and appurtenant lands, as are necessary under the terms of said mortgage and its associated note, and to amortize said mortgage, to pay the interest as required, and to fund any and all escrow accounts required by the said mortgagee.
2. To make all payments called for under the terms of the Underlying Lease and the assignments thereof from which the CORPORATION's interest in and to the Apartment Building and its appurtenant lands derive, including but not limited to the rental reserved therein.
3. To pay all taxes and other encumbrances imposed by law which may or have become a lien against the Apartment Building and its appurtenant lands.
4. To pay the CORPORATION's pro rata share of the upkeep, maintenance and other expenses of the private recreational facilities made available for the CORPORATION's members and the members of similar Corporations in the cooperative development known as SEMINOLE GARDEN APARTMENTS.
5. To pay all costs for external and general repairs to the Apartment Building and its appurtenances.
6. To pay the costs and expenses of all other maintenance, upkeep, including but not limited to the costs of maintaining and operating the CORPORATION, and all other costs properly incurred by the CORPORATION hereunder and under the CORPORATION's charter, including reasonable attorneys fees.
7. To pay into a fund in the CORPORATION's name for the purpose of creating a contingency fund for the payment of emergency expenditures, any additional funds which may be collected by the CORPORATION. If this fund shall exceed Two Thousand Dollars (\$2,000.00), the CORPORATION may, at its option, hold said fund, and it may utilize said excess funds in the improvement of the Apartment Building and its surrounding lands, or for the reduction of operating expenses.

C. For the performance of any and all of the obligations of the CORPORATION hereunder, it may appoint in its sole discretion, a management corporation or a managing agent, herein sometimes referred to as the "managing agent" or the "managing corporation" and said managing corporation or managing agent may be given full authority to do any and all things the CORPORATION may be called upon to do or is obligated to do under this Lease, including and in addition thereto, said managing agent may receive all payments made by members to the CORPORATION in trust for the CORPORATION, disburse said funds on behalf of the CORPORATION for the purposes reflected above, keep full and accurate books of CORPORATION for the CORPORATION, providing, however, that activities of said managing corporation or managing agent on behalf of the CORPORATION shall be sub-

ject to the control of the CORPORATION, and providing further that the CORPORATION may not delegate the powers and responsibilities of the CORPORATION established herein to determine the carrying charges and rental due hereunder and to assess same.

D. The CORPORATION will keep full and correct books of account and the same shall be open to inspection by the MEMBER or his duly authorized representative at all reasonable times. At a reasonable date at the end of each fiscal year, the CORPORATION will render to the MEMBER a statement of all receipts and disbursements of the CORPORATION for the preceding year. This obligation may be delegated by the CORPORATION to its managing agent.

E. The MEMBER, on performing his obligations and complying with the conditions provided herein, shall, during the term of this Lease, be entitled to use such facilities in or about the Apartment Building as may be provided generally for the use of other MEMBERS in said Building, and shall quietly have, hold and enjoy the said Apartment and facilities without any suit, trouble or hindrance from the CORPORATION, its successors or assigns.

## XV. COVENANTS OF THE MEMBER

The MEMBER agrees:

A. That none of the owners, present or future, of the stock of the CORPORATION, nor any officers or directors thereof, present or future, of the CORPORATION, shall be personally liable on any of the covenants or agreements of the CORPORATION contained in this Lease.

B. The MEMBER will, at his own cost and expense, keep and maintain the interior of the demised Apartment in good condition and repair, and without limiting the generality of the foregoing, will replace, if necessary, the fixtures, including gas, electricity and plumbing, pipes, conduits, equipment, drains, glass, floor and floor coverings, that may be broken or worn out. The MEMBER further agrees to repair all concealed plumbing that may be damaged or obstructed because of fault or negligence of the MEMBER, his family, guests, employees or sub-tenants.

C. It is understood and agreed that the MEMBER will be responsible for the maintenance and replacement, if the same becomes necessary, of all appliances located in the apartment, including but not limited to the refrigerator, stove, air conditioning and heating unit, and that the premises will be painted whenever the same becomes necessary. If any change or replacement is to be made in any appliances located in the Apartment, such as refrigerator, stove or air conditioning or heating units, the said exchange or replacement must be approved by the Board of Directors or its managing agent before the same may be installed, and that the MEMBER agrees to pay all costs of said installation. The CORPORATION agrees that it will not unreasonably withhold request for these approvals. It is understood and agreed that the new appliances and carpets which are presently located in the apartment at the beginning of this lease are subject to the underlying mortgage and are specifically covered in the terms of a duly executed chattel mortgage, and these appliances shall remain the property of the CORPORATION, and that if the same need to be replaced, the new appliances and carpets which replace the old appliances and carpets shall also be the property of the CORPORATION. If the MEMBER replaces any of the equipment located in the Apartment, he shall be allowed to "trade-in" the equipment which was located in the apartment at the time he assumes occupancy of the apartment.

The MEMBER hereby covenants and agrees that if he removes himself from



the property at any time hereafter, that he will leave the demised property in a reasonable condition and that he will leave the type of appliances that were in the apartment at the beginning of his occupancy, and that said appliances will be in a reasonable and usable condition.

D. Any damage to any other apartment caused by leaky radiators or pipes or other cases within the demised Apartment, except concealed pipes or plumbing not susceptible of inspection by the MEMBER, shall be paid for by the MEMBER. This covenant is for the protection not only of the CORPORATION, but also of the MEMBERS occupying other apartments within the Apartment Building, and shall be enforceable by them directly against the MEMBER.

E. The CORPORATION shall have the right to enter the Apartment at all reasonable times to inspect the premises and to make repairs, and the CORPORATION agrees that as soon as said repairs are completed, it will otherwise place the Apartment in substantially the same condition as it was in prior to the performance of such work.

F. The CORPORATION shall not be answerable or chargeable for any decorations or repairs therein or thereto, except as herein specifically provided, nor for any damage caused to said premises or its contents by leaking or overflow of water, gas, steam or vapor from any water, steam, drain or gas pipes which are not concealed or electric conduits or from any other source, or caused by other tenants or MEMBERS of said Apartment Building, unless the repairs were necessitated or the damage caused by the neglect or fault of the CORPORATION or its employees or agents.

G. The MEMBER shall be liable for any willful and/or negligent damage done to or committed upon exterior walls or to the common grounds or exterior improvements, or any other part of the common property of the CORPORATION, or to the private recreational facilities, whether done by MEMBER himself, or by any other person on the CORPORATION's premises with MEMBER's consent. This would include among others all of the members of the family of the MEMBER, visitors, agents and sub-tenants of the MEMBER.

H. Should the MEMBER at any time refuse or neglect for thirty (30) days after written notice from the CORPORATION to make the repairs which the MEMBER is required to make, or to maintain said demised Apartment in good condition and repair, the CORPORATION may make such repairs or place said demised Apartment in proper condition, and may enter or cause its agent or servants to enter, upon the demised premises for the purpose, and all expenses incurred by the CORPORATION in so doing shall be added to the assessment or rent on said MEMBER's apartment and paid by MEMBER as a part of the next due assessment, installment, rent or carrying charge.

I. The MEMBER shall permit no waste to be committed in or about the Apartment, and will quit and surrender the demised premises (the Apartment) at the terms of this Lease, whether by lapse of time or otherwise, in as good condition as they were in when received by him, reasonable wear and tear excepted.

J. The MEMBER shall make no alterations in or about the Apartment without prior written consent of the CORPORATION, or its managing agent, which consent the CORPORATION may condition as it sees fit. All alterations, additions and improvements shall be paid for by the MEMBER and shall become the property of the CORPORATION.

K. The MEMBER shall not permit the demised premises to be occupied by

any children under the age of 18 years, except, however, that occasional and brief visiting period by such children shall not be deemed a violation of this provision.

L. The MEMBER agrees that he will not keep or permit to be kept in or about the premises any dog, cat or other pet, except upon written permission of the CORPORATION. It is understood and agreed that such permission, if given, may be withdrawn if any such pet becomes a nuisance to the other neighboring tenants.

#### XVI. INSURANCE

The CORPORATION will keep the said Apartment Building insured against loss or damage by fire or other casualty in an amount deemed satisfactory to the Board of Directors of the CORPORATION. In case the said Apartment Building shall be partially damaged by fire or other casualty, the same shall be repaired as speedily as possible and at the expense of the CORPORATION so as to conform as closely as may be possible to the original plans and specifications of said building. In the event that the damage shall be such as to render the Apartment hereby demised untenable, the carrying charges herein specified shall cease except as to the MEMBER's proportionate part of the fee rental called for under the Underlying Lease. At such time as the Apartment shall be put in repair and ready for occupancy, the carrying charges shall be reinstated.

In the event of the total or substantial destruction of said Apartment Building by fire or otherwise, carrying charges shall be paid up to the term of such destruction, and then and thenceforth this Lease shall cease and terminate but shall continue to apply in respect to the demised Apartment in the Building so rebuilt, which shall correspond with the premises hereby demised; but all carrying charges reserved herein shall cease from the time of such destruction until the time such rebuilding shall have been completed, except as to MEMBER's proportionate share of the fee rental called for herein, as more specifically set out in the Underlying Lease.

The CORPORATION will also furnish liability insurance as called for in the Underlying Lease.

#### XVII. DEATH OF A MEMBER

In case of the death of the MEMBER, the surviving spouse, if any, and if no surviving spouse, the other member or members of MEMBER's family residing in the demised apartment with the MEMBER at the time of his death, may, subject to securing the consent of the decedent's personal representative if there be one, continue to occupy said Apartment for a period of eighteen (18) months after the death of MEMBER, on the terms, covenants, provisions and conditions specified in the Lease, including those relating to occupancy and payment of rent and assessments; and if such surviving spouse or other member or members of the deceased MEMBER's family shall have succeeded to MEMBER's right and interest in said shares of stock and shall within said eighteen months produce proper evidence thereof satisfactory to the CORPORATION, said shares of stock shall be transferred to such successor and a new lease in substantially the same form as this Lease shall be executed accordingly. This section shall not give anyone any rights in derogation of the rights of the decedent's personal representative.

Should the distribution of said stock and this leasehold interest be to anyone else, except to a trustee for the family of said MEMBER, said distribution shall be deemed an assignment, requiring compliance with the Charter, By-Laws and this Lease.

#### XVIII. HOUSE RULES

The CORPORATION may at any time by resolution of its Board of Directors establish house rules for the management and control of the Apartment Building not inconsistent with the Charter and By-Laws of the CORPORATION, and change the same from time to time. It is agreed that the CORPORATION may appoint a member of its Board of Directors



to sit upon an executive committee with members of the Board of Directors of other cooperative corporations in SEMINOLE GARDEN APARTMENTS, and with representatives of the managing corporation or managing agent, for the purpose of establishing house rules applicable to the external area and the private recreational facilities appurtenant to SEMINOLE GARDEN APARTMENTS, and such uniform house rules, as so promulgated by a majority vote of said executive committee, shall be a part of this Lease to the extent that such house rules shall not be inconsistent with or in derogation of the Corporation's Charter and By-Laws, and the CORPORATION itself, in respect of this provision, subsequent changes in its Charter and By-Laws notwithstanding.

It is agreed that this lease shall in all respects and at all times be subject to all said house rules and those hereafter established, and to the By-Laws and Charter of the CORPORATION to the same extent as if they were written herein, and the MEMBER covenants to obey all such rules and to require them to be obeyed by the members of the MEMBER's family, by his guests, invitees, agents and employees; provided, however, that all such By-Laws, house rules and regulations shall affect all Leases and stockholders uniformly.

#### XIX. MEMBER MAY NOT ENCUMBER THE PREMISES

MEMBER agrees that he cannot and will not in any wise encumber the demised premises or his leasehold interest therein by mortgage or otherwise, and any attempt by MEMBER or his agent or representative to mortgage or otherwise encumber the interest of the MEMBER herein shall be null and void and of no effect, and shall, at the option of the CORPORATION, constitute a default hereunder.

#### XX. CORPORATION'S LIEN

The CORPORATION shall at all times have a first lien on the shares of stock owned by each MEMBER to secure the payment by such MEMBER of all rent or carrying charges payable or becoming payable by such MEMBER under the provisions of this proprietary lease, and for all other indebtedness from such MEMBER to the CORPORATION, and to secure the performance by the MEMBER of all the covenants and conditions of this proprietary lease to be performed or complied with by the MEMBER. Unless and until such MEMBER makes default in the payment of any such rent or other indebtedness or in the performance of any such covenants or conditions, such shares shall continue to stand in the name of the MEMBER on the books of the CORPORATION, and the MEMBER shall be entitled to exercise the right to vote thereon. Upon any default by the MEMBER in the payment of any of the rent, carrying charges, or other indebtedness due from him to the CORPORATION, or upon default by the MEMBER under the terms of this proprietary lease, or under the terms of the By-Laws, the CORPORATION shall have the right to enforce said lien in accordance with the terms of SECTION XIII of this proprietary lease, and in conjunction with said enforcement, to issue to any purchaser of such shares a certificate of the shares of stock so purchased substantially the same as the certificate which has been issued to such defaulting MEMBER, and thereupon the certificate for such stock which may have been issued to such defaulting stockholder shall become void, and said defaulting stockholder shall surrender the same to the CORPORATION upon demand.

#### XXI. ALL LEASES TO BE THE SAME

The CORPORATION covenants and agrees that all proprietary leases or occupancy agreements applicable to the apartment units within the Apartment Building, entered into between the CORPORATION and the MEMBER shall be the same with the exception of the date of execution of the lease, the date upon which it becomes effective, and the amount of the first increment of rent or carrying charges collected.

#### XXII. AMENDMENT OF LEASE

This lease may be amended by approval of a majority of shareholders owning

at least a majority of the outstanding shares of the CORPORATION, voting in person or by proxy at any regular or special meeting of the stockholders called for that purpose, at which a quorum is present, provided at least fifteen (15) days written notice is given to each stockholder setting forth the proposed amendment to be acted upon; provided, however, that no such amendment shall be effective which in any respect amends the stockholders' leases then outstanding, unless the corresponding provisions of all outstanding stockholders' leases shall be amended in the same manner.

Notwithstanding any other term or provisions of this Lease, or of the By-Laws or Corporate Charter of the CORPORATION, no amendment will be made with respect to the power of the CORPORATION to determine the amount or proration of any assessments, if such amendment will in any manner, or to any extent, interfere with or adversely affect the ability of the CORPORATION to meet its obligations with regard to the Underlying Lease, with regard to its management contract and its obligations to pay a pro rata share of the private recreational facilities and to meet the obligations of the mortgage encumbering the Apartment Building, including the interest thereon, and including all taxes and costs of insurance and other obligations called for in one or more of the above instruments which are the obligations of the CORPORATION. Notwithstanding the above, no amendment to this Lease shall be made with regard to the sale of the Apartment Building by the CORPORATION and its stockholders or regarding an undesirable MEMBER, unless at least 75% of the MEMBERS owning at least 80% of the outstanding shares of the CORPORATION shall concur in such amendment.

#### XXIII. SUBORDINATION CLAUSE

It is understood and agreed that all interests and rights of the Corporation and its members to use the private recreational facilities now existing are subject to and inferior to the lien and operation of that certain mortgage dated June 24, 1966 to original indebtedness of \$80,000.00, said mortgage being recorded in Official Records Book 2424 at Page 501 of the Public Records of Pinellas County, Florida, and their right to use recreational facilities erected in the future will be subject to and inferior to any mortgage placed upon said recreational facilities for the purpose of constructing and otherwise improving the same.

#### XXIV. DEFINITION OF A "MEMBER"

A. Any reference herein to MEMBER, though expressed in singular number, shall apply to any and all persons appearing as the actual lessees under this Lease, whether one or more, and whether male or female, and all reference to such MEMBER shall apply to both the masculine and feminine gender, and the lessees comprising the MEMBER, where more than one, shall be jointly and severally liable for any and all obligations of the MEMBER hereunder.

B. For the purpose of this Lease, the MEMBER referred to herein, and sometimes referred to as "shareholder" or "stockholder" shall be deemed to be one person for the computation of the percentage of stockholders or MEMBERS called for herein, whether such MEMBER shall be a sole individual, a group of individuals owning said shares jointly or in common, or any other entity or combination thereof. For the purpose of this Lease, the total number of stockholders or members shall be the total number of MEMBERS in the CORPORATION as defined herein.

C. Whenever this Lease shall provide for the written approval by a percentage of the stockholders owning at least a stated percentage of the outstanding shares of stock of the CORPORATION, unless it shall be specifically stated that said approval must be given at a meeting of stockholders or MEMBERS called at least in part for the purpose, said approval may be given by said stockholders by subscribing their names to a petition, which petition shall set forth in detail the matter or act which said stockholders are approving. In the event that a MEMBER, as defined above, owning shares in the CORPORATION shall be comprised of more than one individual or by any



multiple entity whatsoever, and that such shares shall be owned jointly or in common, the signature of any one of the joint owners, or any one of the owners in common, or any one of the entities, owning said membership and said shares, shall constitute the act of the MEMBER and shall be deemed to be the approval of one MEMBER as defined in subparagraph "B" above, owning the total number of shares owned by the multiple entity, or the person comprising said MEMBER.

XXV. NOTICE

Any notice hereunder or by law required to be served on the MEMBER or the CORPORATION shall be deemed to have been duly given if delivered personally to an office of the CORPORATION or to the MEMBER, respectively, or by mailing said notice by United States Mail, with sufficient prepaid postage affixed to carry said notice respectively, in said Apartment Building, provided, however, that either party may give the other party hereto from time to time in writing, a notice of change of address for this purpose, in which event such new address shall be used for the purposes mentioned.

XXVI. MISCELLANEOUS PROVISIONS

A. Should any provision or covenant of this Lease be determined to be unenforceable by any Court of the State of Florida or of the United States having competent jurisdiction, such unenforceable provision or covenant shall be considered severed from this Lease and the remainder of this Lease shall remain in full force and effect and construed so as to give over all effect as intended, to the extent permitted by law. This lease shall in all events be enforced and construed under the laws of the State of Florida.

B. Any waiver, express or implied, by the CORPORATION of any breach by the MEMBER of any duty, covenant or agreement, or undertaking of this Lease shall not be construed thereby a waiver of any subsequent breach of a like or other condition, covenant, agreement or undertaking of this Lease. The acceptance of rent or carrying charges hereunder shall not be, or construed to be, a waiver of any breach of any condition, covenant, agreement or undertaking of this Lease, except as to the payment of rent or carrying charges so accepted, and then only to the extent of the rent or carrying charges actually paid.

C. The parties agree that the CORPORATION has made no representations or promises relative to the Apartment Building or to the Apartment, except those contained herein.

D. The MEMBER acknowledges receipt of a true copy of the Corporate Charter (Certificate of Incorporation) of the CORPORATION on file in the office of the Secretary of State of the State of Florida, and also a true copy of the By-Laws of the CORPORATION, and a true copy of any and all house rules and regulations which shall have been promulgated prior to the execution of this Lease, and does hereby approve and consent to said Charter, By-Laws, and house rules and regulations, and agrees to follow and abide by the provisions therein.

E. Time is of the essence in the performance of any and all of the covenants or obligations arising hereunder.

XXVII. DEFINITION OF FAIR MARKET VALUE AS USED HEREIN

"Fair market value"—Whenever the term "fair market value" is used herein, it shall mean the reasonable value of the interest at the time of sale, taking into consideration the amount paid for the membership, the applicable portion of any outstanding mortgage encumbering the property owned by the CORPORATION which shall be attributable to said membership, the condition of the market for such interests, the condition of the demised

apartment and equipment located therein, and any other factors which may have a bearing on said price.

The management corporation shall be responsible for setting this price and this price shall be used when fair market value is the guide. In the event the price set by the managing corporation is not suitable to the parties, the process of arbitration as set forth below shall be used.

XXVIII. ARBITRATION PROCEDURE

The purpose of this provision is to provide a quick and equitable method of determining fair market value. If this procedure is not used by the parties, the price determined by the management corporation as mentioned above will prevail and be absolutely conclusive. The provisions herein must be strictly followed:

1. Both parties shall appoint an appraiser, who is a Realtor, within five (5) days after the parties have notice that the price set by the management corporation is not acceptable.
2. The two appointed appraisers shall appoint another appraiser within five (5) days.
3. The three appraisers shall agree on the fair market value of said interests within five (5) days and thereby notify the interested parties.
4. It is expressly understood that the conclusion of these appraisers shall be absolutely conclusive and binding on the parties, and the interests must be sold for this price.

IN WITNESS WHEREOF, the CORPORATION, as Lessor, has caused these presents to be executed by its President and Secretary, and its corporate seal to be affixed, and the MEMBER, as Lessee, has hereunto set his hand and seal the day and year first above written.

WITNESS as to CORPORATION: SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_ INC.

\_\_\_\_\_  
BY: \_\_\_\_\_  
President  
ATTEST: \_\_\_\_\_  
Secretary

WITNESS as to MEMBER: \_\_\_\_\_ (L.S.)

\_\_\_\_\_  
\_\_\_\_\_  
(L.S.)

**ARTICLES OF INCORPORATION  
OF  
SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_ INC.**

The undersigned subscribers to these Articles of Incorporation, each a natural person competent to contract, hereby associate themselves together to form a corporation under the laws of the State of Florida.

**ARTICLE I.**

Name

The name of the corporation shall be:

SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_ INC.

**ARTICLE II.**

Purposes

The purposes for which the corporation is formed and the business and objects to be carried on and promoted by it are as follows:

A. To create a corporation to provide housing and homes to shareholders who are entitled to enter into a proprietary lease to obtain occupancy rights in the apartment leased by the corporation, on a co-operative basis and as such to acquire any real estate or interest or rights therein or appurtenant thereto, either improved or unimproved; and to acquire any and all personal property in connection therewith;

B. To construct, operate, maintain and improve, and to sell, convey, assign, mortgage or lease any real estate and any personal property necessary to the operation of such a project;

C. To borrow money and issue evidence of indebtedness in furtherance of any and all of the objects of its business; to secure the same by mortgage, deeds of trust, pledge, or other lien, or the assumption thereof;

D. To enter into, perform and carry out contracts of any kind, which may include reasonable long term management contracts, necessary to, or in connection with, or incidental to the accomplishment of any one or more of the purposes of the corporation;

E. To buy and sell stock in this corporation with accompanying leasehold interests;

F. To engage in any and all lawful acts or activities related to any of the above.

**ARTICLE III.**

Capital Stock

This corporation is authorized to issue only one class of stock to be designated as "capital stock." The maximum number of shares of stock that this corporation is authorized to have outstanding at any one time is 100 shares of common stock, having a par value of One Dollar (\$1.00) per share. The consideration to be paid for each share shall, however, be fixed by the Board of Directors, but shall in no event be less than One Dollar (\$1.00) per share.

**ARTICLE IV.  
Minimum Capital**

The amount of capital with which this corporation will begin business is not less than \$500.00.

**ARTICLE V.**

Term

This corporation shall have perpetual existence.

**ARTICLE VI.**

Address

The post office address of the principal office of this corporation shall be North, Seminole, Florida, or such other place as may be designated by the Board of Directors.

**ARTICLE VII.**

Directors and Officers

The corporation shall have an odd number of directors at all times, and initially the number shall be three (3). The number of directors may be increased or decreased from time to time by vote of the stockholders, but in no event shall the number of directors be less than three (3) nor more than seven (7), and officers shall be elected as provided for in the by-laws.

**ARTICLE VIII.**

Initial Directors and Subscribers

The names and post office addresses of the first Board of Directors, who are also the subscribers to these Articles of Incorporation, are as follows:

NAME	ADDRESS
Cassius L. Peacock, Jr.	11200 86th Avenue North Seminole, Florida
Tommy T. Peacock	11200 86th Avenue North Seminole, Florida
W. B. Whitley	11200 86th Avenue North Seminole, Florida

**ARTICLE IX.**

Amendment

These Articles of Incorporation may be amended in the manner provided by law, and in accordance with the by-laws.



**ARTICLE X.**

Dividends

Unless otherwise required by law, no dividend shall be paid at any time upon any of the stock issued by the corporation. No shareholder is entitled to receive any distribution of this corporation not out of earnings and profits except on a complete or partial liquidation of this corporation.

**ARTICLE XI.**

By-Laws

This corporation shall adopt by-laws for the regulation of its activities, and to further delineate the powers, and duties of the Board of Directors and the officers of the corporation. Said by-laws may touch on and regulate each and every right, obligation, power, duty or activity of the corporation, its directors as such, officers as such, or stockholders as such, as shall not be prohibited by law, provided, however, that said by-laws may not be inconsistent with these articles.

**ARTICLE XII.**

Contractual Powers

In the absence of fraud, no contract or other transaction between this corporation and any other person, firm, association, corporation or partnership shall be affected or invalidated by the fact that any director or officer of this corporation is pecuniarily or otherwise interested therein. Any director may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this corporation for the purpose of authorizing such contract or transaction with like force and effect as if he were not so interested, or were not a director, member or officer of such other firm, association, corporation or partnership.

**ARTICLE XIII.**

Stock Ownership

The ownership of stock in this corporation shall give the owner thereof possessory rights in the apartment building owned by the corporation only if the approved proprietary lease is entered into.

The Board of Directors may place such restrictions and conditions on the transfer of the stock in this corporation and on the accompanying leasehold estate as they deem desirable, and these restrictions and conditions shall be a part of the proprietary lease and a reference to these restrictions and conditions shall be on the stock certificates of this corporation.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_.

\_\_\_\_\_  
(SEAL)

Cassius L. Peacock, Jr.

\_\_\_\_\_  
(SEAL)

Tommay T. Peacock

\_\_\_\_\_  
(SEAL)

W.B. Whitley

STATE OF FLORIDA )  
COUNTY OF LEE ) ss:

Before me, the undersigned authority, this day personally appeared CASSIUS L. PEACOCK, JR. and TOMMAY T. PEACOCK, to me well known and known to be the identical individuals described in and who executed the foregoing Articles of Incorporation of SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., and they each acknowledged before me that they signed and executed the same for the purposes therein set forth.

WITNESS my hand and official seal in the State and County aforesaid this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

STATE OF FLORIDA )  
COUNTY OF PINELLAS ) ss:

Before me, the undersigned authority, this day personally appeared W.B. WHITLEY, to me well known and known to be the identical individual described in and who executed the foregoing Articles of Incorporation of SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_ INC., and he acknowledged before me that he signed and executed the same for the purposes therein set forth.

WITNESS my hand and official seal in the State and County aforesaid this \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

**BY-LAWS**  
**SEMINOLE GARDENS COOPERATIVE APARTMENT**  
**SEMINOLE, FLORIDA**

**ARTICLE I**  
**NAME AND LOCATION OF CORPORATION**

Section 1. The name of this corporation is SEMINOLE GARDENS APARTMENT No. \_\_\_\_\_, INC.; its principal office is located at 8320 - 112th Street North, Seminole, Florida.

**ARTICLE II**  
**PURPOSE**

Section 1. The purpose of this corporation is to provide its stockholders with housing and community facilities, if any, on a non-profit basis consonant with the provisions set forth in its Articles of Incorporation.

**ARTICLE III**  
**MEMBERSHIP**

Section 1. Eligibility. Any person, real or corporate, approved by the Board of Directors shall be eligible for stock ownership, hereinafter referred to as "Membership." Initially and until such time as all apartments shall be occupied by members, any person, real or corporate, approved by RIDGE SEMINOLE MANAGEMENT CORPORATION shall be eligible for membership. Additionally, any person, real or corporate, shall be eligible for membership if approved by a majority of the members owning at least a majority of the outstanding stock of said corporation, which approval shall be obtained at a meeting of the members, called at least in part for the purpose, or if approved by the authorized management agent according to powers delegated it in a properly drawn and executed corporate resolution.

Section 2. Application for Membership. Applications for membership shall be made on forms which have been approved by the Board of Directors and shall be acted upon promptly by the Board of Directors, or, in appropriate case, by RIDGE SEMINOLE MANAGEMENT CORPORATION.

Section 3. Members.

(a) Initial Members. The initial membership shall consist of the incorporators and such applicants as have been approved for membership by Ridge Seminole Management Corporation and who have paid the full cash down payment required of them, and who have been issued stock certificates evidencing ownership of shares of the Corporation, and who have further executed proprietary leases when required by the corporation. The status of the incorporators as members shall terminate at the first annual meeting of members unless they have executed purchase agreements and escrow receipts, and, where required by the corporation, proprietary leases.

Due to the fact that there may be a time interval between the incorporating of this corporation and the actual issuance of stock, the original incorporators and Board of Directors shall operate the corporation until the corporation is actually turned over to the members.

(b) Members. The membership shall be composed of the initial members as set forth in sub-paragraph (a) above. Additional members shall acquire membership status providing they shall be eligible under these By-Laws for membership, upon execution by them of such proprietary leases as shall be required by the Corporation and upon the payment by them of any and all sums required to be paid by the Corporation, and upon the issuance to them of a certificate of stock ownership by the Corporation.

Section 4. Membership in the Corporation shall entitle the member to use and occupancy of an apartment within the apartment building owned or leased by the corporation, subject, however, to the provision of these By-Laws, the provisions of the Corporate Charter, and the provisions of any proprietary lease required by the Corporation which is executed by the member and the Corporation.

Section 5. Transfer of Membership. The following provisions control the transfer of the stock in this corporation together with the accompanying proprietary leases:

(a) The ownership of the stock in this corporation which entitles the member to rent the apartment in the building owned by this corporation, and the ownership of the proprietary lease are inseparable, and that the ownership of said interests must be in one person or persons at all times, and if transferred, said interests must be transferred as an entirety.

(b) The provisions herein as to the transfer of the above mentioned interests must be strictly complied with and when the word "transfer" is used herein, the word means assignment, sale, pledge, devise by Will to one other than the immediate member of one's family, descent by the laws of descent and distribution to one other than the members of one's immediate family, or an inter vivos gift.

(c) If a member, or a personal representative of a member, desires that the interests be transferred, the first step to be taken is to notify in writing the corporation or its managing agent of his desire to transfer this interest. By using the form furnished by the corporation, information concerning the prospective transferee shall be furnished to the corporation or its managing agent.

(d) The stock in this corporation and accompanying leasehold estate shall be transferred only with the previous consent of the Board of Directors of the Corporation, given pursuant to the resolution adopted in a meeting of said Board of Directors, duly and regularly called for that purpose or by approval of the majority of the members of the stock represented at any meeting duly and regularly called. If the approval of the stockholders is obtained, said approval must be in writing and signed by all of those approving the request and a duplicate original shall be kept by the corporation. The Board of Directors may delegate the power to accept or reject prospective members to Ridge Seminole Management Corporation by a corporate resolution for a period of one (1) year at a time and if this is done, the said management company shall have full and complete control over this procedure. The decision as to the approval or rejection shall be conclusive and binding on the prospective transferee, the members of the corporation and the corporation.

(e) Within twenty (20) days after the information in the above mentioned form is received by the corporation, the proper parties will be notified as to whether or not the consent by the corporation to transfer the interest in question is given.

(f) Whenever the interests herein are sought to be transferred, the corporation has an absolute option to purchase said interests together with all the member's rights with respect to the dwelling unit for a period of thirty (30) days after the information referred to above is received by the Board of Directors or their managing agent at an amount equal to the "fair market value" of said interest less any amount due the corporation from the member. For a definition of "fair market value," see the proprietary lease. If the corporation exercises its rights of first refusal, said purchase will immediately terminate the member's rights in and to the proprietary lease and the accompanying stock.

(g) The proprietary lease and accompanying stock in this corporation can be transferred only to a person or persons qualified to hold and own said interest according to the terms of these By-Laws and after the above approval is obtained.

(h) Procedure when corporation helps owner to find purchaser. If the corporation, or its managing agent, agrees at the request of the Member to assist the Member in finding a purchaser at a price designated in writing by the Member, the



corporation, or its managing agent, shall be entitled to charge the member a fee it deems reasonable for this service.

Section 6. Termination of Membership. In the event the Corporation has, pursuant to the provisions of any proprietary lease, terminated the rights of a Member under said proprietary lease and/or repossessed the dwelling unit (apartment), the member shall be required to deliver promptly to the Corporation his stock certificate and his proprietary lease endorsed in the manner required by the Corporation. The corporation may, upon the failure of such Member to deliver said endorsed stock certificate and proprietary lease, cancel said stock certificate upon the books of the Corporation, and act, which coupled with an appropriate resolution of the Board of Directors, shall operate to cancel and/or terminate the proprietary lease and accompanying stock in this Corporation, subject, however, to the terms of said agreement, and such act shall further constitute a complete and lawful delivery of said Member's share to the Corporation without reservation, and the corporation shall thereafter have to execute a proprietary lease and issue new certificates of stock to such new shareholder.

The Corporation is empowered and given the right to provide in proprietary lease the terms, conditions and other considerations upon which a member may be terminated and the manner in which said termination shall be effected.

This article shall be deemed supplemental to and not restrictive of any other rights which the Corporation may reserve unto itself with respect to its members in the proprietary leases, providing only that the terms of this Article shall be deemed additional provisions of any such proprietary lease executed by and between the Corporation and its members at any time.

#### ARTICLE IV MEETINGS OF MEMBERS

Section 1. Place of Meeting. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at a place designated by the Board of Directors.

Section 2. Annual Meeting. The first annual meeting of the Corporation shall be held within thirty (30) days after the membership shall have taken first occupancy of the apartment building owned or leased by the Corporation, upon a date set by the incorporating Board of Directors. Thereafter the annual meeting of the Corporation shall be held during of each succeeding year and in default of the Board of Directors appointing another day during the month of \_\_\_\_\_ of each succeeding year, and giving due notice of such date, the annual meeting shall be held on the \_\_\_\_\_ day of \_\_\_\_\_ in each and every year.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20) per cent of the members having been presented to the Secretary, or at the request of the managing corporation or agent, if there be one. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members present, either in person or by proxy.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Corporation, or if no such address appears, at his last known place of address, at least ten (10) days but not more than fifty (50) days prior to such meeting. The mailing notice in the manner provided in this Section shall be considered notice served. Notices of all meetings shall be mailed to any management corporation or agent which may have been retained by the Corporation to manage its apartment building.

Section 5. Quorum. The presence, either in person or by proxy, of at least thirty-

three and one third (33-1/3) per cent of the members of record of the Corporation owning at least a majority of the outstanding shares of capital stock shall be requisite for, and shall constitute a quorum for, the transaction of business at all meetings of members, with the exception of special meetings as set forth above.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Voting. Each shareholder of record shall be entitled at each meeting of the membership to one (1) vote and/or part of vote, in person or by proxy, for each share and/or fractional share of stock standing in his name on the stock book of the Corporation at the time of meeting. In the event husband and wife hold a joint membership, they may each cast one-half (1/2) of the total number of votes which they would jointly be entitled to. The vote of the majority of those shares owned by members present and voting, whether in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of statute or the Articles of Incorporation, or these By-Laws, or where applicable, the proprietary leases, a different vote is required, in which case such express provision shall govern and control. No provision of these By-Laws, or of the proprietary leases, entered into by the Corporation and its members which requires to be effected or to be enacted a vote of the membership greater than that required in this section, shall be amended or changed by any amendment to these By-Laws or the Corporate Charter insofar as they appertain to said sections or provisions, unless said amendment or change shall be approved by a vote of the membership no less than that required by these By-Laws, or by the provisions of the proprietary leases, whichever shall be applicable, to effect said provision or provisions.

Section 8. If the Corporation shall have entered into a contract with a management corporation or agent, such as RIDGE SEMINOLE MANAGEMENT CORPORATION, to manage its affairs with regard to the operation and maintenance of the apartment building and any recreational facilities appurtenant thereto which the Corporation may own or lease, then the Corporation shall give such management corporation or agent notice of any shareholders' meeting whether the annual meeting or otherwise, and said management corporation or agent shall be allowed to have two (2) of its officers or principals attend said meeting, and said officers or principals of said management corporation or agent shall have the rights of the floor and otherwise the rights of members at said meeting except that said representatives of said management corporation or agent shall have no right to vote on any matter whatsoever, even if the management corporation is a stockholder in this corporation unless the Board of Directors by resolution gives it the authority and power to vote.

#### ARTICLE V DIRECTORS

Section 1. Number and Qualification. The affairs of the Corporation shall be governed by a Board of Directors composed of not less than three (3) nor more than five (5) persons, and the original Board named in the Certificate of Corporation shall govern this corporation until their successors are elected.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law, or by these By-Laws, directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited:

(a) To enter into a contract with RIDGE SEMINOLE, INC., immediately upon incorporation and thereby give it authority to continue to sell the memberships in this Corporation according to the terms of said contract. This contract must be approved by the Board of Directors.

(b) To accept or reject all applications for memberships and admission to



occupancy of a dwelling unit in the cooperative apartment building, either directly or through an authorized representative; such as RIDGE SEMINOLE MANAGEMENT CORPORATION, which receives said power by a corporate resolution for a period of one year at a time.

(c) To establish monthly carrying charges prescribed for in the proprietary lease based on estimated annual operating budgets adopted by such Board, and to establish and provide for the funding of any and all reserves.

(d) To authorize a reduction in monthly rental or carrying charges when in the discretion of the Board of Directors there shall have been collected sums in excess of the estimated cash requirements of operating said Corporation and its owned or leased apartment building for the succeeding fiscal year, providing, however, that the Board of Directors shall maintain reserves to abide contingencies and reserves sufficient to abide the estimated cost requirements of major repairs, maintenance, and upkeep, and provided further that any reserves which may by contract be held in escrow by the management corporation or agent shall not be required or used to make said refund.

(e) To promulgate such House Rules and Regulations pertaining to use and occupancy of the premises as they may deem proper and which are consistent with these By-Laws and the Certificate of Incorporation.

(f) To appoint and delegate by long term contract and/or corporate resolution, a management corporation or agent to perform any and all acts for and on behalf of the Corporation relative to the occupancy, change of occupancy, maintenance, upkeep, improvement, or management of the apartment building owned or leased by the Corporation, providing only that the Board of Directors shall not delegate any powers or duties of the Board of Directors restricted to them or to the membership by law.

(g) To employ an attorney or firm of attorneys to represent the Corporation.

Section 3. Election and Term of Office. The term of the Directors named in the Certificate of Incorporation shall expire when their successors have been elected at the first annual meeting or any special meeting called for that purpose. Directors other than initial directors named in the Certificate of Incorporation shall hold office for a term of one (1) year, shall be elected by the shareholders at the annual meetings or any special meeting called at least in part for the purpose, and shall hold office until their successors shall have been elected, qualified, and shall hold their first meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum and each person so elected shall be a Director until a successor is elected by the members at the next annual meeting. If vacancies leave two or less directors, the shareholders shall elect directors to fill said vacancies.

Section 5. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors elected by the members may be removed with or without cause by a vote of the majority of the entire membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. Compensation. No remuneration shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A Director may not be an employee of the Corporation.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Di-

rectors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time, by a majority of the Directors but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Section 10. Waiver of Notice. Before or at the time of any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers, agents and employees of the Corporation handling or responsible for corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

## ARTICLE VI OFFICERS

Section 1. Designation. The principal officers of the Corporation shall be President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. In the discretion of the Directors and upon the passage of an appropriate resolution of the Board of Directors, the office of Treasurer may be combined with either the office of Vice President or Secretary. The Directors may appoint an Assistant Treasurer, an Assistant Secretary, or such other officers as in their judgment may be necessary, none of whom need be Directors of the Corporation.

Section 2. Election of Officers. The officers of the Corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer and one of



the directors of the Corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Corporation; he shall have the custody of the seal of the corporation; he shall have charge of the stock transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and the credit of the Corporation in such depositories as may from time to time be designated by the Board of Directors. The Treasurer shall be relieved of this responsibility if a managing corporation is appointed. If any checks are written on behalf of the Corporation, the Treasurer's signature must appear thereon. In the event the Corporation has but three directors, the office of secretary and treasurer shall be one office.

Section 8. Compensation. No compensation shall be paid to the officers of this corporation.

Section 9. Acts on behalf of the Corporation. When the corporation enters into any type of contract, mortgage or lease pursuant to authorization in the form of a resolution by the Board of Directors, the said contract, lease or mortgage shall be signed by and on behalf of the corporation by the President and Secretary with the corporate seal and a copy of the corporation's resolution attached to the original of said instrument.

## ARTICLE VII STOCK

Section 1. Stock Issued with Leases. Shares of stock of the Corporation shall be issued only in connection with the execution and delivery by the purchaser and the Corporation of a proprietary lease on an apartment in the building owned or leased by the Corporation, and the ownership of the said stock so issued shall entitle the holder thereof to occupy for dwelling purposes the apartment specified in the proprietary lease so executed and delivered in connection with the issuance of said stock, subject to the covenants and agreements contained in such proprietary lease.

Section 2. Certificates of Stock. Certificates of stock of the Corporation shall be in form prepared by the Board of Directors and shall be signed by the President, or a Vice President, and the Secretary or an Assistant Secretary, or the Treasurer, or an Assistant Treasurer, and sealed with the seal of the Corporation and shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and date of issue. Each Certificate exchanged or returned to the Corporation shall be cancelled, and the date of cancellation shall be indicated thereon by the Secretary and such Certificate shall be immediately placed in the Certificate

Book opposite the memorandum of its issue. The Certificates of Stock shall reflect the restrictions on transfer and the lien which are placed on the stock.

Section 3. Transfer. Transfers of shares shall be made only on the books of the Corporation by the holder in person or by power of attorney duly executed and witnessed and filed with the Secretary, and on the surrender of the Certificate of such shares, except that shares sold by the Corporation to satisfy any lien which it holds and/or sold according to the terms of the proprietary lease may be transferred without the surrender of such Certificate. No transfer of stock shall be valid as against the Corporation, its stockholders and creditors for any purpose until it shall have been entered in the Stock Books by an entry showing from whom and to whom transferred.

Section 4. Units of Issuance. Shares of stock issued to accompany each proprietary lease or occupancy agreement shall be issued in the manner set forth above, in amounts allocated by the Board of Directors, to the apartment described in such proprietary lease. Unless and until all proprietary leases which shall have been executed by the Corporation shall be terminated, the shares of stock which accompany each proprietary lease shall be represented by a single certificate and shall not be sold or transferred except as an entirety to a person who has acquired such proprietary lease or a new one in place thereof after complying with and satisfying the requirements of such proprietary lease in respect to the assignment thereof.

Section 5. Fees on Transfer. The Board of Directors shall have the authority to fix by resolution and to collect, before the transfer of any stock, reasonable fees to cover the Corporation's expenses and attorneys fees in connection with such proposed transfer.

Section 6. Corporation's Lien. The Corporation shall at all times have a first lien on the shares of stock owned by each stockholder to secure the payment by such stockholder of all rent or carrying charges payable or becoming payable by such stockholder under the provisions of any proprietary lease issued by the Corporation, and at any time held by such stockholder, and for all other indebtedness from such stockholder to the Corporation, and to secure the performance by the stockholder of all the covenants and conditions of said proprietary lease to be performed or complied with by the stockholder. Unless and until such stockholder or lessee makes default in the payment of such rent or other indebtedness or in the performance of any such covenants or conditions, such shares shall continue to stand in the name of the stockholder on the books of the Corporation, and the stockholder shall be entitled to exercise the right to vote thereon. Upon any default by the stockholder in the payment of any of the rent, carrying charges, or other indebtedness due from him to the Corporation, or upon default by the stockholder under the terms of his proprietary lease, or under the terms of these By-Laws, the Corporation shall have the right to enforce said lien and thereby to sell the member's stock and accompanying leasehold interest, in accordance with the terms of these By-Laws and/or the proprietary lease, and in conjunction with said enforcement, to issue to any purchaser of such shares a Certificate of the shares of stock so purchased substantially the same as the Certificate which had been issued to such defaulting stockholder, and a new proprietary lease shall be entered into between the new member according to the provisions of the proprietary lease, and thereupon the Certificate for such stock which may have been issued to such defaulting stockholder and his proprietary lease shall become void, and said defaulting stockholder shall surrender the same to the Corporation upon demand.

Section 7. Stock Book. The secretary shall keep a stock book or sheet listing in alphabetical order the names of the stockholders in this corporation and which also lists the numbers of shares held by each stockholder.

## ARTICLE VIII MANAGEMENT CORPORATION

Section 1. If RIDGE SEMINOLE MANAGEMENT CORPORATION, or any other management company, is retained as the Management Corporation, it shall have the right and obligation to collect all monthly payments from the members, and make all disbursements on



behalf of the corporation, and render periodic statements of account to the Corporation and its members, providing only that the rights, duties and obligations of the Developer, as the Management Corporation, shall be reduced to contract which the Corporation shall enter into with said Management Corporation.

#### ARTICLE IX CORPORATE SEAL

Section 1. Seal. The Board of Directors shall provide a suitable corporate seal in form of a circle which shall bear the name of the Corporation, the year of its incorporation, and the words "Corporate Seal," and such other information as the Board of Directors shall deem proper. The Secretary shall be in charge of the seal and if so directed by the Board of Directors, a duplicate may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer.

#### ARTICLE X PROPRIETARY LEASES

Section 1. Form. The Board of Directors shall adopt a form of proprietary lease to be used by the Corporation for the leasing of all apartments in the apartment building to stockholders. Such proprietary leases shall be for such terms, with or without provisions for renewals and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby, and the sale and transfer of shares of stock of the Corporation accompanying the same and such other terms, provisions, conditions and covenants as the Board deems advisable. Said proprietary lease may further provide for the manner and vote whereby it and all outstanding proprietary leases executed by the Corporation and its members may be amended and revised.

Section 2. Assignment. Proprietary leases shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of the terms, conditions and provisions of these By-Laws and of such proprietary leases. A duplicate original of each proprietary lease shall always be kept on file in the office of the Corporation or with the managing agent of the apartment building.

Section 3. Accompanying Stock. The Board of Directors shall allocate to each apartment the number of shares of the Corporation which must be owned by the proprietary lessee thereof, which stock shall be allocated in the proportion the square footage of each apartment bears to the square footage of all other apartments in the apartment building.

Section 4. Corporation and Trusts. The Leases and accompanying capital stock shall be issued to and held by natural persons only except, with the prior consent of the Board of Directors and/or its management agent, a corporate entity or trust may be the owner and holder of such capital stock and lease; provided, however, that the said Corporation or trust shall designate in writing as part of the proprietary lease the person or persons who shall be the occupying tenant or tenants, which persons shall be subject to all the requirements of such lease and who must first be approved, prior to occupancy, in the same manner as any of the other lessees or assignees. This shall not apply to RIDGE SEMINOLE MANAGEMENT CORPORATION or RIDGE SEMINOLE, INC.

Section 5. Restriction on Corporate ownership. In an attempt to comply with the present United States Internal Revenue provision (§216) which relates to personal income tax deductions of the members of this Corporation, the stock in this Corporation shall not be owned by Corporation or trust in any case where such ownership would cause the gross income from individuals entitled to occupy the apartments to fall below 80% of the gross income of the Corporation. This restriction may be removed by the Board of Directors, if, in their opinion, it is for the best interests of this Corporation and the Members that said restriction be removed.

#### Section 6. Subleasing of Apartments.

(a) The apartments in the apartment building owned by this Corporation leased to members herein according to the terms of the proprietary lease may be subleased if the appropriate procedure is followed.

(b) The apartments shall not be sublet to any person without the prior consent of the Board of Directors of this Corporation, or alternatively, of a majority of the members of the Corporation without the prior consent of the management corporation. The Corporation may delegate to its managing agent the complete power and authority to give its consent as to subletting of the apartments. If this consent is given, the management corporation will then have complete control over this procedure.

(c) The subletting tenants shall be bound by the Terms of the proprietary lease and any violation of the terms thereof by the subtenant shall, at the election of the Corporation, be deemed the violation of the member.

(d) If the member desires to sublet his apartment, he must apply to the Corporation or its managing agent for consent to a subletting, and said request shall be in writing and the member must furnish to the corporation or its managing agent all necessary information which the corporation or its managing agent reasonably desires concerning the qualifications of the proposed subtenant. Corporation will act upon the request within ten (10) days after receiving same along with the required information.

(e) If the consent of the Corporation or its managing agent is given, the form of sublease approved and adopted by the Corporation shall be used.

(f) No executor, administrator, personal representative, or successors of the members, or trustee or receiver of the property of the member, or anyone to whom the interest of the member hereunder shall pass by law, shall be entitled to sublet the leased apartment or any part thereof except in compliance with the provisions herein relative to subletting of the interest.

(g) In the event the member shall sublet the property, in accordance with the terms of the proprietary lease, then the member shall, at the option of the Corporation or its managing agent, deliver his certificate of stock in this Corporation to the Corporation and execute transfer documents in blank therefor which the Corporation may hold as further security for the member's performance under the terms of the proprietary lease.

#### ARTICLE XI SALE OR ACQUISITION OF ASSETS

Section 1. Sale of Assets. The Corporation shall not sell or otherwise transfer its interest in and to the apartment building which its members occupy for a period of one (1) year from the date of approval of these By-Laws, except that this restriction shall not be deemed to prohibit the Corporation from reorganizing should the occasion arise. Thereafter the corporation may sell or otherwise transfer its interests as owner or lessee of the apartment building and lands upon which said building is located as well as its interests in and to any private recreational facilities which it may have, or any other assets, with the consent of a majority of the shareholders owning at least a majority of the outstanding shares of its stock, providing however, that any such sale shall be subject to the interests of the members under their outstanding proprietary leases.

If any sale or transfer shall be approved, said approval shall also determine and specify whether or not any part or all of the net proceeds of said sale or transfer shall be distributed to the membership, and the terms and particulars of said distribution. In the event said sale or transfer shall produce cash proceeds or the equivalent thereof, and it shall have been determined and approved that a part or all of said proceeds shall be distributed to the membership, then out of said proceeds there shall first be distributed to each member of the then membership an amount computed as follows:



The total amount of cash which said member may have paid for his membership, including his rights of occupancy, increased by the total amount of the mortgage amortization, exclusive of interest, which shall be attributable to said member for reason of his prepayment of his proportionate part of the mortgage indebtedness or for reason of his payment of monthly carrying charges, a portion of which shall have been used to amortize the outstanding mortgage principal. This amount shall in no event exceed the sum of the total cash down payment required of the original member having a right to occupy the then member's apartment, together with the aforedescribed proportionate part of the mortgage amortization or prepayment which shall be attributable to said member or his predecessor.

In the event there shall be insufficient net proceeds to repay each member the full amount described above, then each member shall receive his pro rata share of the net proceeds. Each member's pro rata share of the net proceeds shall be determined by the percentage which said member's cash investment, as above described, is of the total cash investment of all members.

It is the intention of this Section to provide that in the event of a sale of assets the members shall first be reimbursed for their actual cash disbursements representing their equity in the said membership prior to any other distributions being made.

If, after the distribution of the sums required in the preceding paragraphs, there shall be net proceeds remaining, then said net proceeds shall be distributed to the then membership in proportion to their stock ownership in the Corporation.

The sale of any of the Corporation's assets other than its interests as owner or lessee of the apartment house, appurtenant lands, and its rights in and to the private recreational facilities, may be made under such terms and conditions as the Board of Directors may approve, except that the sale or transfer of any asset having a fair market value on the date of approval of said sale or transfer by the Board of Directors in excess of \$3,000.00 shall also require the approval of the membership.

Section 2. Refinancing of Assets. The assets of the Corporation may be financed or refinanced as the case may be, except that any refinancing of the Corporation's interests as owner or lessee of the apartment building, appurtenant lands and/or rights in and to any private recreational facilities shall be treated as a sale or transfer of said interests for the purposes of this Article.

Section 3. Acquisition of Assets. The Corporation may acquire any additional assets as it may deem proper, except that should the cost of any proposed acquisition exceed \$3,000.00 then such acquisition shall require the consent of a majority of the shareholders owning at least a majority of the outstanding shares of the Corporation. The Corporation, upon the approval of the Board of Directors, may acquire any capital assets which the Board may deem proper, providing only that in any calendar year the total cost of said assets shall not exceed \$3,000.00. Should the Board of Directors propose the acquisition of capital assets such that the cost of the total acquisitions shall exceed \$3,000.00 for the year, then such additional acquisitions shall require the approval of a majority of the membership.

## ARTICLE XII MISCELLANEOUS

Section 1. Minimum Age of Members. No real person shall be eligible for membership or approval for membership who shall be under the age of twenty-one (21) years of age unless waived by the Board of Directors for good cause shown.

Section 2. Minimum Age of Residents. No person under the age of eighteen (18) years of age may permanently reside with a member within the dwelling units leased to the member by the Corporation. In the event an infant is born to a member or other person while she is living in this apartment, the mother and child shall vacate the demised premises within eighteen (18) months after said birth.

Section 3. Guests. Members shall be allowed to have guests temporarily residing with them who are under the age of eighteen (18) years of age, providing that such guests do not behave in a manner which will annoy or harass other members residing in the apartment building, owned or leased by the Corporation, and providing further that such guests at all times demean themselves in a manner consistent with the member's proprietary lease and any and all House Rules which may be applicable to the premises.

Section 4. Resolutions. Whenever the Corporation by and through its Board of Directors passes a Corporate resolution, the resolution shall be in writing.

## ARTICLE XIII AMENDMENTS

Section 1. Amendment to the By-Laws. These By-Laws may be amended by a two-thirds (2/3) vote of the members present and voting at any regular meeting of the membership provided that a quorum is present at any such meeting and provided further that such amendment shall not be in violation of law or of the Articles of Incorporation. Amendments may be proposed by the Board of Directors or by a petition signed by members owning at least twenty (20) per cent of the outstanding shares of stock of the Corporation. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon.

Section 2. The Corporate Charter. The Articles of Incorporation of this Corporation may be amended at any meeting of the membership, whether regular or special, called at least in part for the purpose, upon the approval of a majority of the shareholders owning at least sixty (60) per cent of the outstanding shares of the Corporation, and providing further that said amendment shall have been proposed by the Board of Directors or by petition signed by members owning at least twenty (20) per cent of the outstanding shares of stock of the Corporation. A statement of any proposed amendment to the Articles of Incorporation shall accompany the notice of any regular or special meeting at which said proposed amendment may be voted upon.

Section 3. Additional Requirements. Any amendment to the By-Laws or to the Articles of Incorporation of the Corporation shall also meet the additional voting requirements as specified in Article IV, Section 7, of these By-Laws where said requirements shall be applicable.

Section 4. Definition of Member.

(a) Any reference in these By-Laws to member or to stockholder although expressed in singular number, shall apply to any and all persons appearing as owners of the shares of stock involved, whether one or more, and whether male or female, and all reference to such member shall apply to both the masculine and feminine gender.

(b) For the purpose of these By-Laws, the member as referred to herein and sometimes referred to as "shareholder" or "stockholder" shall be deemed to be one (1) person for the computations called for herein, whether such member shall be a sole individual, a group of individuals owning said shares jointly or in common, or any other entity or combination thereof. For the purpose of these By-Laws, the total number of stockholders, shareholders or members shall be the total number of members in the Corporation as defined herein.

Section 5. Dispute as to the Right to Vote. Any dispute between co-owners of shares of stock as to who shall have the right to exercise the voting rights provided for herein and provided for in the Articles of Incorporation or in any proprietary lease issued by the Corporation to its members, shall result in such stock not being voted until such dispute is determined by a court of competent jurisdiction or by using the procedure of arbitration set forth in the proprietary lease.

ARTICLE XIV

Section 1. Determination of and Qualifications for Memberships in this Corporation. It is an express intent of this Corporation for its members, Board of Directors and/or managing agent to have some degree of control over the kind and quality of the membership in this corporation.

In order for an individual to be a member of this Corporation, the Member must have the following qualifications:

- (a) The member must be over twenty-one (21) years of age.
- (b) The member must have a satisfactory credit rating.
- (c) The member must not have a criminal record.
- (d) The member must be of good moral character.
- (e) The member must not be addicted to narcotics or alcohol.
- (f) The member must be, in the opinion of the body making the decisions as to the applicant's qualifications, a person who will live harmoniously and congenially with his fellow members and who is financially able to meet his responsibilities and obligations under the terms of his proprietary lease.

The decision of the body who makes the decision as to approval or rejection shall be conclusive and binding on the members, the applicant or prospective member and the Corporation.

DUPLICATE ORIGINAL  
NINETY-NINE YEAR LEASE

THIS INDENTURE OF LEASE, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between RIDGE SEMINOLE, INC., a Florida corporation, hereinafter called the Lessor, and SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., a Florida corporation, hereinafter called the Lessee;

W I T N E S S E T H:

1. That for the term and upon conditions, and for the considerations hereinafter expressed, the Lessor has leased and demised and does hereby lease and demise, unto the said Lessee, and the said Lessee does hereby lease from the said Lessor, the following described real estate situate in Pinellas County, Florida, as shown on Exhibit A attached to the booklet of which this is a part.

2. The term of this lease is for and during the period ninety-nine (99) years, said term shall commence thirty (30) days after substantial completion of the construction of the apartment building to be constructed on the above described premises by Ridge Seminole, Inc. and shall extend for a period of ninety-nine (99) years thereafter.

3. Lessee shall pay as rental for said premises for and during the term hereof, the total sum of \$\_\_\_\_\_ per annum and said rental shall be payable at the rate of \$\_\_\_\_\_ monthly in advance from and after the first day of the term of this lease. Said rental shall be paid at such place or address as may be designated by Lessor, its successors or assigns, from time to time hereafter, by writing. The rentals herein specified are to be paid in legal currency of the United States of America. Any installment of rent not paid when due shall bear interest from its due date at the rate of \_\_\_\_\_ per cent ( \_\_\_ ) per annum until paid, and all monies or other sums which may become due to Lessor hereunder by reason of any of the provisions of this lease, shall be a lien upon the property described herein, and upon all buildings, improvements and equipment which may be placed thereon. The lien hereby created and given is cumulative and is in addition to all statutory liens and rights for rent created by the laws of the State of Florida, now in force or hereafter enacted.

4. As a part of the consideration for this lease, and in addition to the rental hereinbefore provided, Lessee shall, and it does hereby bind and pledge itself, its successors and assigns, to pay all taxes, assessments or other charges of any nature or kind whatsoever, that may be levied, imposed, charged or assessed against said property, or any improvements now thereon, or which in the future may be placed thereon, by any Governmental or taxing body whatsoever, excepting only any such taxes or other such charges as may arise from inheritance, estate, succession, or income taxes of Lessor, and any other tax of Lessor due any taxing agency under any present or future law, and all of the above enumerated additional obligations resting upon Lessee shall be paid promptly as they shall each severally become due and payable.

5. Lessee covenants and agrees to carry, during the term of this lease, Landlord and Tenant liability insurance in the reasonable maximum amounts of coverage and limits available, all premiums to be paid by Lessee, and the policy or policies shall show the respective interests of the Lessor and the Lessee.

6. Lessee will at all times save harmless the Lessor and the demised premises, and the improvements thereon, and all future improvements thereon, from all liens and penalties in connection with the taxes herein provided to be paid by Lessee, and from any claim or claims for curbing, paving, water pipe, sewer, culverts, drains, or other street or public improvements of any nature, or for any taxes or other assessments, including any reconstruction or repair of streets or sidewalks, and also for any and all claims for damages which may in any way arise during the term of this lease, and be or become chargeable to or payable for or in respect to said premises, and will, if requested by Lessor, exhibit to Lessor, receipts showing that all taxes and any such assessments for the preceding year or years have



been paid, and will, upon written application of Lessor for inspection and such use as may be proper in protecting the interest of Lessor in the premises, show written evidence of any and all such payments whenever demanded. It is expressly understood and agreed, however, that the Lessee may at its sole expense, if in good faith and upon reasonable grounds, dispute the validity of any tax assessment or other charge, lien, penalty or claim, including liens or claims of materialmen, mechanics, or laborers, or others, and defend against the same, and may in good faith, conduct any necessary proceedings to prevent and avoid the same, and the Lessee shall not, in the event of and during the bona fide prosecution of such litigation be held in default with reference to the subject matter of such litigation; provided, however, if the aggregate amount of all liens or claims which are the subject of contest or litigation, and are being contested and litigated, shall at any time equal or exceed the sum of Five Thousand Dollars (\$5,000), including interest, penalties and costs, the Lessee shall give to the Lessor a bond in penal sum equal to not less than one hundred twenty-five per centum (125%) of the aggregate amount of all liens and claims being contested or litigated, with some surety company licensed and authorized to do business in the State of Florida and approved by Lessor, as surety, with the condition to pay all of such liens or claims, or such part thereof as shall be finally judged to be due and owing, and to save Lessor harmless therefrom and from any part thereof.

7. During the term of the lease, the Lessee shall at all times at its sole expense, keep all buildings and improvements situate on the premises herein demised in good order, condition and repair, and shall at all times save and keep the Lessor herein free and harmless from any and all liability occasioned by any act or neglect of Lessee, or any agent or employee of Lessee, or any tenant of said premises holding under said Lessee, or arising from any other cause whatsoever, not the direct or indirect fault of Lessor or its agents, and shall indemnify and save harmless the said Lessor against any loss, cost, damage or expense arising out of or in connection with the construction or repair of any building or improvement upon said premises, and out of or in connection with any accident causing injury to any property or person or persons whomsoever or whatsoever, and due directly or indirectly to the condition or use of said premises, or any part thereof, by Lessee or any other person holding under said Lessee, and this provision shall extend to any and all injuries or liabilities which may arise in the event of the razing or removing of any improvements now or hereafter located upon said described property.

8. Lessee shall at all times during the term of this lease see to the payment of all charges for sewer, water, gas, electric current, whether used for power or lighting, telephone service and any and all other charges for utilities service used in, upon or about said premises.

9. It is understood and agreed that any erosion of or an accretion to the lands covered by this lease shall have no effect upon this lease, the terms and conditions hereof, and/or the rentals herein specified.

10. Lessee shall maintain all improvements now situate or hereafter placed by it upon the leased premises in first-class repair and condition during the term of this lease, permitting no waste or deterioration thereof (ordinary wear and obsolescence only excepted), and shall save the Lessors harmless from any loss or damage to persons or property by reason of any failure on its part so to do.

Lessee shall have the privilege of repairing, enlarging, or restoring any improvements situate upon the leased premises placed by it thereon, during the term of this lease, in accordance with the terms of this lease, provided, that any such repairs, enlargements or restoration of improvements shall not have the effect of lessening to any extent whatever the economic values and stability and utility of such improvements as the same existed immediately prior to any such changes by the Lessee, and provided further that all other applicable provisions of this lease are complied with.

11. Neither the Lessee nor anyone claiming by, through or under Lessee, including contractors, sub-contractors, materialmen and laborers, shall have any rights to file or place any mechanics' or materialmen's liens of any character whatsoever upon the

leased property or upon any building or improvement thereon, and notice is hereby given that no contractor, sub-contractor, materialmen, laborers or anyone else who may furnish any material, service or labor for any buildings or improvements, alterations, repairs or any parts thereof at any time shall be or become entitled to any lien whatsoever thereon or therefor.

Lessee covenants and agrees to save the Lessor harmless from any damage to streets, sidewalks and alleys and to owners of adjoining lots, by reason of any changes, repairs, alterations, building or erection of any improvements now or hereafter upon said leased premises, including the foundation of and excavation under said improvements.

12. Lessee covenants and agrees to keep the buildings upon said premises which may be erected thereon insured against loss by fire, windstorm and such other hazard as is covered by "extended coverage" in the present usual meaning of that term, in insurance companies duly licensed and authorized to do business in the State of Florida, and approved by Lessor, in a sum not less than the full insurable value of improvements situate from time to time upon said premises, with loss payable clause to and for the benefit of Lessor as its interest may appear, and to deliver such policy or policies or a copy or copies thereof to Lessor, and in case said building or any part thereof shall be damaged or destroyed by fire or otherwise, Lessee hereunder agrees and covenants to commence promptly, and to prosecute diligently to completion the rebuilding or repairing of such damaged or destroyed building or buildings or improvements, or to erect a new building on the said property of a value not less than the then current value of the structure, building or improvement so damaged or destroyed, before its damage or destruction, and this provision shall apply with equal force whether there are one or several buildings, structures, or improvements involved in any such destruction, loss or damage, Lessee covenants and agrees that the proceeds of such insurance policies, when collected, shall be used exclusively for the rebuilding of such buildings, structures or improvements or repairing of the damage thereto, unless mortgagee of underlying mortgage is entitled to and requires receipt of such insurance proceeds. Except as otherwise herein provided, no damage or destruction to any building situate upon said premises by fire or other casualty shall have the effect of terminating this lease or release either party from the obligations created or imposed by this indenture, any law of the State of Florida to the contrary notwithstanding.

Lessor hereby covenants and agrees to devote and release as and when required to pay the cost of such rebuilding or restoration, all of the proceeds received from such insurance policy or policies proportionately as the repair or erection of said building or buildings progresses.

Nothing herein contained shall be taken or construed as relieving Lessee of the obligation hereby specifically assumed by Lessee to repair and restore the said buildings at its own cost and expense to any extent that insurance proceeds are not available.

13. In the event that all of the buildings or improvements located upon the leased premises shall be destroyed during the last three (3) year period of the term of this lease, Lessee shall have the option, but shall not be obligated, to rebuild the destroyed or damaged building, buildings or improvements, provided Lessee shall notify Lessor of its election not to rebuild or repair, by written notice given to said Lessor within ninety (90) days of the date of the damage or destruction. After receipt of such written notice, the proceeds of all insurance policies covering said property shall belong exclusively to the Lessor, and Lessor shall be entitled to resume immediate possession and control of the property herein leased, and any additions that may be placed by Lessee upon the leased premises, free from all claims on the part of the Lessee, and its sub-tenants. This lease shall thereupon immediately terminate and no future payments of rent shall be required from the Lessee, but all of the obligations of this lease shall continue unabated until the receipt by the Lessor of said written notice from the Lessee as provided in this paragraph.

14. Lessee covenants and agrees that it will make no unlawful use of said leased premises, nor permit the same to be used in anywise, contrary to any valid law or ordinance of the State of Florida, the County of Pinellas, or of any other governmental agency,



and that it will keep and maintain said premises in a suitable and sanitary condition so as not to permit the same to become a public nuisance. Lessee further covenants and agrees that it will use the said leased premises only for cooperative apartment uses, and none other, without the prior written consent of Lessor obtained and recorded in the public records of Pinellas County, Florida.

15. In the event that any apartments remain unsold at the time that Lessor turns the property over to Lessee, Lessor agrees to discount the rental as stated in Paragraph 3 hereof, proportionate to the number of memberships in the Lessee corporation remaining unsold until such time that all memberships in the Lessee corporation are sold. During the time that there are unsold memberships in Lessee corporation, Lessor reserves the right to rent unoccupied apartment spaces upon terms and conditions agreeable to it, but consistent with the objectives and purposes of Lessee corporation; however, Lessor shall, at all times exercise its best efforts to effect complete sale of all such memberships at the earliest practicable time. All carrying charges normally charged to a member of Lessee corporation shall be borne by Lessor for the time during which unsold apartments are rented.

16. Lessee covenants and agrees to make all payments as stated in Paragraph 3 hereof, from the date that all its memberships are sold, and to make discounted payments as specified in Paragraph 15 hereof, from the date that Lessor turns the property over to Lessee, to such time as additional memberships are sold, at which time or times, the rentals abated shall become due and the amount of total rental shall be increased proportionately until all such memberships have been sold.

17. Lessee covenants and agrees to pay all payments due on the construction and/or permanent mortgage which will encumber the apartment building to be constructed on the premises described in Paragraph 1 of this lease.

18. Lessor hereby covenants and agrees with Lessee that it is seized in fee simple of the leased premises and that the same are free of all liens and encumbrances, except the mortgage described in Paragraph 17 hereof, and taxes for the current year; that conditioned upon the Lessee's observance and performance of the obligations entered into upon its behalf, Lessor will warrant to Lessee peaceable possession and enjoyment of the leased premises against the lawful let, hindrance or disturbance of any person or persons whomsoever, claiming in any manner by, from, through, or under Lessor, or anyone other than Lessee, during the term of this lease.

19. Upon the payment of rent as herein stipulated, and upon the prompt performance of all of the other terms and conditions hereof provided by the Lessee to be kept and performed, the Lessee shall have undisturbed and peaceable possession of the said leased premises for the term herein set forth.

20. This lease is made upon the condition that the Lessee shall perform all covenants and agreements herein set forth to be performed by it, and if at any time any rents, taxes, assessments, insurance premiums or any other charges and payments, or any part thereof shall become in arrears and unpaid for a period of sixty (60) days after the same shall become due (excepting only as herein provided for materialmen and building liens or taxes which are being in good faith contested by Lessee), or if any of the covenants or agreements to be carried out or performed by the Lessee shall not be performed as herein stipulated and agreed to be performed by the Lessee, within the period of sixty (60) days after default in performance of said covenants and agreements, then said Lessor, at its option upon first giving thirty (30) days' written notice to the Lessee, shall have full right to enter upon the above described and demised premises at any time after said thirty (30) days' notice, and the default upon which it is based, and take immediate possession thereof, and bring suit for and collect any rents, taxes, assessments, insurance premiums or other charges which may have accrued up to the time of such re-entry, provided said Lessee, during the said thirty (30) day period after notice is given, shall have the right to settle and pay in full any and all rightful claims of Lessor under this instrument which are then delinquent, or place with Lessor a bond or collateral security satisfactory to Lessor for the payment of such rightful claims, including in either instance \_\_\_ per centum (\_\_\_) interest on the amount in default, calculated

from due date to date of payment, also including all actual and reasonable costs, expenses and charges incident to such suit and re-entry, and reasonable attorneys fee for Lessor's attorney. In the event that this lease is forfeited and terminated as above provided, then all improvements made on said property shall immediately become the property of the Lessor. Any enumerated right as herein set out to proceed with the collection of rent or for the possession of the premises, shall not be considered in any event as exclusive, or a complete enumeration of the rights which Lessor has, but it is specifically agreed and understood that upon default in the prompt compliance with any of the covenants herein set out to be performed by the Lessee, Lessor may resort to any legal steps existing under the laws of the State of Florida, in favor of Lessor for the protection of its rights.

21. Upon the termination of this lease, either due to the breach of any covenant herein set forth or to the expiration of the same at the end of the term hereof, then in either event all buildings and improvements of whatsoever nature at that time standing upon the premises herein demised and leased shall become and remain the sole and absolute property of Lessor.

22. If the entire leased premises shall be taken under the exercise of the power of eminent domain by any competent governmental authority, this lease shall terminate as of the date of such taking; and in that event, the rentals due hereunder shall be apportioned between the parties hereto as of the date of such taking and any balance of the prepaid rentals not theretofore applied towards the payment of accrued installments of rent in accordance with the provisions hereof shall be immediately repaid to the Lessee, together with interest thereon at the rate of \_\_\_ per cent (\_\_\_) per annum. If less than the entire leased premises shall be taken under the exercise of the power of eminent domain, this lease shall not terminate but shall continue in full force and effect as to the remaining portion of the leased premises; and in such event the Lessee shall make such repairs and restorations as may be necessary fully to restore the remaining portion of the premises to a condition as good as that prior to the taking, there shall be no abatement in the rentals due hereunder during the time such repairs or restoration are being made, the rents thereafter due shall not be reduced on account of such taking and the lease shall not otherwise be affected thereby. If either the entire leased premises or only a part thereof are so taken, the Lessee shall receive the amount awarded for necessary repair or reconstruction of the building (which shall be impounded to limit and assure its use by the Lessee for that purpose), and the amount awarded as damages to the value of the leasehold measured by the reduction in the value thereof caused by such taking, and taking into consideration the Lessee's continuing obligation to pay the full amount of the rentals herein specified; and the Lessors shall receive the entire balance of the award, including all amounts paid for the taking of the land, the taking or damage to the buildings or other improvements and on account of damages to the residue of the property, but interest at the rate of \_\_\_ per cent (\_\_\_) per annum on the amounts so paid to the Lessor shall be credited on the rentals thereafter payable by the Lessee, so long as the lease shall remain in effect, any amount by which such interest shall exceed the rentals falling due to be paid to the Lessee, and the Lessee shall have a lien upon the leased premises for payment to it of any such excess. It is agreed, however, that if less than the entire leased premises shall be taken under the exercise of the power of eminent domain, but the parts taken shall amount to 25% of the frontage or 25% of the depth of the leased premises, the Lessee shall have the option to terminate this lease as of the date of such taking, with the same effect as provided in the first sentence of this section in the case of a termination resulting from the taking of the entire premises.

23. The Lessor may, at any time pending a suit based upon this lease, apply to the Court having jurisdiction thereof for the appointment of a receiver, and such Court shall forthwith appoint a receiver of the leased property, including all the income, profits and revenues from whatever source derived. Such appointment shall be made by such Court as an admitted equity and a matter of absolute right to said Lessor. Such rents, profits, income and revenues shall be applied by such receiver against the rental herein provided.

24. It is understood and agreed that all covenants, terms and conditions of this lease extend to and are binding upon the successors, heirs, personal representatives and



assigns of each and both of the parties hereto.

25. It is further covenanted and agreed by and between the parties hereto that in case the Lessor shall, without any fault on its part, be made a party to any litigation commenced by or against the Lessee, the Lessee shall be and is under the obligation to defend at Lessee's expense the Lessor in such litigation, with the right in Lessor, at its expense, to furnish additionally such defense thereto as Lessor may wish.

26. The Lessee shall not assign this lease nor any rights thereunder, nor shall Lessee sublet any portion of the premises herein described, without the prior consent of Lessor, however, this provision shall not prohibit the issuance of proprietary leases to shareholders of Lessee, nor shall it prohibit the subleasing of apartments by Lessee or by members of Lessee to qualified and approved persons in accordance with the terms of the By-Laws of Lessee or of the proprietary lease. Also, this clause shall not prohibit Lessee from mortgaging the leasehold interest without the prior consent of Lessor. In the event Lessee requests consent to sublease the apartments or the building, or assign the leasehold interest, in a manner not mentioned above, Lessor agrees that said consent shall not be unreasonably withheld.

27. It is understood by the Lessor and Lessee that additional apartment buildings will be built by Lessor on real estate adjoining lands described herein, if, and in the event economic circumstances shall permit, and, that as a part of Lessor's plan for further development of adjoining lands, Lessor intends to construct and maintain a recreation area. At such time as such recreation improvements shall be completed, at the initial expense of Lessor for such construction, Lessee's members shall have full and equal opportunity and rights to use and enjoy all such facilities. It is agreed by Lessee that all maintenance and operation costs, including real property taxes, of said recreational area and areas designated as recreational areas and other areas of common use, including streets, walkways and other areas not specifically leased to one of the cooperative apartment corporations or taxed specifically against one of the cooperative apartment corporations, shall be paid on a pro-rata basis, in proportion to square footage of each building in the project known as Seminole Gardens Apartments, pursuant to terms and conditions of the management contract executed concurrently herewith.

28. It is anticipated that in the further development of adjoining lands by Lessor, streets and sidewalks traversing portions of the developed lands shall be available for full and equal use of Lessee corporation members. Therefore, Lessor covenants that at such time or times as said streets and sidewalks shall be constructed by Lessor, at its expense, it shall execute such instruments as may be necessary or desirable to provide authority for and right of user in members of said Lessee corporation. Lessor specifically reserves the same rights for members of other cooperative corporations, upon streets, sidewalks, or other rights of way upon lands herein listed.

29. The rental to be paid under the terms of this agreement may be modified from time to time, in the event that economic conditions shall vary in the future as herein described. It is recognized that periodically the United States Government, or one of its agencies, has, and will continue to publish a Cost of Living Index for housing. If at any future time such Cost of Living has increased 20% over and above the Cost of Living Index for housing as presently determined, then the rental payable hereunder shall be increased proportionately. However, in the event the Cost of Living Index for housing shall decrease 20%, then the rental shall be decreased proportionately. The provisions of this paragraph may be invoked by either party at any subsequent time or times. In the event this provision is ever invoked by either of the parties, the adjustment of rental hereunder shall be reviewed and adjusted annually thereafter based upon such cost of living index or at such times convenient to the respective parties as they may hereafter agree upon in writing.

30. It is understood and agreed that this agreement shall not be sold, transferred, consolidated or hypothecated in any manner by Ridge Seminole, Inc. except upon prior written approval of the holder of the construction and/or permanent mortgage encumbering the premises described in paragraph 1 hereof, and such approval shall not be unreasonably

withheld.

31. It is understood by the parties hereto that an original and 3 copies have been executed by each the Lessor and Lessee, and each and all of said signed copies shall be considered and shall constitute originals hereof.

32. Wherever the term Lessor or Lessee is used herein, it shall include the masculine, feminine, neuter, singular, plural, corporation or individual, and either sex.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused these presents to be executed and the corporate seals to be affixed thereto by their properly authorized officers.

Signed, sealed and delivered in the presence of:

RIDGE SEMINOLE, INC.

By \_\_\_\_\_  
President

ATTEST:

Secretary

LESSOR

(corporate seal)

Signed, sealed and delivered in the presence of:

SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC.

By \_\_\_\_\_  
President

ATTEST:

Secretary

LESSEE

(corporate seal)

STATE OF FLORIDA )  
COUNTY OF \_\_\_\_\_) ss:

BEFORE ME, the undersigned authority, personally appeared CASSIUS L. PEACOCK, JR., President of RIDGE SEMINOLE, INC. and Secretary of SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., corporations organized and existing under the laws of the State of Florida, to me personally known, and this day acknowledged before me that he executed the foregoing instrument as such officer of said corporations, and that he affixed thereto the official seals of the said corporations, and I further certify that I know the said person making said acknowledgment to be the individual described in and who executed the foregoing instrument for the uses and purposes therein expressed.

WITNESS my hand and official seal in the State and County aforesaid, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

STATE OF FLORIDA )  
COUNTY OF \_\_\_\_\_) ss:

BEFORE ME, the undersigned authority, personally appeared TOMMAY T. PEACOCK, Secretary of RIDGE SEMINOLE, INC., a corporation organized and existing under the laws of the State of Florida, to me personally known, and this day acknowledged before me that she executed the foregoing instrument as such officer of said corporation, and I further certify that I know the said person making said acknowledgment to be the individual described in and who executed the foregoing instrument for the uses and purposes therein expressed.

WITNESS my hand and official seal in the State and County aforesaid, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

STATE OF FLORIDA )  
COUNTY OF PINELLAS ) ss:

BEFORE ME, the undersigned authority, personally appeared W. B. WHITLEY, President of SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., a corporation organized and existing under the laws of the State of Florida, to me personally known, and this day acknowledged before me that he executed the foregoing instrument as such officer of said corporation, and I further certify that I know the said person making said acknowledgment to be the individual described in and who executed the foregoing instrument for the uses and purposes therein expressed.

WITNESS my hand and official seal in the State and County aforesaid, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public

**ORIGINAL  
MANAGEMENT CONTRACT**

Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., a corporation organized and existing under the laws of the State of Florida having its principal office at Seminole, Florida, hereinafter called the "Owner," and RIDGE SEMINOLE MANAGEMENT CORPORATION, having its principal office at 8320 - 112th Street North, Seminole, Florida, hereinafter called the "Agent,"

**WITNESSETH:**

In consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto mutually agree as follows:

FIRST. (a) The Owner hereby appoints the Agent, and the Agent hereby accepts appointment, on the terms and conditions hereinafter provided, as exclusive managing agent of the development known as SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., located in the County of Pinellas, State of Florida, and consisting of \_\_\_\_\_ dwelling units and together with the land described in paragraph 1 of the Ninety-Nine Year Lease between RIDGE SEMINOLE, INC. and SEMINOLE GARDENS APARTMENT NO. \_\_\_\_\_, INC., and hereinafter referred to as the "Project."

(b) The Agent fully understands that the Owner is a non-profit cooperative ownership housing corporation, providing accommodations in the Project principally for residential use by its stockholders, hereinafter referred to as "Members," and the Agent agrees, notwithstanding the authority given to the Agent in this Agreement, to confer fully and freely with the Owner in the performance of its duties as herein set forth. The Agent agrees to encourage whenever possible the principles of cooperative effort among the Members consistent with such policy guidance as may be given by the Owner.

SECOND. In order to facilitate efficient operation, the Owner shall furnish the Agent with a complete set of the plans and specifications of the Project as finally approved, and with the aid of these documents and inspection made by competent personnel, the Agent will inform itself with respect to the layout, construction, location, character, plan and operation of the lighting, heating, plumbing, and ventilating systems, as well as elevators, if any, and other mechanical equipment in the Project. Copies of guarantees and warranties pertinent to the construction of the Project and in force at the time of the execution of this Agreement shall be furnished to the Agent.

THIRD. The Agent shall hire in its own name all managerial personnel necessary for the efficient discharge of the duties of the Agent hereunder. Compensation for the services of such employees shall be the responsibility of the Agent. Those employees of the Agent who handle or are responsible for the handling of the Owner's monies shall be bonded by a fidelity bond acceptable both to the Agent and the Owner. A copy of this bond shall be sent to the corporation.

FOURTH. Under the personal and direct supervision of one of its principal officers, the Agent shall render services and perform duties as follows:

(a) On the basis of an operating schedule, approved by the Owner, on the recommendation of the Agent, investigate, hire, pay, supervise and discharge the personnel necessary to be employed in order properly to maintain and operate the Project. Such personnel shall in every instance be in the Agent's employ and not the Owner. Compensation for the services of such employee, (as evidenced by certified payrolls) shall be considered an expense of the Project.



It is understood by the Owner that the Agent will be managing other Cooperatives in this Project and the Owner agrees that the Agent can pool (when practical) working arrangement with other Cooperatives with the same employees and Owner agrees that the Agent shall apportion the expense on a pro rata basis in proportion to the services performed for the respective Cooperatives.

(b) Immediately ascertain the general condition of the property and if the accommodations there afforded have yet to be occupied for the first time, establish liaison with the general contractor to facilitate the completion by him of such corrective work, if any, as is yet to be done.

(c) Coordinate the plans of Members for moving their personal effects into the Project or out of it, with a view towards scheduling such movements so that there shall be a minimum of inconvenience to other Members.

(d) Maintain businesslike relations with Members whose service requests shall be received, considered and recorded in systematic fashion in order to show the action taken with respect to each. Complaints of a serious nature shall, after thorough investigation, be reported to the Owner with appropriate recommendations. As part of a continuing program to secure full performance by the Members of all items and maintenance for which they are responsible, the Agent shall make an annual inspection of all dwelling units and report its findings to the Owner.

(e) Collect all monthly carrying charges, including monthly mortgage payments, due from Members, all rents due from users of garage spaces, and from users or lessees of other non-dwelling facilities in the Project; also sums due from concessionaires in consequence of the authorized operation of facilities in the Project maintained primarily for the benefit of the Members. The Owner hereby authorizes the Agent to request, demand, collect, receive, and receipt for any and all charges or rents which may at any time be or become due to the Owner, and to take such action with respect thereto as the Owner may authorize. As a standard practice, the Agent shall furnish the Owner with an itemized list of all delinquent accounts immediately following the tenth day of each month.

(f) Cause the buildings, appurtenances and grounds on the Project to be maintained according to standards acceptable to the Owner, including but not limited to exterior cleaning, painting and decorating, plumbing, steamfitting, carpentry, and such other normal maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein. For any one item of repair or replacement the expense incurred shall not exceed the sum of \$500.00 unless specifically authorized by the Owner. The Agent shall not incur liabilities (direct or contingent) which will at any time exceed the aggregate of \$2,000.00, or any liability maturing more than one year from the creation thereof, without first obtaining the approval of the Owner; excepting, however, that emergency repairs, involving manifest danger to life or property, or for the safety of the Members, or required to avoid the suspension of any necessary service to the Project, may be made by the Agent, irrespective of the cost limitation imposed by this paragraph. Notwithstanding this authority as to emergency repairs, it is understood and agreed that the Agent will, if at all possible, confer immediately with the Owner regarding every such expenditure.

(g) Take such action as may be necessary to comply promptly with any and all orders or requirements affecting the premises placed thereon by any Federal, State, County, or Municipal authority having jurisdiction thereover, and orders of the Board of Fire Underwriters or other similar bodies, subject to the same limitation contained in Paragraph (f) of this Article in connection with the making of repairs and alterations. The Agent, however, shall not take any action under this Paragraph (g) so long as the Owner is contesting, or has affirmed its intention to contest any such order or requirement. The Agent shall promptly, and in no event later than 72 hours from the time of their receipt, notify the Owner in writing of all such orders and notices of requirements.

(h) Subject to approval by the Owner, make contracts for water, electricity, gas, fuel oil, telephone, vermin extermination, and other necessary services, or such of them as the Owner shall deem advisable. Also, place orders for such equipment, tools,

appliances, materials, and supplies as are necessary properly to maintain the Project. All such contracts and orders shall be made in the name of the Agent and shall be subject to the limitations set forth in Paragraph (f) of this Article. When taking bids or issuing purchase orders, the Agent shall act at all times under the direction of the Owner, and shall be under a duty to secure for and credit to the latter any discounts, commissions, or rebates obtainable as a result of such purchases.

(i) Notwithstanding the provisions of Paragraph (f), it shall be the duty of Agent to furnish coin-operated laundry washing and drying machines in the space provided, during the term hereof. All monies received from use of such facilities shall be the compensation to Agent for the service and shall not be considered a part of "gross collections."

(j) The Agent will cause to be placed and kept in force all forms of insurance needed adequately to protect the Owner (or as required by law), including workmen's compensation insurance, public liability insurance, boiler insurance, fire and extended coverage insurance, and such other insurance as Owner may require. All of the various types of insurance coverage required for the benefit of the Owner shall be placed with such companies, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to the consenting parties, and otherwise be in conformity with the requirements of the mortgage. The Agent shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the ownership, operation and maintenance of the Project, including any damage or destruction to the Project, the estimated cost of repairs, and shall cooperate and make any and all reports required by any insurance company in connection therewith.

(k) From funds collected and deposited in the special account hereinafter provided, cause to be disbursed regularly and punctually (1) salaries and any other compensation due and payable under Paragraph (a) of this Article; (2) the single aggregate payment required to be made monthly to the mortgagee, including the amounts due under the mortgage for premium charges under the contract of insurance, ground rents, if any, taxes, and assessments, fire and other hazard insurance premiums, interest on the mortgage, amortization of the principal of the mortgage; (3) sums otherwise due and payable by the Owner as operating expenses authorized to be incurred under the terms of this Agreement, including the Agent's commission; and (4) monthly payment of ground rent due Ridge Seminole, Inc. After disbursement in the order herein specified any balance remaining in the special account may be disbursed or transferred from time to time, but only as specifically directed by the Owner in writing.

(l) Agent is authorized to employ a C.P.A. to prepare for execution and filing by the Owner all forms, reports and returns required by law in connection with unemployment insurance, workmen's compensation insurance, disability benefits, Social Security, income taxes, and other similar taxes now in effect or hereafter imposed, and also requirements relating to the employment of personnel.

(m) Maintain a comprehensive system of office records, books, and accounts in a manner satisfactory to the consenting parties, which records shall be subject to examination by their authorized agents at all reasonable hours. As a standard practice, the Agent shall render to the Owner, by not later than the 20th of the succeeding month, a statement of receipts and disbursements as of the end of the preceding quarter.

(n) On or about the first day of November, 197 , and thereafter at least sixty (60) days before the beginning of each new fiscal year, prepare, with the assistance of an accountant if need be, an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the new fiscal year based upon the then current schedule of monthly carrying charges, and taking into account the general condition of the Project. Each such budget, together with a statement from the Agent outlining a plan of operation and justifying the estimates made in every important particular, shall be submitted to the Owner in final draft at least thirty (30) days prior to the commencement of the annual



period for which it has been made, and following its adoption by the Owner, copies of it shall be made available, upon request, for submission to the consenting parties. It is agreed that the Agent shall exercise its best efforts to submit a reasonable budget to Owner and Owner by and through its Board of Directors, agrees that it will approve the budget if said budget is reasonable, and that its approval shall not be unreasonably withheld. The budget shall serve as a supporting document for the schedule of monthly carrying charges proposed for the next fiscal year. The budget shall constitute the major control under which the Agent shall operate during the fiscal year.

It is understood and agreed between the parties that any budget submitted at the beginning of a fiscal year may prove to be a low budget due to rising fixed costs and general operating expenses, and it is agreed that the Owner shall be responsible for its proportionate share of any overage spent or incurred by the Agent, and Agent agrees to use its best efforts to stay within the approved budget. The Agent agrees to promptly notify the Owner, in writing, in the event an overrun of the budget is experienced.

(o) Maintain a current list of acceptable prospective Members and handle all arrangements necessary and incident to the acceptance of Subscription Agreements. The Agent shall exercise its best efforts to effect the renewal of all Proprietary Leases in such a way as will normally obviate vacancy loss. The Agent shall also assist those Members who are desirous of transferring their stock and Proprietary Leases and obtaining in their place and stead new Members acceptable to the Owner and on such terms and conditions as the Owner may dictate. The Agent shall be responsible for handling all parking arrangements or other non-dwelling accommodations and arrange for the execution of any instruments required.

In the event the Agent does not have the proper real estate license with which to carry on the above activities, Agent shall have the power to delegate said responsibilities to a reputable real estate broker or real estate brokerage firm.

(p) It shall be the duty of the Agent at all times during the term of this Agreement to operate and maintain the Project according to the highest standards achievable consistent with the overall plan of the Owner and the interests of the consenting parties. Agent shall see that all Members are informed with respect to such rules, regulations and notices as may be promulgated by the Owner from time to time. The Agent shall be expected to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.

(q) The developer and fee owner of the land, Ridge Seminole, Inc., has leased the underlying land to Owner by lease dated \_\_\_\_\_ and has agreed to provide certain recreational facilities, and has agreed to allow Owner to use said recreational facilities. Ridge Seminole, Inc., has also agreed to execute instruments giving Owner the right to use all other areas of common use in the development of Seminole Gardens Apartments. Agent agrees to provide maintenance and management of said recreational facilities and other areas of common use for the entire project of Seminole Gardens Apartments. The Agent agrees to keep separate records of the expenses of the recreational areas and of the other areas of common use and to apportion said expense on a pro rata basis in proportion to square footage of each building in the project. The Agent shall include estimate of recreational expenses in the budget. The parties hereto acknowledge that the payment of a proportion of the maintenance expense of the recreation facilities and other areas of common use is consistent and necessary to the overall plan and development of Seminole Gardens Apartment.

FIFTH. Everything done by the Agent under the provisions of Article FOURTH shall be done as Agent of the Owner, and all obligations or expenses incurred thereunder shall be for the account, on behalf and at the expense of the Owner. Any payments to be made by the Agent hereunder shall be made out of such sums as are available in the special account of the Owner, or as may be provided by the Owner. The Agent shall not be obligated to make any advance to or for the account of the Owner or to pay any sum, except out of funds

held or provided as aforesaid, nor shall the Agent be obligated to incur any liability or obligations for the account of the Owner without assurance that the necessary funds for the discharge thereof will be provided.

SIXTH. The Agent shall establish and maintain an account in a bank whose deposits are insured by the Federal Deposit Insurance Corporation, with authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of the Agent's fee, all of which payments shall be subject to the limitations in this Agreement.

SEVENTH. All expenses incurred by Agent pursuant to this Agreement, including salaries, supplies, materials and all other authorized expenses, shall be paid from "carrying charges" as herein defined.

EIGHTH. The compensation which the Agent shall be entitled to receive for all services performed under this Agreement shall be a fee computed and payable monthly in an amount equivalent to 5% of gross collections, exclusive of all surcharges.

NINTH. It is agreed that in the event any disagreement or difference shall arise at any time hereafter between the parties hereto, or any person claiming under them in relation to this contract, such difference shall be submitted to the arbitration of three disinterested parties, one to be appointed by each party to this Agreement and the third to be appointed by the two so appointed. A vote of 2 to 1 shall control. If either party shall refuse or neglect to appoint an arbitrator within ten days after the other party shall have appointed an arbitrator and served written notice thereof upon the other party, requiring him to appoint an arbitrator, the arbitrator so appointed first shall have power to proceed to arbitrate and determine the matter of disagreement, and his decision whether an award or other form of relief, shall be binding and final. The above clause shall not in any manner be construed to waive the rights of the parties hereto to settle any differences which may arise under this contract in a court of law or equity, except that in the event the arbitration procedure is used, then this shall be considered a waiver of the rights of the parties hereto to settle their dispute initially in a court of law or a court of equity.

In the event one or more parties to a disagreement elect, the arbitration shall be conducted under the rules of procedure of the American Arbitration Association and by any of their members if so appointed. The expenses of the arbitration procedure shall be divided equally between the arbitrating parties. The expense of Agent shall be paid only by Agent.

The arbitration agreement referred to above may be used by either party to this contract to resolve any question where there has been a disagreement, including disagreement as to the budget proposed for the next year by the Agent. In the event the budget is not approved as aforementioned, the arbitration procedure can be used by either party, to decide whether or not the budget shall be approved as presented, or revised and approved. In the event a conflict arises concerning the approval of the budget, the Agent is hereby given the authority to continue the operation of Owner under the terms of this contract and pursuant to the new budget until the final decision of the arbitrators is reached.

TENTH. (a) Unless cancelled pursuant to paragraphs (b) or (c) of this Article, this Agreement shall be in effect for a term of 99 years from the date of execution.

(b) This Agreement may be terminated by mutual consent of the parties as of the end of any calendar month.

(c) In the event an adjudication of bankruptcy is entered against either Owner or Agent, in the event that either shall make an assignment for the benefit of creditors, either party hereto may terminate this Agreement without notice to the other, but prompt advice of such action shall be given to Ridge Seminole, Inc., and mortgagee.

(d) Upon termination, the contracting parties shall account to



each other with respect to all matters outstanding as of the date of termination, and the Owner shall furnish the Agent security, satisfactory to the Agent, against any outstanding obligations or liabilities which the Agent may have incurred hereunder.

ELEVENTH. As used in this Agreement:

(a) The term "mortgage" shall mean that construction and/or permanent mortgage which will encumber Seminole Gardens Apartment No.\_\_\_\_\_, which is to be constructed by Ridge Seminole, Inc. and sold to Seminole Gardens Apartment No.\_\_\_\_\_, Inc. upon its completion.

(b) The term "Mortgagee" shall mean the holder of the construction and/or permanent mortgage.

(c) The term "consenting parties" shall be the mortgagee as herein described and Ridge Seminole, Inc., the fee owner of the lands and improvements upon the lands herein described.

(d) The term "proprietary leases" shall mean those certain forms of agreement between the Owner and its stockholder members (and any renewals thereof) under the terms of which said stockholder members are entitled to enjoy possession of their respective dwelling units.

(e) The term "carrying charges" shall mean those which stockholder members are bound to pay to the Owner pursuant to the terms of their Proprietary Leases.

(f) The term "gross collections" shall mean all monies actually collected by the Agent, either as carrying charges or as rents, but not including monthly mortgage payments.

TWELFTH. The Agent, according to the terms of the proprietary lease entered into between the Owner and the Members of the corporation, shall determine and give their opinion as to "fair market value" whenever they are called on to do so, and shall keep records showing past transactions which may be helpful in this regard. The Agent agrees to be equitable and fair when it makes this decision.

In the event the Agent is a purchaser of the corporate stock and accompanying leasehold interest for the "fair market value" under the provisions of the proprietary lease, its purchase shall be first approved by the Board of Directors of the Owner. The Owner agrees that it will not unreasonably withhold said approval.

THIRTEENTH. (a) Agent agrees and understands that it may have the power, authority, and responsibility of making the decisions concerning the acceptance, approval, or rejection of applicants who are proposed as transferees of the stock in owner corporation along with the transferee's interest in the accompanying proprietary lease, or who are proposed as sublessees of one of the apartments in the building owned by Owner, and also that it may have the power, authority and responsibility of handling all details concerning said transfer or subleasing. It is understood that the Agent will have said powers ONLY by virtue of the terms of a properly executed corporate resolution of Owner.

(b) Agent further agrees that in connection with the approval or rejection of proposed applicants as mentioned above, that it will follow the provisions of the By-Laws of Owner which control the qualifications of a member or a sub-lessee.

(c) It is understood by the parties hereto that the Agent may handle sales for the developer, Ridge Seminole, Inc., of Seminole Gardens Apartments, and in the event that this is done, it is agreed that expenses incurred in handling said sales shall not be charged to the respective cooperative corporations, including Owner.

FOURTEENTH. Agent agrees to assist the Owner in any way in solving of problems which may arise from time to time as to the day-to-day operation of Owner, and

Agent agrees to assist Owner in the handling of Board of Directors meeting, Stockholders meetings, any special meetings, etc. Agent is given authority to have possession of the official stock and minute book of this corporation, and shall retain the same as long as this contract is in existence.

(a) Due to the fact that problems arise from time to time which are of a common interest to Owner and to the other corporations or associations in the development of Seminole Gardens Apartments, it is in the best interest that a policy-making body composed of representatives from Owner and other cooperative corporations, or associations be established, and the Agent shall have this responsibility.

FIFTEENTH. This contract is entered into for the management of Owner as part of an overall development and management plan of Seminole Gardens Apartments, and the parties hereto agree that it is in the best interests of all concerned parties that said development be managed by one management company so as to obtain uniformity in management.

SIXTEENTH. Owner understands that Ridge Seminole, Inc., has given to Agent the exclusive authority to manage the recreational and other areas of common use in the development of Seminole Gardens Apartments and Owner, by the entering into of this Agreement, gives to Agent the exclusive authority to manage according to the terms of this Agreement, until this Agreement expires, or until this Agreement is terminated pursuant to the terms herein.

SEVENTEENTH. It is understood and agreed that this Agreement shall not be sold, transferred, consolidated or hypothecated in any manner by Ridge Seminole Management Corporation except upon prior written approval of the holder of the construction and/or permanent mortgage encumbering the premises described in paragraph FIRST hereof, and such approval shall not be unreasonably withheld.

EIGHTEENTH. (a) This Agreement which is made subject and subordinate to all rights of the mortgagor, shall inure to the benefit of and constitute a binding obligation upon the contracting parties, their respective successors and assigns; and to the extent that it confers rights, privileges and benefits upon the consenting parties, the same shall be deemed to inure to their benefit, but without a liability to either, in the same manner and with the same force and effect as though the mortgagee and the mortgagor were signatories to this Agreement.

(b) This Agreement shall constitute the entire Agreement between the contracting parties, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement.

(c) Invalidation of any portion of this contract or any provisions contained herein shall in no wise effect any other provision which shall remain in full force and effect.

(d) Wherever the context so requires, the use of any gender shall be construed to include all genders, the use of the plural shall include the singular, and the singular shall include the plural. The provisions of this Agreement shall be literally construed to effectuate its purposes.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and their corporate seals to be affixed thereto by their properly authorized officers.

Signed, sealed and delivered  
in the presence of:

SEMINOLE GARDENS APARTMENT  
NO.\_\_\_\_, INC.

\_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_  
President

(corp. seal)

ATTEST: \_\_\_\_\_  
Secretary

RIDGE SEMINOLE MANAGEMENT  
CORPORATION

Signed, sealed and delivered  
in the presence of:

By \_\_\_\_\_  
President

(corp. seal)

\_\_\_\_\_  
\_\_\_\_\_

ATTEST: \_\_\_\_\_  
Secretary