

## **Fountains Community Management And Facilities Agreement**

This Fountains Community Management and Facilities Agreement (hereinafter the "AGREEMENT") replaces the September 15, 1982, contract between FOUNTAINS COUNTRY CLUB, INC., 4615 Fountains Drive, Lake Worth, Florida 33467 (the "FCC") and FOUNTAINS CONDOMINIUM OPERATIONS, INC., 4615 Fountains Drive, Lake Worth, Florida, 33467 ("FCO"). The FCC and FCO desire to enter into this new Agreement under the following stipulations.

### **I. Goals and Objectives**

Whereas, the seven Membership and Use Agreements (collectively, the "M&U contracts") between seven Fountains Condominiums, the FCO and the FCC expired under their own terms on December 31, 2012. These M&U contracts provided for the operation and management of recreation facilities and structures including Fountains Hall and Craft Hall used by all the residents of the Fountains Community and by members of the FCC. The FCO and FCC seek to continue the operation and management of these facilities for the benefit of all the residents of the Fountains Community and members of the FCC; and

Whereas, the Fountains Community enjoys certain "Community Services" including security services with guards, water fountains in the lakes, entrance gates, access roads with street lighting, landscaping on all access roads, perimeter fencing and walls, golf cart paths adjacent to the access roads, property insurance for Associations in the Fountains Community, professional Managers and reserves for certain items including capital expenditures and contingency; and

Whereas, Community Services are to be provided by the FCO through a Property Management Agreement with all 19 independent Condominium and Homeowners Associations in the Fountains Community and FOUNTAINS SOUTH PROPERTY OWNERS ASSOCIATION, INC. ("POA"); and

Whereas, a common coordinated management of these services, facilities are essential to the financial health and quality of life for the Fountains Community;

## **Fountains Community Management And Facilities Agreement**

This Fountains Community Management and Facilities Agreement (hereinafter the "AGREEMENT") replaces the September 15, 1982, contract between FOUNTAINS COUNTRY CLUB, INC., 4615 Fountains Drive, Lake Worth, Florida 33467 (the "FCC") and FOUNTAINS CONDOMINIUM OPERATIONS, INC., 4615 Fountains Drive, Lake Worth, Florida, 33467 ("FCO"). The FCC and FCO desire to enter into this new Agreement under the following stipulations.

### **I. Goals and Objectives**

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Whereas, Community Services are to be provided by the FCO through a Property Management Agreement with all 19 independent Condominium and Homeowners Associations in the Fountains Community and FOUNTAINS SOUTH PROPERTY OWNERS ASSOCIATION, INC. ("POA"); and

Whereas, a common coordinated management of these services, facilities are essential to the financial health and quality of life for the Fountains Community;

Therefore, the FCC and FCO enter into this Agreement to accomplish the above stated goals as follows:

## II. Obligations

1. The FCO will lease, operate, maintain and manage Craft Hall and Fountains Hall for the benefit of all residents of the Fountains Community and members of the FCC. The FCC agrees to lease Craft Hall and Fountains Hall to the FCO pursuant to the attached Long Term Lease, referenced as "**Exhibit A**," upon the execution of this Agreement by both parties. The FCO may not later sublease Craft Hall and Fountains Hall to any third parties without the written consent of the FCC. The FCO may not use the facilities in any way to compete with the operations of the FCC. The FCC shall retain its office space within Craft Hall rent free, consisting of approximately 704 sq. feet, but in consideration thereof shall pay FCO 13% of all utility monthly charges for electric, water and sewer. They shall also be responsible for all repairs within their office, associated with Craft Hall. It is understood that residents' voluntary non-FCO sponsored use of Fountains and Craft Halls to play cards, table games and the like shall not be considered to be in competition with the FCC.
2. The FCO at its own expense shall maintain, repair and improve and replace when necessary the water fountains in the lakes, the water fountain at the Lake Worth entrance, and the water fountain outside the entrance on Jog Road.
3. The FCO at its own expense shall maintain, repair and improve the roads and street lights on all common roads, except those located within the boundaries of the various 19 Fountains associations. See the attached "**Exhibit B**," describing the roads and street lights under the FCO maintenance responsibility.
4. The FCO at its own expense shall maintain, repair and improve all landscaping on Fountains Drive, Fountains Drive South and Fountains Circe, except those areas located within the boundaries of the various Fountains Associations. See the attached "**Exhibit C**," describing the landscaping under the FCO maintenance responsibility.
5. The FCO will be responsible for the security of the perimeter of the entire Fountains Community and will at its own expense repair, improve and replace when necessary, the perimeter fencing and walls. All landscaping along the perimeter shall be maintained by the FCC.

6. The FCO agrees to start planning and complete construction, at its own expense, on all items show on "**Exhibit D.**" The FCO shall agree to maintain the time frames shown on **Exhibit D** or this Agreement will be subject to termination along with the FCO Office Business Lease dated March 2014 or Long Term Craft Hall and Fountains Hall Lease dated March 2014. The FCC and POA hereby give approval to commence construction on these areas which are owned by the FCC and POA. A construction and planning Committee comprised of representatives from the FCO, the FCC and POA shall be charged with the responsibility of preparing plans for final approval by the FCC, POA and the FCO. The Committee will consist of five (5) members, three (3) appointed FCO and two (2) appointed by FCC. The FCO and FCC will each appoint one co-chairman for this Committee. The POA will be represented on the Committee dealing with the Jog Road entrance. The FCC, POA and the FCO agree that construction on the South Gate will be commenced and completed first. After good faith deliberations, the Committee may decide to re-order which gate is completed first. In no way does the foregoing stipulation change the timetable requirements in **Exhibit D**. If the Committee reorders which gate is to be completed first, it is understood that that the start and end dates in **Exhibit D** shall be appropriately reordered so that the completion date for the first gate shall be January 1, 2018.

7. The FCO agrees to provide, hire and supervise all security guards for the Fountains Community and to waive the \$140 annual security charge for non-resident FCC members. The FCO hereby agrees to pay, in full, for all security services, including security services which may materially benefit the FCC, without any contribution from the FCC. The FCO shall not charge the FCC a pro-rata share, or demand any compensation whatsoever from the FCC, for the provision of security services. However, the FCO may charge the FCC for special security services requested by the FCC, which are associated with private events to be held at the FCC, provided the FCC is given and agrees to an estimate for security prior to the event.

8. The FCC agrees, upon the execution of this Agreement, to lease to the FCO its office space and maintenance shed currently occupied by the FCO, for \$1.00 a year. Certain maintenance, repairs and other costs relating to the space the FCO occupies shall be paid for by the FCO as provided in the attached FCO Office Business Lease, referenced as "**Exhibit E.**"

9. The FCO at its own expense shall maintain, repair and improve the golf cart paths that are part of the roads which are the maintenance responsibility of the FCO. The golf cart paths that are not part of the FCO roads shall be the maintenance responsibility of the FCC. The attached "**Exhibit F,**" describes which golf cart paths are the responsibility of the FCO and the golf cart paths that are the

responsibility of the FCC. With respect to the golf cart paths that are not part of the FCO maintained roads, the FCO agrees to share equally (50/50) with the FCC, the costs of repairing any damage to said golf cart paths by tree roots from adjacent properties. The FCO share of this tree root damage expense will be charged to the Association that owns the adjacent property.

10. The FCO agrees to pay the FCC a use fee in the sum of \$4,167.00 per month, beginning June 1, 2014 and monthly thereafter until the expiration of this Contract, for the right to use the Office Building, Fountains Hall, Craft hall, and the Maintenance Barn, throughout the life of this contract. This obligation shall cease if the lease of either premises is terminated prior to expiration of the contract. The FCO and the FCC further agree that this monthly use fee shall be maintained in a separate account and shall be expended only for projects, programs, and the like, that shall be for the benefit of the Fountains Community at large. It is further agreed by the FCO and the FCC that the use of this money shall be determined by the Parties jointly, via a committee to which each party shall appoint 3 members. This provision does not alter or modify paragraphs II and 1 through 9 above.

11. The FCO agrees to include a Liaison from the FCC in all FCO Board of Directors' Meetings and the FCC agrees to include a Liaison from the FCO in all FCC Board of Directors' Meetings. Each Liaison is subject to approval/disapproval by Board of Directors of the party accommodating the other party's Liaison. Furthermore, no Liaison shall be permitted to attend any Legal and/or Executive Sessions of the FCC's or FCO's Board of Directors. The FCC agrees to regularly and freely share the minutes of all FCC Committee Meetings with the FCO, and the FCO agrees to regularly and freely share the minutes of all FCO Committee Meetings with the FCC. However, in no event shall the FCC or FCO be required to share the minutes (if in existence) of any Legal and/or Executive Session of the FCC's or FCO's Board of Directors.

### III. General Provisions

12. The FCO, at its expense will efficiently and timely perform hereunder all functions and duties applicable in connection with this Agreement, including: employing and supervising personnel sufficient to carry out FCO's responsibilities hereunder; maintaining and repairing all property covered by this Agreement or as provided in the attached Leases; complying with all present and future laws applicable to this Agreement and the property covered thereby; receiving and handling questions and complaints of all persons entitled to use all or any portion of the property covered by this Agreement; handling all future purchasing; obtaining of adequate insurance of all kinds; maintaining proper financial books and records in connection with its activities hereunder; determining budget

requirements; adopting and amending rules and regulations concerning the use of all facilities leased and/or managed by the FCO; retaining professional and other expert advice; and paying all applicable present and future governmental taxes and assessments.

13. The FCO may **NOT** assign this Agreement or any interest herein, without the prior written consent of the FCC.

14. The FCO is an independent contractor insofar as this Agreement is concerned. All personnel employed by the FCO will be in its sole employ and in no event will the FCC be liable for wages or other compensation payable to, or for any act or omission on the part of, any such personnel. The FCO is an independent contractor to the FCC and the FCC is an independent contractor to the FCO.

15. The FCO agrees upon request to indemnify the FCC against all liabilities, costs and expenses (including costs and reasonable attorney's fees through all appeals) incurred by the FCC which may arise out of or by reason of, or in any way connected with any adverse act or omission of the FCO or any of its agents, servants, employees, licenses, invitees, or contractors during the Term of this Agreement. The FCC agrees upon request to indemnify the FCO against all liabilities, costs and expenses (including costs and reasonable attorneys' fees through all appeals) incurred by the FCO which may arise out of or by reason of, or in any way connected with any adverse act or omission of the FCC or any of its agents, servants, employees, licenses, invitees, or contractors during the Term of this Agreement.

#### IV. Terms and Conditions

16. This Agreement shall commence on March 1, 2014 and shall continue for a seven (7) Year term. The Agreement shall automatically extend for two additional seven (7) Year terms unless the Association or FCC gives written notice of termination during the periods between December 1, 2020 and December 31, 2020 or December 1, 2027 to December 31, 2027.

*BBC*<sup>m</sup>  
The FCO represents that  
17. ~~This Agreement shall not go into effect until~~ all 19 Fountains Associations listed in the attached "Exhibit G," in the Fountains Community have ~~all~~ executed Property Management Agreements with FCO, so that Community Services costs can be shared by all.

## V. Dispute Resolution

18. Should any dispute that cannot be resolved concerning the obligations under this Agreement occur between the Parties, then any Party may submit the dispute to Mediation pursuant to the rules and regulations of the American Arbitration Association (hereinafter the "AAA"). All costs and fees submitted for payment by the AAA or the Mediator shall be borne by the parties equally (50/50).

20. If the Mediator or either party declares the Mediation process to have failed or to be futile, either party may then, and only then, demand final and binding Arbitration pursuant to the rules and regulations of the AAA Commercial Panel. The parties agree that there shall be a single Arbitrator, that no pre-trial discovery shall be permitted, and that all fees and costs submitted by the AAA and the Arbitrator shall be borne equally by each party (50/50). Each party, at its own expense, may be represented by counsel. In the event either party does not fully comply with the Arbitrator's order, the defaulting party shall be deemed to be in default on both, the Long Term Lease of Fountains Hall and Craft Hall, as well as the Office Business Lease executed in connection herewith. In this event, the FCC may take possession of the Leased Premises without further notice, or the FCC may pursue specific performance. Alternatively, in the event that FCC does not fully comply with the Arbitrator's order, the FCO may declare this Agreement, the Long Term Lease of Fountains Hall and Craft Hall, and the Office Business Lease executed in connection herewith, null and void, or the FCO may pursue specific performance. The defaulting party shall pay all costs, and expenses suffered by the non-defaulting party by reason of the other's default(s). However, as long as the defaulting party fully complies with the Arbitrator's order, no cross-default shall be triggered.

## VI. Entire Agreement/Amendment

21. This Agreement contains the entire agreement between the Parties and there are no other promises or conditions in any other agreement whether oral or written, except as set forth in the Fountains Long Term Lease of Craft Hall and Fountains Hall, ~~the two Letters of Agreement between the FCO and the FCG, and the FCO Office Business Lease.~~ This Agreement may be amended or modified only by a written instrument signed by both Parties. 1/3  
RSP

## VII. Severability

22. If any term, covenant, condition, or provision of this Agreement, or its application to any person or circumstance, shall ever be held to be invalid or unenforceable, it shall be adjusted rather than

voided, if possible, to achieve the intent of the Parties. Any invalidity resulting from the length of a period of time shall be considered reduced to a period of time, which would cure such invalidity. If adjustment is not possible, then the remainder of this Agreement or the application of such term, covenant, condition or provision to any person or any other circumstance (other than those which have been held invalid or unenforceable) shall not be affected, and each term, covenant, condition and provision of this Agreement shall remain valid and enforceable to the fullest extent permitted by law.

#### **VIII. Waiver**

23. The failure of a Party to exercise any power given it under this Agreement or to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of that Party's right to demand exact compliance with the terms of this Agreement. Waiver by a Party of any particular default by the other shall not affect or impair its rights with respect to any subsequent defaults of the same or of a different kind; nor shall any delay or omission by a Party to exercise any rights arising from any default affect or impair its right as to such default or any future default. Further, no custom or course of dealings of the Parties at variance with the terms of this Agreement shall constitute a waiver of that Party's right to demand later compliance.

#### **IX. Successors and Assigns**

24. This Agreement shall be binding on the Parties and their respective heirs, legal representatives, successors and assigns.

#### **X. Remedies**

25. All rights, remedies, powers and privileges conferred under this Agreement on the Parties shall be cumulative of and in addition to, but not restrictive or in lieu of, those conferred by applicable law.

#### **XI. Headings**

26. The captions, headings and titles to sections of this Agreement are for convenience of reference only, and shall in no way restrict or affect, or be in any way an interpretation of the provisions of any such section of this Agreement.



XII. Governing Law

27. This Agreement shall be construed under the laws of the State of Florida.

So stipulated and agreed this 26<sup>th</sup> day of MARCH, 2014.

FOUNTAINS COUNTRY CLUB, INC.

  
\_\_\_\_\_  
Signed by President Paul McGowan

FOUNTAINS CONDOMINIUM OPERATIONS, INC.

  
\_\_\_\_\_  
Signed by President

POA FOUNTAINS SOUTH PROPERTY OWNERS ASSOCIATION, INC.

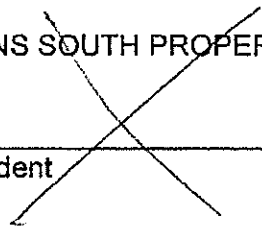
  
\_\_\_\_\_  
Signed by President PM

Exhibit A  
Long Term  
Lease  
**Craft Hall and Fountains Hall**

This Lease is made effective this 1<sup>st</sup> day of March, 2014 by and between Fountains Country Club, Inc., a Florida corporation located at 4615 Fountains Dr., Lake Worth, FL 33467 (hereinafter referred to as the "FCC" or "Lessor"), and Fountains Condominium Operations Inc. of 4615 Fountains Dr., Lake Worth, FL 33467, a Florida Corporation not for profit (hereinafter referred to as "FCO" or "Lessee"). FCC and FCO are sometimes referred to individually as a "Party" and sometimes collectively as the "Parties" in this Agreement.

In consideration of the mutual promises herein contained it is mutually agreed as follows:

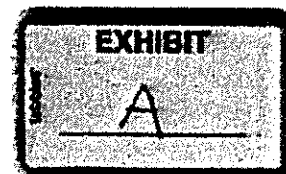
**I. TERM**

The **FCC/Lessor** does hereby lease to **FCO/Lessee** the buildings and facilities known as the Fountains Hall and Craft Hall hereinafter defined and described below. This Lease shall be for seven (7) years beginning March 1, 2014. This Lease shall automatically extend for two additional seven (7) year terms unless the FCC or FCO gives written notice of termination during the periods between December 1, 2020 and December 31, 2020 or December 1, 2027 to December 31, 2027. All previous agreements between the parties on the subject matter of this lease are hereby terminated.

**II. LEASED PREMISES**

**(Fountains Hall)** Property Tax Folio No.: 00-42-44-27-18-000-0330 Unit No. 33 Plaza Court, THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 9, according to the Declaration of Condominium thereof, as recorded in Official Record Book 3679, Page 665, of the Public Records of Palm Beach County, Florida. FCC declares that this Lease is freely and fairly made, and that there are no agreements, oral or written, other than this Lease between the parties with respect to said property.

**(Craft Hall)** Property Tax Folio No.: 00-42-44-27-04-000-0071. See the attached "Exhibit A," legal description for the Crafts Building, being a part of Tract 7, Palm Golf Estates, Plat 3 according to the Plat 3 thereof, as recorded in Official Plat Book 29, Pages 107 and 108, of the Public Records of Palm Beach County, Florida.



FCO at its own expense shall maintain, repair, replace and improve Craft Hall and Fountains Hall, and pay all taxes and insurance associated therewith. The cost of all capital improvements greater than \$100,000 shall be capitalized over the expected life of the improvement. In the event that the expected life of the capital improvement extends past the date of the expiration of this lease, and the lease is not renewed, FCC shall pay to FCO an annual amount equal to the capitalized portion for each year until the asset has been paid for, provided FCC approved the initial capital improvement. Any amount due under this provision shall be paid by December 31<sup>st</sup> of each year.

### III. RENT

FCO shall pay the FCC annual rent of \$1/year plus other <sup>use fees already agreed to</sup> ~~valuable consideration~~ in Section II Para. 10 of the Facilities Agreement. ~~already in hand.~~ FCO shall otherwise maintain in good repair and replace when needed all fixtures and roofs in Fountains Hall and Craft Hall pursuant to standards mutually agreed upon by the FCC/Lessor with the FCC/Lessor having final approval. Said standards should be similar to standards the FCC/Lessor currently maintains at the main clubhouse facility. FCO shall pay all taxes and insurance (general liability and property damage) on Fountains Hall and Craft Hall. FCO shall pay all utilities for Fountains Hall and Craft Hall except the FCC/Lessor shall retain its office space within Craft Hall rent free, consisting of approximately 704 sq. feet, and in consideration thereof shall pay FCO 13% of all utility monthly charges for electric, water and sewer and 100% of all repairs associated with the FCC's/Lessor's office in Craft Hall.

### IV. PROOF OF INSURANCE

FCO shall be responsible for providing proof of insurance with a valid licensed carrier to the FCC/Lessor. Both Fountains Hall and Craft Hall are to be insured for 100% of replacement cost. In addition, FCO shall maintain liability insurance in total aggregate sum of at least \$1,000,000.00 for Fountains Hall and \$1,000,000.00 for Craft Hall. FCO shall provide certificate(s) of insurance or other satisfactory evidence of insurance showing the FCC/Lessor as a co-insured for each year of the lease term. Such insurance is to be renewed in each succeeding year of the lease term. In the event of a property or casualty loss the FCO is responsible for rebuilding and replacing the structure and all of its contents. FCO shall provide notice to the FCC of any termination of FCO's insurance policies.

## V. ENFORCEMENT

Should any dispute that cannot be resolved concerning the obligations under this Agreement occur between the Parties, then any Party may submit the dispute to Mediation pursuant to the rules and regulations of the American Arbitration Association (hereinafter the "AAA"). All costs and fees submitted for payment by the AAA or the Mediator shall be borne by the parties equally (50/50).

If the Mediator or either party declares the Mediation process to have failed or to be futile, either party may then, and only then, demand final and binding Arbitration pursuant to the rules and regulations of the AAA Commercial Panel. The parties agree that there shall be a single Arbitrator, that no pre-trial discovery shall be permitted, and that all fees and costs submitted by the AAA and the Arbitrator shall be borne equally by each party (50/50). Each party, at its own expense, may be represented by counsel. In the event either party does not fully comply with the Arbitrator's order, the defaulting party shall be deemed to be in default on both, the Community Management Agreement, as well as the Office Business Lease executed in connection herewith. In this event, the FCC may take possession of the Leased Premises without further notice, or the FCC may pursue specific performance. Alternatively, in the event that FCC does not fully comply with the Arbitrator's order, the FCO may declare this Long Term Lease of Fountains Hall and Craft Hall, the Office Business Lease and the Community Management Agreement executed in connection herewith, null and void, or the FCO may pursue specific performance. The defaulting party shall pay all costs, and expenses suffered by the non-defaulting party by reason of the other's default(s). However, as long as the defaulting party fully complies with the Arbitrator's order, no cross-default shall be triggered.

## VI. Indemnification

FCO shall indemnify, hold harmless, and defend, the FCC, its directors, officers, employees, agents, related entities, and representatives (individually or collectively the "Indemnified Party") from and against any and all loss, damage, claim, cost, and expense and any other liability whatsoever, including reasonable accountants' and attorneys' fees, charges, and costs (including those incurred in all bankruptcy and probate matters) (collectively, "Damages"), incurred by the Indemnified Parties by reason of FCO's leasing of the Leased Premises or its guests', invitees' or licensees' use of the Leased Premises.

## **VII. Entire Agreement/Amendment**

This Agreement contains the entire agreement between the Parties and there are no other promises or conditions in any other agreement whether oral or written, except as set forth in the Fountains Community Management and Facilities Agreement and the FCO Office Business Lease. This Agreement may be amended or modified only by a written instrument signed by both Parties.

## **VIII. Severability**

If any term, covenant, condition, or provision of this Agreement, or its application to any person or circumstance, shall ever be held to be invalid or unenforceable, it shall be adjusted rather than voided, if possible, to achieve the intent of the Parties. Any invalidity resulting from the length of a period of time shall be considered reduced to a period of time, which would cure such invalidity. If adjustment is not possible, then the remainder of this Agreement or the application of such term, covenant, condition or provision to any person or any other circumstance (other than those which have been held invalid or unenforceable) shall not be affected, and each term, covenant, condition and provision of this Agreement shall remain valid and enforceable to the fullest extent permitted by law.

## **IX. Waiver**

The failure of a Party to exercise any power given it under this Agreement or to insist upon strict compliance with the terms of this Agreement shall not constitute a waiver of that Party's right to demand exact compliance with the terms of this Agreement. Waiver by a Party of any particular default by the other shall not affect or impair its rights with respect to any subsequent defaults of the same or of a different kind; nor shall any delay or omission by a Party to exercise any rights arising from any default affect or impair its right as to such default or any future default. Further, no custom or course of dealings of the Parties at variance with the terms of this Agreement shall constitute a waiver of that Party's right to demand later compliance.

## **X. Assignment**

FCO may not assign, sublease, mortgage or pledge any interest in the Leased Premises, nor assign, mortgage or pledge this Agreement, without the prior consent of the FCC, which consent may be withheld in the FCC's sole discretion.

**XI. Successors and Assigns**

This Agreement shall be binding on the Parties and their respective heirs, legal representatives, successors and assigns.

**XII. Remedies**

All rights, remedies, powers and privileges conferred under this Agreement on the Parties shall be cumulative of and in addition to, but not restrictive or in lieu of, those conferred by applicable law.

**XIII. Headings**

The captions, headings and titles to sections of this Agreement are for convenience of reference only, and shall in no way restrict or affect, or be in any way an interpretation of the provisions of any such section of this Agreement.

**XIV. Governing Law**

This Agreement shall be construed under the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have signed this Lease this \_\_\_ day of \_\_\_\_\_, 20\_\_.

Fountains Country Club, Inc.

By:

\_\_\_\_\_

Fountains Condominium Operations, Inc.

By:

\_\_\_\_\_

Exhibit A  
Long Term  
Lease  
Craft Hall and Fountains Hall

This Lease is made effective this 1<sup>st</sup> day of March, 2014 by and between Fountains Country Club, Inc., a Florida corporation located at 4615 Fountains Dr., Lake Worth, FL 33467 (hereinafter referred to as the "FCC" or "Lessor"), and Fountains Condominium Operations Inc. of 4615 Fountains Dr., Lake Worth, FL 33467, a Florida Corporation not for profit (hereinafter referred to as "FCO" or "Lessee"). FCC and FCO are sometimes referred to individually as a "Party" and sometimes collectively as the "Parties" in this Agreement.

In consideration of the mutual promises herein contained it is mutually agreed as follows:

**I. TERM**

The FCC/Lessor does hereby lease to FCO/Lessee the buildings and facilities known as the Fountains Hall and Craft Hall hereinafter defined and described below. This Lease shall be for seven (7) years beginning March 1, 2014. This Lease shall automatically extend for two additional seven (7) year terms unless the FCC or FCO gives written notice of termination during the periods between December 1, 2020 and December 31, 2020 or December 1, 2027 to December 31, 2027. All previous agreements between the parties on the subject matter of this lease are hereby terminated.

**II. LEASED PREMISES**

**(Fountains Hall)** Property Tax Folio No.: 00-42-44-27-18-000-0330 Unit No. 33 Plaza Court, THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 9, according to the Declaration of Condominium thereof, as recorded in Official Record Book 3679, Page 665, of the Public Records of Palm Beach County, Florida. FCC declares that this Lease is freely and fairly made, and that there are no agreements, oral or written, other than this Lease between the parties with respect to said property.

**(Craft Hall)** Property Tax Folio No.: 00-42-44-27-04-000-0071. See the attached "Exhibit A," legal description for the Crafts Building, being a part of Tract 7, Palm Golf Estates, Plat 3 according to the Plat 3 thereof, as recorded in Official Plat Book 29, Pages 107 and 108, of the Public Records of Palm Beach County, Florida.

This is Not a

ADAIR & BRADY, INC.

Consulting Engineers  
Land Surveyors, Land Managers  
1934 South Congress Avenue  
West Palm Beach, Florida 33408  
Telephone (305) 864-1111  
Office also located in Sarasota, FL

LEGAL DESCRIPTION  
CRAFT BUILDING

A part of Tract 7, Palm Beach Golf Estates, Plat J, as recorded in Plat Book 29, Pages 107 and 108 Public Records of Palm Beach County, Florida, and more particularly described as follows:

Commencing at a P.R.M. in the most northerly corner of said Tract 7; thence running South 19° 48' 09" East, a distance of 263.01 feet; thence running South 41° 58' 08" West, a distance of 104.53 feet to the POINT OF BEGINNING; thence running North 43° 49' 41" West, a distance of 106.47 feet; thence running southwestwardly along the arc of a curve concave to the southeast having a central angle of 52° 20' 36", a radius of 190.00 feet, a distance of 174.02 feet; thence running due South, a distance of 66.00 feet; thence running South 05° 26' 08" East, a distance of 106.00 feet; thence running North 16° 23' 54" East, a distance of 153.48 feet to the POINT OF BEGINNING.

Containing 0.536 Acres

*James S. Kramer*  
James S. Kramer, Registered Land  
Surveyor, Cert. No. 2688  
December 9, 1983  
WQ9562-5

u/k/a Palm Beach Golf Club Limited

11212 29149



Exhibit B

Description of Roads and  
Street Lights which are  
Maintenance Responsibility of FCO

Common Roads are defined to be the roads owned by FOUNTAINS COUNTRY CLUB, INC., 4615 Fountains Drive, Lake Worth, Florida 33467 ("FCC"), North of the bridge and owned by FOUNTAINS SOUTH PROPERTY OWNERS ASSOCIATION, INC. ("POA"), South of the bridge. The maintenance responsibility of FOUNTAINS CONDOMINIUM OPERATIONS, INC., 4615 Fountains Drive, Lake Worth, Florida, 33467 ("FCO"), is the strip of land and street lights situated therein, 40 feet in width on each side of the center line of the FCC owned Common Roads and 30 feet in width on each side of the center line of the POA owned Common Roads.



Exhibit C

Description of Landscaping  
Which is the  
Maintenance Responsibility of FCO

Landscaping which is the maintenance responsibility of FOUNTAINS CONDOMINIUM OPERATIONS, INC., 4615 Fountains Drive, Lake Worth, Florida, 33467 ("FCO"), is the landscaping situated on the strip of land described more fully in Exhibit B, the same being 40 feet in width on each side of the center line of the FCC owned Common Roads and 30 feet in width on each side of the center line of the POA owned Common Roads.



EXHIBIT D

Project List for FCC/FCO Agreement

1. All project expenses, unless specified differently within the Contract, shall be the sole responsibility of the FCO.
2. FCO will provide the FCC with the plans and specifications prior to the start of all projects.
3. The project list, including start and completion dates provided below, will be subject to the Agreement language under Obligations.

The following chart identifies project work that the FCO agrees to start and complete within the parameters of the Agreement language. The start and completion dates are to be provided by the FCO to the FCC for its approval, prior to finalization and signing of the Agreement.

Project work	Start Date	Completion
Entrance Gate Lake Worth Rd.	March 1, 2014	January 1, 2020
Entrance Gate Jog Rd.	March 1, 2014	January 1, 2018
Outdoor lighting modernization	March 1, 2014	January 1, 2017

It is understood by the parties, that the FCO will not start construction of project until the FCO fully reserves the project. As of the date of the agreement, the FCO has reserved approximately \$400,000. They intend to add \$225,000 each year to reserve for projects. These are not specifically allocated reserves.

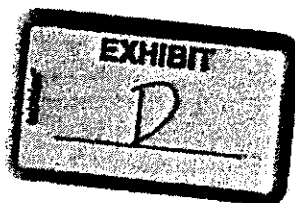


Exhibit 0

2012 F.C.C. BUDGET WORKSHEET  
SECURITY

	2011 BUDGET	JULY '10- JUNE '11	PRESENT ANNUAL COST	PROPOSED 2012 BUDGET
U.S. SECURITY CONTRACT	696,740.00		696,740.00	696,740.00
ALLOWANCE FOR DECREASE (wage reduction for new employees)	0		460.80 month	(5,500.00)
ALLOWANCE FOR GAS INCREASE	3,000.00	0		3,000.00
GATE REPAIRS	10,000.00	6,703.98		10,000.00
TELEPHONE	6,300.00	6,717.62		6,700.00
ELECTRICITY	8,300.00	6,967.26		7,500.00
DECALS	4,700.00	4,491.74		4,700.00
GUARDHOUSE CLEANING	7,600.00	7,070.67		7,600.00
WATER & SEWER	1,700.00	1,383.31		1,500.00
MISCELLANEOUS	14,000.00	14,892.11		13,000.00
HURRICANE PREPAREDNESS	150.00	303.85		300.00
GENERATOR REPAIRS	500.00	1,209.24		1,000.00
GUARDHOUSE INSURANCE	1,300.00	1,159.56	1,219.29	1,300.00
LABOR & RELATED EXPENSES	5,000.00	9,898.04		7,500.00
COMPUTER	5,000.00	2,173.81		3,500.00
GOLF CART REPAIRS/REPLACEMENT	500.00	included by miscellaneous		included in miscellaneous
REPEATER	0			3,000.00
WALL/FENCE MAINT.	0			7,500.00
	764,990.00			771,340.00
LESS F.C.C. CONTRIBUTION	(76,499.00)			(77,134.00)
TOTAL	688,491.00			694,206.00

## **FCO OFFICE BUSINESS LEASE**

This Lease is made and entered into on this 1<sup>st</sup> day of March, 2014 by and between Fountains Country Club, Inc., a Florida corporation located at 4615 Fountains Dr., Lake Worth, FL 33467, hereinafter referred to as the **FCC**, and Fountains Condominium Operations Inc. of 4615 Fountains Dr., Lake Worth, FL 33467, a Florida Corporation not for profit, hereinafter referred to as **FCO**. In consideration of the mutual promises herein contained it is mutually agreed as follows:

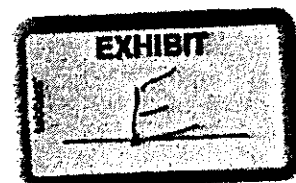
### **I. TERM**

1. The **FCC** does hereby lease to **FCO** the buildings and facilities known as the FCO offices Parcel A, the FCO Maintenance Barn Parcel B, and the FCO Maintenance Sheds Parcel C, hereinafter defined and described below as the "premises". This Lease shall be for seven (7) years beginning March 1, 2014. This Lease shall automatically extend for two additional seven (7) year terms unless the **FCC** or **FCO** gives written notice of termination during the periods between December 1, 2020 and December 31, 2020 or December 1, 2027 to December 31, 2027. **FCO** agrees to return the "premises" to the **FCC** at the expiration of this lease in the same condition as the effective date of this lease.

### **II. LEASED PREMISES**

2. **Parcel A** contains the FCO offices and conference room located at 4615 Fountains Dr., Lake Worth, FL 33467. Parcel A shall be used as management/administrative offices and for no other purpose.

3. **Parcel B** contains the FCO space within the Maintenance Barn which consists of approximately one-third of the total barn.



4. Parcel C contains the FCO Maintenance Sheds which are portable buildings owned by the FCO but located on FCC lands. Said Maintenance Sheds may be relocated at any time by the FCC, and at the sole cost of the FCC.

III. RENT and OTHER PAYMENTS

5. FCO shall pay the FCC annual rent of \$1/year. <sup>plus other use fees agreed to in Section II Para. 10 of the Facility Agreement</sup> The FCC/FCO shall maintain in good repair and replace when needed the roof to Parcel A; however, the FCC shall contribute 52% of the costs of the roof for Parcel A and FCO shall contribute 48% of the costs of the roof for Parcel A. The FCC shall contribute 82% of the costs of the roof for Parcel B and FCO shall contribute 18%. FCO shall otherwise maintain in good repair when needed the other portions of Parcel A and B and all portions of Parcels C. FCO shall pay 48% of all taxes and insurance (general liability and property damage) on Parcel A and shall pay 48% of all expenses for the re-pavement and maintenance of the Parcel A parking lot and the FCC shall pay 52%. FCO shall pay all utilities for all three parcels except FCO shall only pay 70% of the utility costs for Parcel B the Maintenance Barn while FCC pays 30%. FCO shall have the right at its own expense to renovate, modify and/or improve all three Parcels, subject to the FCC's approval of detailed Plans and Specifications.

6. FCO at its own expense shall maintain, repair, replace, improve and pay all taxes and insurance associated with the leased premises in the manner provided above. The cost of all capital improvements greater than \$100,000 shall be capitalized over the expected life of the improvement. In the event that the expected life of the capital improvement extends past the date of the expiration of this lease, and the lease is not renewed, FCC shall pay to FCO an annual amount equal to the capitalized portion for each year until the asset has been paid for, provided FCC approved the initial capital improvement. Any amount due under this provision shall be paid by December 31st of each year.

#### IV. INSURANCE

7. FCO shall be responsible for providing proof of insurance with a valid licensed carrier to the FCC. FCO shall provide certificate(s) of insurance or other satisfactory evidence of insurance showing the FCC as a co-insured. Such certificate is to be renewed in each succeeding year of the lease term.

#### V. ENFORCEMENT

8. Should any dispute that cannot be resolved concerning the obligations under this Agreement occur between the Parties, then any Party may submit the dispute to Mediation pursuant to the rules and regulations of the American Arbitration Association (hereinafter the "AAA"). All costs and fees submitted for payment by the AAA or the Mediator shall be borne by the parties equally (50/50).

9. If the Mediator or either party declares the Mediation process to have failed or to be futile, either party may then, and only then, demand final and binding Arbitration pursuant to the rules and regulations of the AAA Commercial Panel. The parties agree that there shall be a single Arbitrator, that no pre-trial discovery shall be permitted, and that all fees and costs submitted by the AAA and the Arbitrator shall be borne equally by each party (50/50). Each party, at its own expense, may be represented by counsel. In the event either party does not fully comply with the Arbitrator's order, the defaulting party shall be deemed to be in default on both, the Community Management Agreement, as well as the Long-Term Lease of Fountains Hall and Craft Hall executed in connection herewith. In this event, the FCC may take possession of the Leased Premises without further notice, or the FCC may pursue specific performance. Alternatively, in the event that FCC does not fully comply with the Arbitrator's order, the FCO may declare this Office Business Lease, the Long Term Lease of Fountains Hall and Craft Hall and the Community Management Agreement executed in connection herewith, null and void, or the FCO may pursue specific performance. The defaulting party shall pay all costs, and expenses suffered by the non-defaulting party by reason of

the other's default(s). However, as long as the defaulting party fully complies with the Arbitrator's order, no cross-default shall be triggered.

#### VI. ENTIRE AGREEMENT/AMENDMENT

10. This Lease contains the entire agreement between the Parties and there are no other promises or conditions in any other agreement whether oral or written, except as set forth in the Fountains Long Term Lease of Craft Hall and Fountains Hall, the two Letters of Agreement between the FCO and the FCC, and the Fountains Community Management and Facilities Agreement. This Lease may be amended or modified only by a written instrument signed by both Parties.

#### VII. SEVERABILITY

11. If any term, covenant, condition, or provision of this Lease, or its application to any person or circumstance, shall ever be held to be invalid or unenforceable, it shall be adjusted rather than voided, if possible, to achieve the intent of the Parties. Any invalidity resulting from the length of a period of time shall be considered reduced to a period of time, which would cure such invalidity. If adjustment is not possible, then the remainder of this Lease or the application of such term, covenant, condition or provision to any person or any other circumstance (other than those which have been held invalid or unenforceable) shall not be affected, and each term, covenant, condition and provision of this Lease shall remain valid and enforceable to the fullest extent permitted by law.

#### VIII. WAIVER

12. The failure of a Party to exercise any power given it under this Lease or to insist upon strict compliance with the terms of this Lease shall not constitute a waiver of that Party's right to demand exact compliance with the terms of this Lease. Waiver by a Party of any particular default by the other shall not affect or impair its rights with



respect to any subsequent defaults of the same or of a different kind; nor shall any delay or omission by a Party to exercise any rights arising from any default affect or impair its right as to such default or any future default. Further, no custom or course of dealings of the Parties at variance with the terms of this Lease shall constitute a waiver of that Party's right to demand later compliance.

#### IX. SUCCESSORS AND ASSIGNS

13. This Lease shall be binding on the Parties and their respective heirs, legal representatives, successors and assigns.

#### X. REMEDIES

14. All rights, remedies, powers and privileges conferred under this Lease on the Parties shall be cumulative of and in addition to, but not restrictive or in lieu of, those conferred by applicable law.

#### XI. HEADINGS

15. The captions, headings and titles to sections of this Lease are for convenience of reference only, and shall in no way restrict or affect, or be in any way an interpretation of the provisions of any such section of this Lease.

#### XII. GOVERNING LAW

16. This Lease shall be construed under the laws of the State of Florida.

#### XIII. ASSIGNABILITY

17. The FCO may **NOT** assign this Lease Contract or any interest herein, without the prior written consent of the FCC.

IN WITNESS WHEREOF, the parties hereto have signed this Lease this \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_\_\_\_.

**Fountains Country Club, Inc.**

\_\_\_\_\_

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

**Fountains Condominium Operations, Inc.**

\_\_\_\_\_

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

Exhibit F

Description of Golf Cart  
Paths which are the  
Maintenance Responsibility of FCO

The golf cart paths, the maintenance of which is the responsibility of FOUNTAINS CONDOMINIUM OPERATIONS, INC., 4815 Fountains Drive, Lake Worth, Florida, 33467 ("FCO"), are the golf cart paths that are part of the Common Roads to be maintained by FCO and more fully described in Exhibit B. Specifically, these golf cart paths are along Fountains Drive and continue along Fountains Drive South, leading up to the bridge, ending at the branch off point. All other golf cart paths are the responsibility of the Club.



Exhibit G

LIST OF ALL COURTS AND ASSOCIATIONS IN  
THE FOUNTAINS OF PALM BEACH

<u>COURT I.D. NO.</u>	<u>COURT/ASSOCIATION</u>	<u>COURT LEGAL NAME</u>
NO. 1	GEFION COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 1
NO. 2	TREVI COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC.
NO. 3	LUXEMBURG COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 3
NO. 4	ESEDRA COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 4
NO. 5	DESTE COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 5
NO. 6	FOUNTAINS DRIVE COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM NO. 6, INC.
NO. 7	IVOLI COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 7
NO. 8	VERSAILLES COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 8
NO. 9	PLAZA COURT	THE FOUNTAINS OF PALM BEACH CONDOMINIUM, INC. NO. 9
NO. 10	MARSEILLES COURT	FOUNTAINS SOUTH VILLAS ASSOCIATION, INC.
NO. 11	MILAN COURT NO. 1	FOUNTAINS SOUTH CONDOMINIUM ASSOCIATION NO. 1, INC.
NO. 12	MILAN COURT NO. 2	FOUNTAINS SOUTH CONDOMINIUM ASSOCIATION NO. 2, INC.
NO. 13	PARISIAN WAY	FOUNTAINS SOUTH VILLAS TWO ASSOCIATION, INC.
NO. 14	VALENCIA COURT 3A	FOUNTAINS SOUTH CONDOMINIUM NO. 3A ASSOCIATION, INC.
NO. 15	VALENCIA COURT 3B	FOUNTAINS SOUTH CONDOMINIUM NO. 3B ASSOCIATION, INC.
NO. 16	VALENCIA COURT 3C	FOUNTAINS SOUTH CONDOMINIUM NO. 3C ASSOCIATION, INC.
NO. 17	THE ATRIUMS	FOUNTAINS SOUTH ATRIUM HOMES ASSOCIATION, INC.
NO. 18	SAN MARINO WAY	FOUNTAINS SOUTH VILLAS THREE ASSOCIATION, INC.
NO. 19	OAKMONT	OAKMONT AT THE FOUNTAINS HOMEOWNERS' ASSOCIATION, INC.

EXHIBIT  
  G

**EXHIBIT A**  
**LONG TERM LEASE**

This is not a  
CRITICAL COPY



AQAIR & BRADY, INC.

Consulting Engineers  
Land Surveyors, Land Planners  
1938 South Congress Avenue  
West Palm Beach, Florida 33408  
Telephone (305) 844-1221  
Office also located in Stuart, FL.

LEGAL DESCRIPTION  
Crates Building

A part of Tract 7, Palm Beach Estates, Plat 3, as recorded in Plat Book-29, Pages 107 and 108, Public Records of Palm Beach County, Florida, and more particularly described as follows:

Commencing at a P.R.M. in the most northerly corner of said Tract 7; thence running South 19° 48' 09" East, a distance of 283.81 feet; thence running South 41° 58' 08" West, a distance of 104.53 feet to the POINT OF BEGINNING; thence running North 43° 49' 41" West, a distance of 106.67 feet; thence running southwesterly along the arc of a curve concave to the southeast having a central angle of 52° 28' 36", a radius of 190.00 feet, a distance of 174.02 feet; thence running due South, a distance of 68.00 feet; thence running South 05° 26' 00" East, a distance of 105.00 feet; thence running North 16° 23' 54" East, a distance of 153.48 feet to the POINT OF BEGINNING.

Containing 0.535 Acres

*James L. Kramer*  
James L. Kramer, Registered Land Surveyor, Cert. No. 2688  
December 9, 1983  
WG49662-5

B1167 P1217

u/x/a Palm Beach Golf Club Estates

EXHIBIT A  
LONG TERM LEASE