

GROUND LEASE

70- 1585

THIS LEASE, made and entered in the City of Fort Lauderdale, County of Broward and State of Florida, on this 5th day of January, 1970, by and between WILLIAM A. JOHNSON and ARLISS J. HILL, herein designated and hereinafter referred to in the singular as "Lessor", party of the first part, and RIVERVIEW SOUTH CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit, herein called "Lessee", party of the second part. This Lease is made for the benefit of the parties, their heirs, personal representatives, successors, and assigns; and for convenience, reference is made to them in the singular number and neuter gender.

WITNESSETH:

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

WHEREAS, Lessee is desirous of leasing from Lessor said property,

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

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

Lessee states and Lessor acknowledges that Lessee is entering this Lease as Agent for the present owner of all the condominium units in the Riverview South Condominium and that the said Lessee will also act as Agent for all future condominium unit owners from the time of closing following a sale of each unit. The Riverview South Condominium papers are recorded in Official Records Book _____ Pages _____ of the Public Records of Broward County, Florida. The rental liability of the owner of each condominium unit is established in Article III below. The percentage of liability for the other covenants in the Lease for which each unit owner is responsible, other than rentals, is set forth in Exhibit "B" attached hereto. No condominium unit owner is liable nor responsible for any other condominium unit owner's payments under the Lease. Each condominium unit owner's apartment is pledged as security for his performance under this Lease.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

ARTICLE I.

TERM:

This lease shall be for a term of ninety-nine (99) years, and shall begin at twelve o'clock noon on January 5, 1970, and, as aforesaid, shall continue for ninety-nine (99) years thereafter until twelve o'clock noon on the last day of the ninety-ninth year.

RETURN TO
WILLIAM GUNDLACH
1040 BAYVIEW DRIVE
FORT LAUDERDALE, FLA.

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REC-4109 PAGE 012

ARTICLE II.

POSSESSION AND TITLE:

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

ARTICLE III.

RENT:

The Lessee shall pay to the Lessor an annual rental in four equal quarterly installments being payable in advance. As the Lease does not begin on a calendar quarter, the first quarter's rent shall be prorated so that the Lessee shall pay only for the remaining days in the quarter, then upon the beginning of the next calendar quarter, a full rental installment shall be due and payable in advance. The Lessor waives rental payment on each condominium unit until there has been a first sale thereof.

Each Type "A" and "B" apartment will pay a rental of \$32.50 per month, or \$97.50 quarterly. Type "C" and "D" apartments will pay a rental of \$27.50 per month, or \$82.50 quarterly. The combined or collective annual rental will be determined by adding the sum of the individual monthly rental payments and multiplying by twelve. The result shall be the rental figure which will thereafter remain constant except where expressly adjusted or changed by the terms of the Lease.

On June 1, 1975, and at the end of each fifth year thereafter during the term of this Lease, the collective annual rental, and each individual condominium unit owner's rental, shall be adjusted either upward or downward, as the case may be, and it shall thereafter become such sum of money as is equivalent to the purchasing power of the annual rental as set forth above as of the months of January, February and March, 1970. The purchasing power shall be measured by the average of the index numbers of the retail commodity prices for the months of January, February and March immediately preceding the date of adjustment. The new annual rental shall be determined by multiplying the annual rental as above formulated by the average of the index numbers of retail commodity prices for the months of January, February and March of the year in which the adjustment is made, and dividing the result by the average of the index numbers for the months of January, February and March, 1970. The index numbers to be employed are the index numbers of the Retail Commodity Prices designated as "Consumers' Prices Index - All Items (1957-59=100)" prepared by the Bureau of Labor and Statistics of the United States Department of Labor. Any publication by either the United States Department of Labor or the United States Department of Commerce in which such index numbers are published shall be admissible in evidence in any legal or judicial proceeding involving this Lease without further proof of authenticity. In the event the United States Department of Labor ceases to prepare and publish such retail commodity index numbers, the adjustment of rents thereafter shall be in accordance with the most closely comparable commodity index as determined by agreement of Lessor and Lessee, and in the absence of such agreement, then as determined by arbitration in accordance with the existing rules of the American Arbitration Association. Once the rental is adjusted during any given five year period, said rental shall continue during the five year period. Adjustments upward or downward shall be effective June 1, 1975, and on June first of each fifth year thereafter, and the rental as determined shall be paid for a full sixty (60) months during each five year period.

SEE 4109 PAGE 913

ARTICLE IV.

TAXES AND ASSESSMENT.

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

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

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

ARTICLE V.

ACCEPTANCE OF PREMISES AND TITLE.

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

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

ARTICLE VI.

CONSTRUCTION.

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

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

ARTICLE VII.

LESSEE TO CARRY LIABILITY INSURANCE.

Lessee covenants and agrees that Lessee will pay all expenses necessary to keep and maintain in good order, condition and repair, all structures and improvements now or hereafter situated on the demised premises, which property is subject to the Lessor's lien hereunder. Lessee agrees to save and keep the Lessor free and harmless from any and all damage and liability occasioned by the use of said premises and shall indemnify and save harmless the Lessor from and against any loss, cost, damage and expense arising out of and in connection with any building and improvements upon said premises and out of any accident causing injury to any person or property whomsoever or whatsoever and due directly or indirectly to the use or occupancy of said premises; and the Lessee covenants and agrees to provide or cause to be provided fully paid-up policies of insurance generally known as public liability policies and/or owners', landlord and tenant policies, insuring the Lessee and the Lessor against all claims and demands made by any person or persons whomsoever for injuries received in connection with the use, operation and maintenance of the property or the improvements and structures located thereon to the extent of not less than Five Hundred Thousand Dollars (\$500,000.00) to cover the claim or damage from any single or specific cause, by any one person, and to the extent of not less than One Million Dollars (\$1,000,000.00) to cover, in connection with any one particular accident or occurrence, the total aggregate of any claims that may arise or be claimed to have arisen against the Lessor as aforesaid. Lessee agrees to adjust the minimum coverage above referenced at the time and in direct proportion to any rental increase as set forth and established pursuant to Article III above.

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

ARTICLE VIII.

FIRE, WINDSTORM AND CASUALTY PROVISIONS: RELATED INSURANCES.

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

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

If at any time such insurance money comes into the possession of the Insurance Trustee after destruction by fire, windstorm, hurricane or other casualty, and the Lessee is in default in the payment of any rent, tax assessment, lien or other charges which, by the terms of this Lease, has been agreed to be paid by the Lessee, or if such default shall occur during the time said insurance money, or any part thereof, is in the bank account, as aforesaid, then the Lessor shall be entitled to receive from the Insurance Trustee, upon written application therefor, so much of the insurance money as may be necessary to fully pay

or discharge any such sum of money in the payment of which the Lessee is in default, as aforesaid, and this shall be done whenever and as often as any such default shall occur on the part of the Lessee. Nothing herein contained, however, shall be construed as permitting the Lessee to default in the payment of the rentals or other charges herein stipulated to be paid, or in the performance of the other covenants of this Lease, and the Lessor may, at Lessor's option, in case of default in the payment of such rents or other charges, or default in the performance of any other covenant in this Lease, proceed against the Lessee for the collection of such rentals and charges, and recover and take possession of Lessee's interest in and to the premises herein described, in accordance with the provisions of this Lease herein set forth, and without prejudice to its rights to the benefit of such insurance money as security for the payment of such rentals and other charges. Lessee will forthwith reimburse the Insurance Trustee and immediately deposit for the purpose of reconstruction or repair, any amount so paid thereout on account of any default of the Lessee.

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

ARTICLE IX.

DEMOLITION CLAUSE.

Lessee covenants and agrees that neither leasehold improvements nor Lessee's condominium unit pledged to Lessor to secure Lessee's performance hereunder, once constructed, shall be moved or torn down, in whole or in part, unless Lessee shall first have agreed in writing, in a manner approved by Lessor, to replace or restore the improvement or to repair or replace the portion thereof demolished with others of equal or greater value. Once approval of such is made, no work or demolition shall be commenced until Lessee shall have first furnished the Lessor, and the Lessor shall have approved the plans and specifications, the contract of demolition and reconstruction, and the Lessee shall have an escrow fund sufficient in amount to assure the payment for such work. The Lessee shall also furnish the Lessor with a good and sufficient performance and payment bond with corporate surety, by a surety company authorized to do business as such in Broward County, Florida, and currently listed on the United States Treasury List of Approved Bonding Companies in good standing and conditioned upon the said work of restoration, renovation or replacement being carried through to completion in accordance with the terms hereof, and all bills for work, labor, services and/or materials utilized in said work being paid and waivers of lien therefor procured. The said work, when started, shall be carried through continuously to completion and the time between the starting of the demolition and the completion of the work shall not be longer than twelve (12) months. Nothing herein contained shall be construed as:

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

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

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

ARTICLE X.

FIXTURES AND EQUIPMENT.

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

ARTICLE XI.

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

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

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

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

ARTICLE XII.

PAYMENT OF INSURANCE PREMIUMS:

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

It is further covenanted and agreed that in case, at any time during the continuance of this indenture, the Lessee shall fail, refuse or neglect, after being given ten(10) days notice by the Lessor to procure or pay for any of the policies of insurance required in and by this instrument to be procured and paid by the Lessee or to keep and maintain the same in full force and effect, the Lessor, at its option (and without such act constituting a waiver of the

default by the Lessee thus occurring) may procure or renew such insurance; and thereupon, the amount or amount of money paid as the premium or premiums thereon, plus interest at the rate of ten per cent (10%) per annum, shall be collectible as though it were rent then matured hereunder and shall be due and payable in ten (10) days after the date of payment by the Lessor. In absence of Lessee's compliance herewith, Lessor may pursue and avail itself of any of its several remedies reserved unto itself under Article XIX of this lease, or this indenture and the term hereby created may, at the option of the Lessor, be terminated and declared at an end, and all of the rights, estates and interest of the Lessee in such event hereunder shall immediately cease.

ARTICLE XIII.

LAWFUL USE OF PREMISES.

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

ARTICLE XIV.

COMPLIANCE WITH REGULATIONS OF PUBLIC BODIES.

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

ARTICLE XV.

UTILITY CHARGES.

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

ARTICLE XVI.

ASSIGNMENT AND ENCUMBRANCE.

A. Lessor's Right to Assign and Encumber. The Lessor shall have the right to assign and encumber its interest to the Lease and to the demised premises as herein provided.

1. Encumbrance by Lessor. The Lessor shall have the right at all times to mortgage and encumber its interests under this Lease and in and to the leased premises; and the Lessee's interest in and to the same shall at all times be subordinate and inferior to such mortgages, provided the Lessee shall at all times have the right to use, occupy and enjoy the demised premises in