

EXHIBIT 4
RESTATED CLUB COVENANTS

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THIS INSTRUMENT PREPARED BY:

PATRICIA KIMBALL FLETCHER, ESQ.
SHAPO, FREEDMAN & FLETCHER, P.A.
4750 First Union Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131

PEMBROKE ISLES RESTATED CLUB COVENANTS
TABLE OF CONTENTS

1.	<u>Definitions</u>	1
2.	<u>Recitals</u>	5
3.	<u>Original Declaration</u>	5
4.	<u>Benefits of Club</u>	5
4.1.	<u>Term</u>	5
4.2.	<u>Covenant Running with the Land</u>	5
4.3.	<u>Obligation to Reference in Deeds</u>	5
4.4.	<u>Value</u>	5
4.5.	<u>Material Consideration</u>	6
4.6.	<u>Best Interests.</u>	6
4.7.	<u>Product Purchased.</u>	6
4.8.	<u>Disclosure.</u>	6
4.9.	<u>Non-Exclusive License.</u>	6
5.	<u>Club Facilities.</u>	6
5.1.	<u>Property Comprising the Club</u>	6
5.2.	<u>Construction of Club</u>	6
5.3.	<u>Changes.</u>	7
6.	<u>Persons Entitled to Use the Club</u>	7
6.1.	<u>Rights of Members</u>	7
6.2.	<u>Use by Persons Other than Owners and Tenants</u>	7
6.3.	<u>Subordination</u>	7
7.	<u>Ownership and Control of the Club</u>	7
7.1.	<u>Control of Club By Club Owner.</u>	7
7.2.	<u>Transfer of Club to Association.</u>	7
7.2.1.	<u>Option of Club Owner</u>	7
7.2.2.	<u>Association's Option to Purchase the Club</u>	7
7.2.3.	<u>Documentation of Transfer</u>	8
7.3.	<u>Transfer of Control</u>	8
7.3.1.	<u>Note</u>	8
7.3.1.1.	<u>Form</u>	8
7.3.1.2.	<u>Amount</u>	8
7.3.1.3.	<u>Terms</u>	8
7.3.2.	<u>Mortgage</u>	9
7.4.	<u>Nature of Transfer</u>	9
7.5.	<u>Association to Bear Legal Expenses</u>	9
8.	<u>Club Charges</u>	9
8.1.	<u>Club Fee.</u>	9
8.2.	<u>Taxes.</u>	10
8.3.	<u>Club Operating Costs.</u>	10
8.4.	<u>Owners' Share of Club Operating Costs.</u>	10
8.5.	<u>Perpetual</u>	10
8.6.	<u>Individual Homes (Condominium Units, Townhomes, Single Family Residences)</u>	10

BK26603PG0671

8.7.	<u>Apartment Buildings</u>	10
8.8.	<u>Excuse or Postponement</u>	10
8.9.	<u>Club Owner's Obligation</u>	10
8.10.	<u>Special Use Fees</u>	11
8.11.	<u>Commencement of First Charges.</u>	11
8.12.	<u>Time Is of Essence.</u>	11
8.13.	<u>Obligation to Pay Real Estate Taxes and Other Expenses on Parcels.</u>	11
8.14.	<u>Exemption.</u>	11
9.	<u>Working Capital Fund</u>	11
10.	<u>Determination of Club Operating Costs.</u>	11
10.1.	<u>Fiscal Year.</u>	11
10.2.	<u>Adoption of Budget.</u>	12
10.3.	<u>Adjustments for If Budget Estimates Incorrect.</u>	12
10.4.	<u>No Right to Withhold Payment.</u>	12
10.5.	<u>Reserves.</u>	12
10.6.	<u>Statement of Account Status.</u>	12
10.7.	<u>Collection.</u>	12
10.7.1.	<u>Association's Collection Responsibilities</u>	12
10.7.2.	<u>Liens.</u>	12
10.7.3.	<u>Record Keeping</u>	12
10.7.4.	<u>Diligence</u>	13
10.7.5.	<u>Application of Funds</u>	13
10.7.6.	<u>Association Also Acting As Club Manager</u>	13
11.	<u>Creation of the Lien and Personal Obligation.</u>	13
11.1.	<u>Claim of Lien.</u>	13
11.2.	<u>Right to Designate Collection Agent.</u>	13
11.3.	<u>Subordination of the Lien to Mortgages.</u>	14
11.4.	<u>Acceleration.</u>	14
11.5.	<u>Non-payment.</u>	14
11.6.	<u>Non-Use.</u>	14
11.7.	<u>Suspension.</u>	14
12.	<u>Operations</u>	14
12.1.	<u>Control Prior to Transfer to Association.</u>	14
12.2.	<u>Club Manager</u>	14
12.3.	<u>Designation of Manager</u>	15
12.4.	<u>Management by Association</u>	15
12.5.	<u>Association's Duties.</u>	15
12.5.1.	<u>Reports.</u>	15
12.5.2.	<u>Hiring and Supervision.</u>	15
12.5.3.	<u>Compliance.</u>	15
12.5.4.	<u>Contracts.</u>	16
12.5.5.	<u>Purchases.</u>	16
12.5.6.	<u>Covenants Compliance.</u>	16
12.5.7.	<u>Compliance with Laws</u>	16
12.5.8.	<u>Hazardous Materials</u>	16
12.5.9.	<u>Mechanic's Lien</u>	16
12.5.10.	<u>Alterations</u>	16
12.5.11.	<u>Financial Responsibilities.</u>	16
12.5.12.	<u>Maintenance of Records.</u>	17
12.5.13.	<u>Budget.</u>	17
12.5.14.	<u>Collection.</u>	17
12.5.15.	<u>Special Use Fees.</u>	17
12.5.16.	<u>Rules and Regulations.</u>	17
12.5.17.	<u>Insurance</u>	17
12.5.18.	<u>Professionals.</u>	17
13.	<u>Paramount Right of Association</u>	17
14.	<u>Attorney's Fees.</u>	17
15.	<u>Rights to Pay and Receive Reimbursement.</u>	17
16.	<u>Rules.</u>	17

16.1.	<u>Children</u>	18
16.2.	<u>Responsibility for Personal Property and Persons</u>	18
16.3.	<u>Cars and Personal Property</u>	18
16.4.	<u>Activities</u>	18
16.5.	<u>Property Belonging to the Club</u>	18
16.6.	<u>Indemnification of Club Owner</u>	18
16.9.	<u>Attorneys' Fees</u>	19
17.	<u>Violation of the Rules and Regulations.</u>	19
17.1.	<u>Basis For Suspension</u>	19
17.2.	<u>Types of Suspension</u>	19
18.	<u>Destruction</u>	19
19.	<u>Risk of Loss</u>	20
20.	<u>Eminent Domain</u>	20
20.1.	<u>Complete Taking</u>	20
20.2.	<u>Partial Taking</u>	20
21.	<u>Additional Indemnification of Club Owner</u>	20
22.	<u>Defaults</u>	21
22.1.	<u>Abandonment</u>	21
22.2.	<u>Failure to Pay</u>	21
22.3.	<u>Compliance with Declaration and These Covenants</u>	21
22.4.	<u>Insolvency</u>	21
23.	<u>Remedies</u>	21
23.1.	<u>Terminate Association's Responsibilities</u>	21
23.2.	<u>Charge the Association Interest</u>	21
23.3.	<u>Right to Add Costs to Club Operating Costs</u>	21
23.4.	<u>Right to Notify Owners</u>	22
23.5.	<u>Remedies Cumulative</u>	22
24.	<u>Security for Association's Agreements</u>	22
25.	<u>Estoppel</u>	22
26.	<u>No Waiver</u>	22
27.	<u>Franchises and Concessions</u>	22
28.	<u>Waiver of Trial By Jury and Release</u>	23
29.	<u>Amendment.</u>	23
29.1.	<u>General Restrictions on Amendments.</u>	23
29.2.	<u>Amendments Prior to the Transfer of the Club to Association.</u>	23
29.3.	<u>Amendments From and After the Transfer of the Club to Association</u>	23
30.	<u>Severability</u>	23
31.	<u>Notices</u>	23
32.	<u>Florida Statutes</u>	24
33.	<u>Headings</u>	24

BK26603PG0673

PEMBROKE ISLES RESTATED CLUB COVENANTS

LENNAR HOMES, INC., a Florida corporation ("Lennar"), as the owner of the real property comprising the Pembroke Isles Club described on Exhibit A attached hereto and made a part hereof (the "Club"), hereby restates (this "Restatement") entirely those certain Club Covenants recorded in Official Records Book 22952 at Page 135 of the Public Records of Broward County, Florida and those Amended and Restated Club Covenants recorded in Official Records Book 23235 at Page 347 of the Public Records of Broward County, Florida.

RECITALS:

A. Because the residents of the Pembroke Isles Community have and will benefit from having a club facility available for their use within the Pembroke Isles Community, Lennar recorded those certain Club Covenants (the "Original Covenants") as Exhibit "F" to that certain Declaration of Restrictive Covenants Pembroke Isles (the "First Declaration") in Official Records Book 22952 at Page 42 of the Public Records of Broward County, Florida respecting the residential community located in Broward County known as Pembroke Isles legally described on Exhibit B attached hereto and made a part hereof.

B. The First Declaration was amended by virtue of that certain Amendment to Declaration of Restrictive Covenants Pembroke Isles recorded in Official Records Book 23235 at Page 321 of the Public Records of Broward County, Florida (the "First Amendment"); that certain Second Amendment to Declaration of Restrictive Covenants Pembroke Isles recorded in Official Records Book 23235 at Page 323 of the Public Records of Broward County, Florida (the "Second Amendment"); and that certain Third Amendment to Declaration of Restrictive Covenants Pembroke Isles recorded in Official Records Book 25323 at Page 0819 of the Public Records of Broward County, Florida (the "Third Amendment"; the First Declaration, First Amendment, Second Amendment, and Third Amendment are hereinafter collectively referred to as the "Original Declaration").

C. Attached to the Second Amendment as an exhibit were Amended and Restated Club Covenants (the "Restated Club Covenants"; the Original Covenants and Restated Covenants shall hereinafter be collectively referred to as the "Club Covenants").

D. The Club Covenants are separate and independent of the Original Declaration. Further, the Original Declaration is subordinate in all respects to the Club Covenants.

E. Because the Original Declaration is being restated in its entirety, Lennar, as owner of the Club, desires to separate entirely the Club Covenants from the Original Declaration. Further, Lennar desires that all of the Club Covenants appear in a single document with a separate index and terms so that the provisions governing the Club will be easily understandable to each and every member of the Club.

F. Lennar and Triple S Associates, a Florida joint venture ("Triple S") collectively own all of the property within Pembroke Isles described on Exhibit C attached hereto and made a part hereof. Lennar and Triple S agree that from and after this date, all such property shall be subject to each and every provision contained in this Restatement. All persons who accept conveyance of any portion of Pembroke Isles from and after the date that this Restatement is recorded in the Public Records shall have been deemed to accept each and every provision of this Restatement as a covenant running with the land.

NOW, THEREFORE, Lennar hereby declares that the real property comprising Pembroke Isles shall be subject to the following restrictions, covenants, terms and conditions:

1. Definitions. In addition to the terms defined elsewhere herein, the following terms shall have the meanings specified below:

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85 OF 114

"Apartment Building" shall mean any multifamily structure with individual residential apartments which are leased (and not sold) on an individual basis. An Apartment Building does not include a building submitted to condominium ownership.

"Applicable Rate" shall mean two percent (2.0%) above the Prime Rate.

"Assessments" shall have the meaning set forth in the Declaration.

"Association" shall mean the Pembroke Isles Homeowners Association, Inc., its successors and assigns.

"Board" shall mean the Board of Directors of Association.

"Budget" shall have the meaning set forth in Section 10 hereof.

"Club" shall mean the Pembroke Isles Club and the facilities constructed thereon subject to additions and deletions made by Club Owner from time to time. Notwithstanding the foregoing, Club Owner will not change the legal description of the Club (except to correct scrivener's errors) after the Community Completion Date.

"Club Charges" shall mean the charges related to the Club to be paid by the Owners pursuant to the provisions of these Covenants and the Declaration, including, without limitation, the Club Fee and each Owner's pro rata share of Club Operating Costs.

"Club Covenants" shall have the meaning set forth in the Recitals hereof.

"Club Facilities" shall have the meaning set forth in Section 5.1 hereof.

"Club Fee" shall mean the fee to be paid to Club Owner by each Owner pursuant to the provisions of Section 8.1 hereof.

"Club Manager" shall mean the entity operating and managing the Club, at any time. Club Owner and/or Association may be Club Manager as provided in these Covenants.

"Club Operating Costs" shall mean all costs (as such term is used in its broadest sense) of owning (excluding Club Owner's debt service), operating, managing, maintaining, insuring the Club, including, but not limited to, trash collection, utility charges, maintenance, management fees, reserves, repairs, refurbishments, payroll and payroll costs, insurance, working capital, ad valorem or other taxes (excluding income taxes of Club Owner), assessments, costs, expenses, levies and charges of any nature which may be levied, imposed or assessed against, or in connection with, the Club. By way of example, and not of limitation, Club Operating Costs shall include all legal expenses of the Club Owner and Club Manager with respect to the Club.

"Club Owner" shall mean the owner of the real property comprising the Club. At this time, Lennar is Club Owner. Club Owner may change from time to time (e.g., Lennar may sell the Club).

"Club Property" shall have the meaning set forth in Section 5.1 hereof.

"Club Purchase Price" shall have the meaning set forth in Section 7.3.1.2 hereof.

"Club Working Capital Fund" shall have the meaning set forth in Section 9 hereof.

"Common Areas" shall have the meaning set forth in the Declaration.

"Community Completion Date" shall have the meaning set forth in the Declaration.

"Covenants" shall mean this Restatement together with all amendments and modifications hereto.

"Declarant" shall have the meaning set forth in the Declaration. At this time Declarant and Club Owner are the same entity. At a future time, Declarant and Club Owner may be different entities (e.g., Lennar may sell the Club).

"Declaration" shall mean that certain Restated Declaration of Restrictions for the Pembroke Isles Community, as such Declaration shall be amended or modified from time to time, which has or will be recorded in the Public Records.

"Deed" shall mean any deed conveying any portion of Pembroke Isles or any interest therein and any other instrument conveying or transferring or assigning the interest of an Owner to another including, without limitation, a deed to a Home, but excluding a mortgage on a Home.

"Default Rate" shall mean the greater of eighteen percent (18%) or the highest rate permitted by law.

"First Amendment" shall have the meaning set forth in the Recitals hereof.

"First Declaration" shall have the meaning set forth in the Recitals hereof.

"Guest" shall mean a person who enters the Club Facilities at the invitation of a Member or Immediate Family Member. A nanny or other person who is responsible for the children of a Member or a Member's spouse while they are within the Club Facilities shall also be deemed a Guest.

"Home" shall mean a residential home and appurtenances thereto constructed on a Parcel within Pembroke Isles. A Home shall include, without limitation, a condominium unit, coach home, villa, townhouse unit, single family home and each residential apartment within an Apartment Building. The term Home may not reflect the same division of property as reflected on a Plat. A Home shall be deemed created and have perpetual existence upon the issuance of a final or temporary Certificate of Completion for such residence; provided, however, the subsequent loss of such Certificate of Completion (e.g., by casualty or remodeling) shall not affect the status of a Home, or the obligation of Owner to pay Club Charges with respect to such Home. The term "Home" includes any interest in land, improvements, or other property appurtenant to the Home.

"Immediate Family Members" shall mean the spouse of the Member and all children of the Member living in the Home, and all other adults living in the Home; provided, however, the Member and all Immediate Family Members shall not exceed 2 persons for each bedroom comprising a Home. By way of example, if a Home contains three bedrooms, there may not be more than 5 Immediate Family Members for such Home. In order to evidence residency in a Home, each adult Immediate Family Member shall have a driver's license or passport or other identification acceptable to Club Owner reflecting the Home as his or her domicile.

"Lender" shall mean the holder of a first mortgage encumbering a Parcel or Home.

"Lennar" shall mean Lennar and its successors or assigns. Although not obligated to do so, Lennar may identify its successors or assigns by an amendment to these Covenants.

"Maturity Date" shall mean 26 years from the date the Note is executed.

"Member" shall mean every Owner (other than an Owner who has leased his Home to Tenant) and Tenant; provided, however, for the purposes of Membership, there shall be only one Tenant per Home. A person shall continue to be a Member until he ceases to be an Owner, or ceases to be a Tenant legally entitled to possession of a rental Home.

"Mortgage" shall have the meaning set forth in Section 7.2.3 hereof.

"Note" shall have the meaning set forth in Section 7.2.3 hereof.

"Option Date" shall have the meaning set forth in Section 7.3 hereof.

"Option Notice" shall have the meaning set forth in Section 7.2.2 hereof.

"Original Covenants" shall have the meaning set forth in the Recitals hereof.

"Original Declaration" shall have the meaning set forth in the Recitals hereof.

"Owner" shall mean the record owner (whether one or more persons or entities) of fee simple title to any Home. The term "Owner" shall not include Declarant, Club Owner, or a Lender. A purchaser of a Parcel who thereafter builds one or more Homes upon such Parcel shall be deemed an Owner with respect to each such Home. For example, an Owner of an Apartment Building is an Owner with respect to each Home within such Apartment Building.

"Parcel" shall mean a platted or unplatted lot, tract, unit or other subdivision of real property upon which a Home has been, or will be, constructed. Once improved, the term Parcel shall include all improvements thereon and appurtenances thereto. The term Parcel, as used herein, may include more than one Home.

"Parking Areas" shall mean all areas designated for parking within the Club Facilities.

"Pembroke Isles" shall have the meaning set forth in the Declaration. Pembroke Isles presently includes the real property described on Exhibit B.

"Prime Rate" shall mean the prime rate (or base rate) reported in the "Money Rates" column or section of The Wall Street Journal published on the second Business Day of the month preceding the month in which a payment of interest and/or principal is due under the Note, as having been the rate in effect for corporate loans at large U.S. money center commercial banks (whether or not such rate has actually been charged by any such bank) as of the first calendar day of such month for which such rate is published. In the event The Wall Street Journal ceases publication of the prime rate, then "Prime Rate" shall mean the prime rate (or base rate) announced by Citibank, N.A., New York, New York (whether or not such rate has actually been charged by such bank) in effect on the first calendar day of such month. In the event such bank discontinues the practice of announcing the "prime rate", the term "Prime Rate" shall mean the highest rate charged by such bank as on the first calendar day of such month on short-term, unsecured loans to its most credit-worthy large corporate borrowers. In the event The Wall Street Journal (1) publishes more than one "Prime Rate", the higher or highest of such rates shall apply, or (2) publishes a retraction or correction of such rate, the rate reported in such retraction or correction shall apply.

"Public Records" shall mean the Public Records of Broward County, Florida.

"Purchase Option" shall have the meaning set forth in Section 7.2.2 hereof.

"Restated Club Covenants" shall have the meaning set forth in the Recitals hereof.

"Rules and Regulations" shall have the meaning set forth in Section 16 hereof.

"Second Amendment" shall have the meaning set forth in the Recitals hereof.

"Special Use Fees" shall have the meaning set forth in Section 8.10 hereof.

"Tenant" shall mean the lessee named in any written lease respecting a Home who is legally entitled to possession of any rental Home within Pembroke Isles. If a lease names more than one person as lessee, such lessees shall designate one of themselves as a Tenant for Membership purposes.

"Third Amendment" shall have the meaning set forth in the Recitals hereof.

"Title Documents" shall have the meaning set forth in the Declaration.

"Triple S" shall have the meaning set forth in the Recitals hereof.

All other initially capitalized terms not defined herein, shall have the meanings set forth in the Declaration.

2. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Restatement.

3. Original Declaration. The Original Covenants and the Restated Covenants shall be of no further force and effect as it is replaced entirely by this Restatement.

4. Benefits of Club. Association and each Owner, by acceptance of title to a Home, ratify and confirm these Covenants and agree as follows:

4.1. Term. These Covenants shall be covenants running with Pembroke Isles in perpetuity.

4.2. Covenant Running with the Land. Every Parcel of land which is part of Pembroke Isles and which shall be improved with a Home shall be burdened with the payment of Club Charges. These Covenants including, without limitation, the obligation to pay Club Charges, shall run with the land. Every Owner, by acceptance of a Deed, shall automatically assume and agree to pay all Club Charges which shall be due and payable as of the date of such Deed and which shall become due and payable thereafter on account of the membership in the Club pertaining to the property belonging to the Owner while such Owner remains an Owner.

4.3. Obligation to Reference in Deeds. The grantor of any portion of Pembroke Isles hereby agrees to include in any Deed a statement that such Deed is subject to the terms of these Covenants.

4.4. Value. The grantee of any portion of Pembroke Isles, by acceptance of a Deed for such portion of Pembroke Isles, hereby joins in the execution of these Covenants for the purpose of binding himself, his successors in title and assigns to the provisions hereof and expressly acknowledges that the automatic membership in the Club granted to Owners and Tenants renders ownership of Pembroke Isles and any part thereof more valuable than it would be otherwise.

4.5. Material Consideration. All persons who shall become Owners of any portion of Pembroke Isles acknowledge that the provisions and enforceability of these Covenants were a material consideration in the initial conveyance by Declarant of such real property to the Owner (or his predecessor in title) and that Declarant would not have made such conveyance had these covenants not been included and enforceable as provided for herein.

4.6. Best Interests. It is in the best interest of each Owner, for Pembroke Isles as a whole, and for property values therein, to provide for the Club to be located within Pembroke Isles.

4.7. Product Purchased. There were significant other housing opportunities available to each Owner in the general location of Pembroke Isles. The Home, and rights to utilize the Club, were material in each Owner's decision to purchase a Home in Pembroke Isles and were, for the purposes of these Covenants, a "single product." Each Owner understands that the Club is an integral part of the Pembroke Isles community.

4.8. Disclosure. Full disclosure of the nature of the Club and obligations associated therewith was made to each Owner prior to that Owner executing a contract to purchase a Home and each Owner has, or was afforded the opportunity to, consult with an attorney.

4.9. Non-Exclusive License. The provisions of these Covenants do not grant any ownership rights in the Club in favor of Association or Members but, rather, grant a non-exclusive license to use the Club subject to full compliance with all obligations imposed by these Covenants.

5. Club Facilities.

5.1. Property Comprising the Club. Club Owner has constructed certain club facilities within the real property comprising Pembroke Isles (the "Club Facilities") which will be and shall remain the property of Club Owner, subject only to the provisions hereof. The real property comprising the Club (the "Club Property") is described on Exhibit A attached hereto and made a part hereof.

5.2. Construction of Club. Club Owner has constructed the Club Facilities at its sole cost and expense. The Club Facilities consist of a health/fitness facility and related amenities together with such equipment and personalty as Club Owner determines in its sole discretion. Club Owner shall be the sole judge as to the plans, design, location, completion, schedule, materials, equipment, size, and contents of the Club Facilities. Club Owner shall have the right to: (i) develop and construct the Club and related improvements within Pembroke Isles, and make any additions, alterations, improvements, or changes thereto; (ii) maintain customary sales offices (for sales and resales of Homes), general offices, and construction operations on the Club Property including, without limitation, displays, counters, meeting rooms, and facilities for the sales and re-sales of Homes; (iii) place, erect, and/or construct portable, temporary, or accessory buildings or structures upon the Club Property for sales, construction storage, or other purposes; (iv) post, display, inscribe or affix to the exterior of the Club and the Club Property, signs and other materials used in developing, constructing, selling, or promoting the sale of portions of Pembroke Isles, including, without limitation, the sale of Parcels and Homes subject only to the Title Documents; (v) excavate fill from any lakes or waterways within and/or contiguous to the Club by dredge or dragline, store fill within the Club Property, and remove and/or sell excess fill; and (vi) grow or store plants and trees within, or contiguous to, the Club Property and use and/or sell excess plants and trees; and (vii) undertake all activities which, in the sole

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opinion of Club Owner, are necessary for the development and sale of the Club or any lands or improvements therein.

5.3. Changes. Club Owner reserves the absolute right to, from time to time, alter or change the Club, including construction of additional Club Facilities and/or the removal or modification thereof.

6. Persons Entitled to Use the Club.

6.1. Rights of Members. Each Member and his Immediate Family Members shall have such non-exclusive rights and privileges as shall from time to time be granted by Club Owner but these rights and privileges shall always include the following:

- a. use of the fitness center and swimming pools;
- b. tennis courts, tot lot, hand ball courts, beach, docks, boat ramp, and pavilions; and
- c. the right to participate in and attend all social events for Members upon the payment of the established fees and costs thereof, if any.

If a Home is owned by a corporation, trust or other legal entity, or is owned by more than one family, then the Owner(s) collectively shall designate the person who will be the Member of the Club with respect to such Home.

6.2. Use by Persons Other than Owners and Tenants. Club Owner has the right at any and all times, and from time to time, to make the Club available to individuals, persons, firms or corporations other than Members, as it deems appropriate. Club Owner shall establish the fees to be paid by any person using the Club who is not a Member. The granting of such rights shall not invalidate these Covenants, reduce or abate any Owner's obligations to pay Club Charges pursuant to these Covenants, or give any Owner the right to avoid any of these Covenants.

6.3. Subordination. These Covenants and the rights of Members to use the Club is and shall be subject and subordinate to: (a) any ground lease, mortgage, deed of trust, and encumbrance or renewals, modifications and extensions thereof, now or hereafter placed on the Club by Club Owner; and (b) easements, restrictions, limitations, conditions of record, the Title Documents and other conditions of governmental authorities. This provision shall be self-operative. Association, in its own name and, as agent for all Owners, shall sign any documents confirming the subordination provided herein promptly upon request of Club Owner.

7. Ownership and Control of the Club.

7.1. Control of Club By Club Owner. The Club shall be under the complete supervision and control of Club Owner until such time as Club Owner either appoints Association as Club Manager or Club Owner transfers or sells the Club to Association.

7.2. Transfer of Club to Association.

7.2.1. Option of Club Owner. In Club Owner's sole discretion, Club Owner shall have the option to transfer to the Club to Association so that it will be under the complete control of the Owners.

7.2.2. Association's Option to Purchase the Club. From and after December 19, 2010, Association shall have the option to purchase the Club from Club Owner (the "Purchase Option"). This Purchase Option may be exercised by a decision of the majority of the Board of Association, without the joinder of any Owner or any other person. Such Purchase Option shall be exercised by written

notice (the "Option Notice") to Club Owner signed by a majority of the Board, which Option Notice shall be delivered by professional overnight courier to Club Owner at the following address (or such other address as may be designated by Club Owner from time to time by amendment to these Covenants):

Lennar Homes, Inc.
8190 State Road 84
Davie, Florida 33324
Attention: Regional President--
South Florida Region

with copy to: Lennar Homes, Inc.
8190 State Road 84
Davie, Florida 33324
Attention: Division President

The Option Notice shall be irrevocable once signed by a majority of the Board. Club Owner shall convey the Club to Association within one hundred eighty (180) days' of Club Owner's receipt of the Option Notice.

7.2.3. Documentation of Transfer. At the time that the Club is transferred to Association, Club Owner shall be obligated to deliver the following: a special warranty deed for the real property comprising the Club, a special bill of sale respecting the personal property comprising the Club, an owner's title insurance policy respecting the Club, and all affidavits and other documents required by the title insurance company to effect the transfer of the Club. At the time of the transfer of the Club to Association as a result of the exercise of the Purchase Option, the Owners will no longer be obligated to pay the Club Fees; however, Association shall either be obligated to pay the Club Purchase Price (as defined below) in cash or by federal wire, or be obligated to execute and deliver to Club Owner a purchase money note in the amount hereinafter provided (the "Note") a purchase money mortgage (the "Mortgage"), and a Security Agreement and UCC Financing Statements (state and local) and each Owner shall be obligated to pay his pro rata share of the Club Purchase Price and, if applicable, principal, interest and other amounts due in connection with such Note and Mortgage. The Club Purchase Price and, if applicable, the payments due pursuant to the Note and Mortgage shall be deemed part of the Operating Costs of Association, and part of the Assessments payable by the Owners.

7.3. Transfer of Control. If the Club Purchase Price is not paid in cash or by wire, prior to or upon transfer of the Club to Association, Association shall comply with the following:

7.3.1. Note.

7.3.1.1. Form. Association shall execute the Note. The Note shall be in the form used for commercial transactions of comparable size as determined by Club Owner in its sole and absolute discretion.

7.3.1.2. Amount. The amount of the Note shall be the sum of the following (collectively, the "Club Purchase Price"):
(i) the amount resulting from the application of the capitalization rate of eight percent (8%) applied to the total Club Fees payable by all Owners to Club Owner on the date that the Note is executed; plus
(ii) all of the costs to effect the transfer, including, without limitation, the cost of the owner's title insurance policy, all documentary stamp taxes and surtaxes, and the costs of preparing all of the closing documents.

7.3.1.3. Terms. From and after the date of the Note, Association shall pay to Club Owner monthly in arrears on the first day of each and every calendar month interest on the principal sum outstanding under the Note at the Applicable Rate, unless the

Default Rate shall be applicable. In addition, Association shall pay a portion of the principal sum secured by the Note that will amortize the entire principal sum over the term of the loan. Association shall pay Club Owner a late charge of five percent (5%) of any periodic interest payment not received by Club Owner within ten (10) days after the installment is due. This late charge is to cover Club Owner's administrative costs in processing each late payment. During the period of any default under the terms of the Note, the Mortgage, or any other document securing the Note, the Default Rate shall be applicable to the entire indebtedness then outstanding under the Note. The Note may be prepaid in full or in part at any time without notice, premium, or penalty. All payments received by Club Owner, including any partial payments permitted hereunder, shall be applied as follows: first, to the payment of fees and other charges then due or payable hereunder or under the Mortgage or other documents securing the Note; second, to any late payment charges which remain unpaid; third, to the payment of interest; fourth, to accrued and unpaid interest; and fifth, to the reduction of the outstanding principal balance.

7.3.2. Mortgage. Association shall execute the Mortgage. The Mortgage shall be in the form used for commercial transactions of comparable size as determined by Club Owner in its sole and absolute discretion. It shall require that Association (i) escrow tax and insurance payments on a monthly basis with Club Owner in a non-interest bearing account; (ii) provide Club Owner with monthly and annual operation statements, annual financial statements, and other financial information (e.g., the Budget); (iii) maintain the Club in a first class condition; and (iv) insure the Club for full replacement value; and (v) provide rental insurance and liability insurance in such amounts necessary to fully protect the mortgagee under the Mortgage.

7.4. Nature of Transfer. The conveyance shall be subject to easements, restrictions, reservations, conditions, limitations and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. Association shall be deemed to have assumed agreed to pay all continuing obligations and service and similar contracts relating to the ownership, operation, maintenance and administration of the Club. Association shall, and does hereby, indemnify and hold Club Owner harmless on account thereof. Association shall be obligated to accept such conveyance without setoff, condition, or qualification of any nature. The Club, personal property and equipment thereon and appurtenances thereto shall be conveyed in "as is, where is" condition WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF BEING CONVEYED.

7.5. Association to Bear Legal Expenses. In the event that there is any ambiguity or question regarding the provisions of these Covenants, Club Owner's determination of such matter shall be conclusive and binding. Therefore, and in order to ensure that the Owners and Association abide by Club Owner's determination, in the event that there is any dispute respecting the interpretation of these Covenants, the Purchase Option, the Mortgage, the Note, or any other aspect of the transfer of the Club to Association, Association shall bear all legal expenses of both Association and Club Owner including, without limitation, all attorney's fees, paraprofessional fees and costs at trial and upon appeal, regardless of the outcome of such proceedings.

8. Club Charges. In consideration of the construction and providing for use of the Club by the Owners, each Owner by acceptance of a deed to a Home shall be deemed to have specifically covenanted and agreed to pay all Club Costs which are set forth herein:

8.1. Club Fee. Each Owner of any Home within Pembroke Isles shall pay a monthly fee (the "Club Fee") in advance, without setoff

or deduction, to Club Owner, or its designee, in the sum of \$12 Dollars per month until December 31, 1996. Each year thereafter, commencing January 1, 1997 and on each January 1 thereafter, the Club Fee shall increase by \$2 Dollars each year. The Club Fee shall be payable on the first of each month.

8.2. Taxes. In addition to the Club Fee, each Owner shall pay all applicable sales, use or similar taxes now or thereafter imposed on the Club Fee, if any.

8.3. Club Operating Costs. In addition to the Club Fee and taxes above, each Owner agrees and covenants to pay and discharge, in a timely fashion when due, its pro rata portion (as hereinafter set forth) of the Club Operating Costs. The Owners shall collectively bear all expenses associated with the Club so that Club Owner shall receive the Club Fees without deduction of expenses or charges in respect of the Club.

8.4. Owners' Share of Club Operating Costs. In addition to the Club Fee, Club Operating Costs shall be allocated so that each Owner shall pay his pro rata portion of the Club Operating Costs based upon a fraction, the numerator of which is the number one (1) and the denominator is one thousand two hundred forty (1240). Provided, however, in no event that any Owner's pro rata share of Operating Costs be greater than 1/1240 (the "Maximum Share") of all Operating Costs for any fiscal year unless Pembroke Isles contains less than 1240 Homes when completed. Likewise, in the event that less than 1240 Homes shall be built within Pembroke Isles, then Club Owner may change the denominator of the Maximum Share, by amendment to these Club Covenants, to the number of actual or anticipated Homes within Pembroke Isles, in its sole and absolute discretion. Without limiting the foregoing, Club Owner specifically reserves the right to change the denominator provided herein by one or more amendments to these Club Covenants. For the purposes of determining the total number of Homes subject to payment of Club Charges, each Home owned by the Owner of an Apartment Building shall be included in such total. Each Owner agrees that so long as he or she does not pay more than the required amount such Owner shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sum due.

8.5. Perpetual. The Owner's obligation to pay Club Charges shall be perpetual regardless of whether such Home is occupied, renovated, replaced, rebuilt or leased.

8.6. Individual Homes (Condominium Units, Townhomes, Single Family Residences). Owners of individual Homes (whether a single family structure or part of a condominium building) shall pay Club Charges for one membership per month per Home. If an Owner owns more than one Home, Club Charges are payable for each and every Home owned by such Owner.

8.7. Apartment Buildings. Owners of Apartment Buildings shall pay Club Charges for one membership per Home contained in such Apartment Building per month.

8.8. Excuse or Postponement. Any person or entity developing Homes within Pembroke Isles may be excused by Club Owner, in its sole and absolute discretion, from the payment of Club Charges until such time as the Home(s) built by such person or entity for sale or rental shall first be sold or rented. Club Owner shall have the right, but not the obligation, to excuse Owners of Apartment Buildings from the payment of Club Charges with respect to vacant Homes within such Apartment Buildings.

8.9. Club Owner's Obligation. Under no circumstances shall Club Owner be required to pay Club Charges. In the event that the each Owner's pro rata share is the Maximum Share because there are less than 1240 Homes within Pembroke Isles, Club Owner shall have

the option to pay the difference in the amount collected from all Owners and the actual amount of Operating Costs.

8.10. Special Use Fees. Club Owner shall have the right to establish from time to time, by resolution, rule or regulation, or by delegation to the Club Manager, specific charges, service and/or use fees ("Special Use Fees"), for which one or more Owners (but less than all Owners) are subject, such as, costs of special services or facilities provided to a Owner relating to the special use of the Club. Special use Fees shall be payable at such time or time(s) as determined by Club Owner.

8.11. Commencement of First Charges. The obligation to pay Club Charges, including, without limitation, the Club Fee, shall commence as to each Owner, on the day of the conveyance of title of a Home to a Owner; provided, however, Owners of Apartment Buildings shall be obligated to pay Club Charges for each Home within the Apartment Building immediately upon issuance of a temporary or permanent Certificate of Completion for such Homes within the Apartment Building.

8.12. Time Is of Essence. Faithful payment of the sums due, and performance of the other obligations hereunder, at the times stated, shall be of the essence. Should the Club Charges, or any other sums due hereunder, herein provided at any time remain due and unpaid for a period of five (5) days after same shall become due or should the Owner or Association not perform its obligations hereunder, the Owner or Association, as the case may be, shall be in default hereunder.

8.13. Obligation to Pay Real Estate Taxes and Other Expenses on Parcels. Each Owner shall pay all taxes and obligations relating to its Parcel which if not paid, could become a lien against the Parcel which is superior to the lien for Club Facilities Charges created by these Covenants.

8.14. Exemption. Notwithstanding anything to the contrary herein, neither Declarant nor Club Owner nor any Parcel or property within Pembroke Isles owned by Declarant or Club Owner shall be responsible for any portion of the Club Charges, nor subject to any lien for Club Charges.

9. Working Capital Fund. Club Owner has established a working capital fund (the "Club Working Capital Fund") for the operation of the Club. There shall be collected from each Owner at the time of conveyance of a Home an amount equal to the sums determined to be due from that Owner for two months of Club Charges. Each Owner's share of the working capital fund shall be transferred to Club Owner at that time. The purpose of this fund is to assure that Club Owner will have cash available to meet its obligations, unforeseen expenditures, or to acquire additionally property, equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advance payment of Club Charges. Club Owner shall be entitled to keep such funds, and shall not be required to account for the same. The Club Working Capital Funds may be used and applied by Club Owner as it deems necessary in its sole and absolute discretion including, without limitation, to reduce Club Operating Costs. Notwithstanding anything herein to the contrary, Club Owner shall have the option to waive contributions to the Club Working Capital Fund in its sole and absolute discretion. Club Owner shall determine when, if ever, an Owner of an Apartment Building shall contribute to the Club Working Capital Fund and the amount of any contribution due from the Owner of an Apartment Building, if any (which may be significantly less than that required of other Owners).

10. Determination of Club Operating Costs.

10.1. Fiscal Year. The fiscal year for the Club shall be the calendar year.

10.2. Adoption of Budget. Club Charges shall be established by the adoption of a projected operating budget (the "Budget"). Written notice of the amount and date of commencement thereof shall be given to each Owner of not less than ten (10) days in advance of the due date of the first installment thereof. Club Charges shall, unless otherwise specified by Club Owner, be payable, in advance, at such time as Association collects regular Assessments from the Owners.

10.3. Adjustments for If Budget Estimates Incorrect. In the event the estimate of Club Operating Costs for the year is, after the actual Club Operating Costs for that period is known, more or less than the actual Club Operating Costs, then the difference shall, at the election of Club Owner: (i) be added or subtracted, as the case may be, to the calculation for the next ensuing year; (ii) be immediately collected from the Owners by virtue of a special bill, or (iii) the remaining monthly Club Charges shall be adjusted to reflect such deficit or surplus.

10.4. No Right to Withhold Payment. Each Owner agrees that so long as such Owner does not pay more than the required amount of Club Charges, such Owner shall have no grounds upon which to object to either the method of payment or non-payment by other Owners of any sums due.

10.5. Reserves. The Budget may, at the election of Club Owner, establish and maintain one or more reserve funds for the periodic maintenance, repair and replacement of improvements to the Club Facilities.

10.6. Statement of Account Status. Club Owner shall prepare and maintain a ledger noting charges due from, and payments by, each Owner. The ledger shall be kept in the office of Club Owner and shall be open to inspection by any Owner. Upon demand, there shall be furnished to a Owner a certificate in writing setting forth whether the Club Charges have been paid and/or the amount which is due as of any date. As to parties (other than Owners) who, without knowledge of an error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any charges therein stated. Each Owner waives his or her rights (if any) to an accounting related to Club Charges, including, without limitation, Club Operating Costs.

10.7. Collection.

10.7.1. Association's Collection Responsibilities. Association has agreed (as evidenced by its joinder in these Covenants) to collect the Club Charges, Special Use Fees, and any other amounts due to Club Owner at the same time it collects Assessments from the Owners. Upon collection, Association shall be deemed to hold the same in trust for Club Owner and for the payments required hereby, and shall immediately forward all amounts due to Club Owner, together with a record of which Owners did, and did not pay.

10.7.2. Liens. Association, during the terms of these Covenants, may, and shall, if requested by Club Owner, file a lien against a Owner's Home and/or Parcel should that Owner fail to pay Club Charges, and take such other action as appropriate, either in its name or, with the prior consent of Club Owner, in the name of or as agent of Club Owner.

10.7.3. Record Keeping. Club Owner shall have the right to require that Association use special computer software or accounting practices in connection with Association's record keeping responsibilities respecting Club Charges, Special Use Fees, and other amounts due to Club Owner. By way of example, Club Owner may require information on computer disk prepared using a specific type of software. Club Owner shall have the power, at any time and from

time to time, to review, audit, inspect, copy, etc., and seek accountings of, all books and records maintained by Association in connection with its obligations hereunder.

10.7.4. Diligence. Association shall diligently enforce collection of all delinquencies including enforcement of all liens in the name of Club Owner.

10.7.5. Application of Funds. Notwithstanding anything to the contrary contained in the Declaration, by its joinder in these Covenants, Association agrees that in the event that Association collects funds from a particular Owner for any month (whether or not those funds are designated as payment of Club Charges or Assessments), those funds shall be first allocated to the payment of Club Fees, then to the payment of Club Operating Costs, then to the payment of Special Use Fees and other amounts due to Club Owner, and then to the payment of Assessments for Association purposes.

10.7.6. Association Also Acting As Club Manager. During any period that Association is operating the Club as Club Manager pursuant to these Club Covenants, then Association is granted the conditional license to retain those portions of the Club Charges other than the Club Fee for the strict purpose of paying the Club Operating Costs. At all times that Club Owner owns the Club, Club Owner, or its agents, may enter, inspect, and view the Club at any reasonable time.

11. Creation of the Lien and Personal Obligation.

11.1. Claim of Lien. Each Owner, by acceptance of a Deed or instrument of conveyance for the acquisition of title to a Home, shall be deemed to have covenanted and agreed that the Club Charges, Special Use Fees, and other amounts Club Owner permits an Owner to put on a charge account, if any, including, without limitation, the Club Fee, together with interest, late fees, costs and reasonable attorneys' and paraprofessional fees at all levels of proceedings including appeals, collection and bankruptcy, shall be a charge and continuing lien in favor of Club Owner encumbering each Home and all personal property located thereon owned by the Owner. The lien is effective from and after recording a Claim of Lien in the Public Records stating the description of the Home, name of the Owner, and the amounts due as of that date, but shall relate back to the date these Covenants are recorded. The Claim of Lien shall also cover any additional amounts which accrue thereafter until satisfied. All unpaid Club Charges, Special Use Fees, and other amounts Club Owner permits an Owner to put on a charge account, if any, together with interest, late fees, costs and reasonable attorneys' and paraprofessional fees at all levels including appeals, collections and bankruptcy, and other costs and expenses provided for herein, shall be the personal obligation of the person who was the Owner of the Home at the time when the charge or fee became due, as well as the Owner's heirs, devisees, personal representatives, successors or assigns. If a Home is leased, the Owner shall be liable hereunder notwithstanding any provision in his lease to the contrary. Such lien may be enforced by Association or enforced by Club Owner, however, the claim of Club Owner for Club Fees is paramount to all claims of Association. Further, the lien created by this Section is superior to the lien of Association for Assessments.

11.2. Right to Designate Collection Agent. Club Owner may notify Association at any time in writing that it no longer wishes to have Association collect the Club Operating Costs, Special Use Fees, and/or the Club Fees. In such event, Club Owner shall collect the Club Operating Costs, Special Use Fees, and/or Club Fees. At any time thereafter, Club Owner may direct Association to again collect such Club Operating Costs, Special Use Fees, and/or Club Fees. Club Owner's right to designate who shall collect Club Operating Costs, Special Use Fees, and/or Club Fees shall be perpetual.

11.3. Subordination of the Lien to Mortgages. The lien for Club Charges, Special Use Fees, and related fees and expenses shall be subordinate to bona fide first mortgages on any Home, if the mortgage is recorded in the Public Records prior to the Claim of Lien. The Club Claim of Lien shall not be affected by any sale or transfer of a Home, except in the event of a sale or transfer of a Home pursuant to a foreclosure (or deed in lieu of foreclosure) of a bona fide first mortgage, in which event, the acquirer of title, its successors and assigns, shall not be liable for such sums secured by a Claim of Lien encumbering the Home or chargeable to the former Owner of the Home which became due prior to such sale or transfer. However, any such unpaid fees or charges for which such acquirer of title is not liable may be reallocated and assessed to all Owners (including such acquirer of title) as a part of the Club Operating Costs. Any sale or transfer pursuant to a foreclosure shall not relieve the Owner from liability for, nor the Home from the lien of, any fees or charges made thereafter. Nothing herein contained shall be construed as releasing the party liable for any delinquent fees or charges from the payment thereof, or the enforcement of collection by means other than foreclosure.

11.4. Acceleration. In the event of a default in the payment of any Club Charges and related fees and expenses, Club Owner may accelerate the Club Charges then due for up to the next ensuing twelve (12) month period.

11.5. Non-payment. If any Club Charges are not paid within fifteen (15) days after the due date, a late fee of \$25.00 per month, or such greater amount established by Club Owner, together with interest in an amount equal to the maximum rate allowable by law, per annum, beginning from the due date until paid in full, may be levied. Club Owner may, at any time thereafter, bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien against the Home, or both. Club Owner shall not be required to bring such an action if it believes that the best interests of the Club would not be served by doing so. There shall be added to the Claim of Lien all costs expended in preserving the priority of the lien and all costs and expenses of collection, including attorneys' fees and paraprofessional fees, at all levels of proceedings, including appeals, collection and bankruptcy.

11.6. Non-Use. No Owner may waive or otherwise escape liability for fees and charges provided for herein by non-use of, or the waiver of the right to use, Club or abandonment of a Home.

11.7. Suspension. Should a Owner not pay sums required hereunder, or otherwise default, for a period of forty-five (45) days, Club Owner may, without reducing or terminating Owner's obligations hereunder, suspend Owner's (or in the event the Home is leased, the Tenant's) rights to use the Club until all fees and charges are paid current and/or the default is cured.

12. Operations.

12.1. Control Prior to Transfer to Association. Prior to the transfer of the Club to Association, the Club shall be under the complete supervision and control of Club Owner until Club Owner, in its sole and absolute discretion, delegates the right and duty to operate, manage and maintain the Club to Association as Club Manager as hereinafter provided.

12.2. Club Manager. At any time, Club Owner may appoint a Club Manager to act as its agent. In the event that Association becomes Club Owner, Association shall still have the right to appoint a Club Manager. The Club Manager shall have whatever rights hereunder as are assigned in writing to it by Club Owner. Without limiting the foregoing, the Club Manager, if so agreed by Club Owner, may file liens for unpaid Club Charges against Homes, may

enforce the Rules and Regulations of the Club, and prepare the Budget for the Club.

12.3. Designation of Manager. Club Owner shall have the right, but not the obligation, in its sole discretion, to: (i) appoint Association as the Club Manager; and (ii) relinquish and/or assign to Association some or all of the rights reserved to Club Owner herein. Association shall be obligated to accept such designation and/or assignment and fulfill the obligations relating thereto without any compensation whatsoever.

12.4. Management by Association. At any time, and from time to time, Club Owner may notify Association that Association shall act as the Club Manager or assume some of the responsibilities of Club Owner (e.g., landscape maintenance). In such event, Club Owner shall provide Association with a specific written list of all of Association's obligations as Club Manager. Thereafter, Association shall have the right and obligation to operate, manage, insure and maintain the Club strictly in accordance with the provisions of these Covenants and the specific written directions of Club Owner. Association shall be obligated to accept such appointment without conditions or claim. During the time that Association is the Club Manager, Association shall have all powers and duties of Club Owner assigned by Club Owner in such written directions. No surrender of operation and management of the Club by Association shall be valid unless accepted by Club Owner in writing.

12.5. Association's Duties. Association covenants throughout the term of these Covenants, and any renewals or extensions hereof, at the sole cost and expense of the Owners, to operate, manage, insure, maintain and take good care of the real property comprising the Club and landscaping and buildings and improvements now or at any time erected thereon and all apparatus, fixtures and building service equipment used or procured for use in connection with the operation of the Club, and to repair and maintain them in a first class condition, reasonable wear and tear excepted, to the extent that it is requested to do so in writing by Club Owner. At the request of Club Owner, Association also covenants to keep the same in good order and condition, excepting reasonable wear and tear, and promptly make all necessary repairs, both to the interior and exterior thereto, including replacements or renewals when necessary, and all such repairs, replacements and renewals shall be at least equal in quality and class to the original work. In connection therewith, as and when requested by Club Owner, Association shall have, by way of illustration and not limitation, the following powers, obligations, and duties:

12.5.1. Reports. Association shall prepare monthly and annual reports detailing costs and expenses of the Club in the accounting format required by Club Owner. Such reports shall be accompanied by any back-up invoices and documentation required by Club Owner, and shall include year to date totals if and to the extent required by Club Owner. In addition, Association shall furnish to Club Owner satisfactory proof of payment of any sums required to be paid by Association hereunder.

12.5.2. Hiring and Supervision. Association shall cause to be hired, paid and supervised, and/or discharged, all necessary persons, firms or corporations. Association shall maintain all required worker's compensation insurance.

12.5.3. Compliance. Association shall take such action as may be necessary to comply with all statutes, ordinances, rules and regulations of all appropriate governmental and quasi-governmental authority and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

12.5.4. Contracts. Association shall enter into contracts for all services necessary for the operation, maintenance, insurance, upkeep, repair, refurbishment, replacement and preservation of the Club.

12.5.5. Purchases. Association shall purchase equipment, tools, vehicles, appliances, goods, supplies and materials as may be necessary.

12.5.6. Covenants Compliance. Association shall cause to be placed and kept in force and perform all obligations relating to all insurance required by the terms of these Covenants.

12.5.7. Compliance with Laws. The Club shall be operated, maintained, and repaired so as to comply with, and suffer no default under, all applicable laws, the Title Documents, ordinances, rules, regulations, insurance policies and/or guidelines, mortgages and/or encumbrances, relating to the Club or the use thereof now or hereafter in effect.

12.5.8. Hazardous Materials. Association: (a) shall not permit any activity to be conducted in, on or about the Club which would have the effect of polluting or in any way cause the Club to be detrimentally affected by pollutants (including elevated radon levels), toxic materials, petroleum oil and/or waste oil, or any "hazardous substance or waste". The Club shall not be used for the handling, storage, treatment, generation, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste, including, but not limited to, solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed); (b) shall not install, use or dispose of, on or incorporate into, the Club any asbestos or asbestos containing material; (c) except for tanks installed by Club Owner, shall not locate or remove or fill any underground storage tanks on the Club; (d) shall at all times be in compliance with all applicable federal, state, county and local statutes, laws and regulations concerning or related to environmental protection and regulation.

12.5.9. Mechanic's Lien. Association shall not subject the Club to, or permit the Club to be subject to, any lien, charge, cost or expense including, but not limited to, a mechanic's lien as contemplated by the Mechanic's Lien Law of the State of Florida. Should any lien or claim of lien be filed, or should any suit or other judicial or quasi-judicial proceeding be instituted for which Club Owner or the Club may be encumbered, liable or accountable, then in that event Association shall be in default of these Covenants, unless within ten (10) days thereafter, Association shall furnish a bond, transferring the Lien to bond, in compliance with law.

12.5.10. Alterations. In the event that Association is Club Manager, Association will not make any alterations or changes in the Club without the prior written consent of Club Owner, which may be withheld or denied in Club Owner's sole discretion for any reason whatsoever. In the event consent is given, Association shall submit complete plans to Club Owner for approval, prior to commencement of any work. In addition, Club Owner shall be given a complete set of "as built" of construction plans for the work. All work shall be performed, in a good and workmanlike manner, by a licensed general contractor reasonably acceptable to Club Owner. The construction shall be paid for in full by Association.

12.5.11. Financial Responsibilities. Association shall maintain financial record books, accounts and other records as concerns the Club, issue certificates of account to Owners, their mortgagees and lienors, as required, without liability for errors unless as a result of gross negligence.

12.5.12. Maintenance of Records. Association shall maintain books and records sufficient to describe its services hereunder in accordance with prevailing accounting standards to identify the source of all funds collected by it, and the disbursement thereof.

12.5.13. Budget. Association shall adopt a Budget which provides for funds needed for all expenses and reserves, including the Club Fees, within the fiscal year of the Club.

12.5.14. Collection. Association shall collect all Club Charges and to enforce, with all due diligence, the provisions of these Covenants relating thereto. The Club Charges due from each Owner may, at Association's discretion, be payable to such firm or entity as it shall direct. All sums due to Club Owner under the terms of these Covenants, if collected by Association, shall immediately be delivered, to Club Owner.

12.5.15. Special Use Fees. Association shall make and collect Special Use Fees against Owners subject to the provisions of these Covenants.

12.5.16. Rules and Regulations. Association shall promulgate, adopt and amend rules and regulations as it deems advisable, subject to the prior approval of Club Owner. ~~Association shall also enforce such rules and regulations.~~

12.5.17. Insurance. Association shall obtain all insurance required in connection with the Club in the form required by Club Owner. Club Owner shall have the right to approve every aspect of such insurance policies including, without limitation the underwriter. Association covenants that it will not permit the Club to used for any purpose that violates any of the policies of insurance now or hereafter written covering the Club.

12.5.18. Professionals. Association shall retain and employ such professionals and other experts whose services may be reasonably required to effectively perform its duties and exercise its powers hereunder and to employ same on such basis as it deems most beneficial.

13. Paramount Right of Association. Association shall have the right to post all notices of its Board and member meetings and all notices required by the Florida Statutes at a designated location within the Club Facilities visible to all Club Members without charge.

14. Attorney's Fees. At any time Club Owner must enforce any provision hereof, Club Owner shall be entitled to recover all of its reasonable costs and attorney's and paraprofessional fees at all levels, including appeals, collections and bankruptcy.

15. Rights to Pay and Receive Reimbursement. Club Owner and/or Association shall have the right, but not the obligation to pay any Club Charges, or Special Use Fees which are in default and which may or have become a lien or charge against any Home. If so paid, the party paying the same shall be subrogated to the enforcement rights with regard to the amounts due. Further, Club Owner and/or Association shall have the right, but not the obligation, to loan funds and pay insurance premiums, taxes or other items of costs on behalf of an Owner to protect its lien. The party advancing such funds shall be entitled to immediate reimbursement, on demand, from the Owner for such amounts so paid, plus interest thereon at the Applicable Rate, plus any costs of collection including, but not limited to, reasonable attorneys' and paraprofessional fees at all levels including appeals, collections and bankruptcy.

16. Rules. ~~Club Owner shall have the right to adopt rules and regulations (the "Rules and Regulations") governing the use of the club.~~ Each Member, Immediate Family Member, and other person

entitled to use the Club shall comply with the provisions of all Rules and Regulations promulgated concerning the use of the Club. The following Rules and Regulations have been adopted by Club Owner:

16.1. Children. Children under fourteen (14) years of age are permitted to use the Club Facilities only if accompanied or supervised by an adult Member or adult Immediate Family Member.

16.2. Responsibility for Personal Property and Persons. Each Member assumes sole responsibility for the health, safety and welfare of such Member, his or her Immediate Family Members, and guests, and the personal property of all of the foregoing.

16.3. Cars and Personal Property. The Club is not responsible for any loss or damage to any private property used or stored on the Club Facilities. Without limiting the foregoing, any person parking a car within the Parking Areas assumes all risk of loss with respect to his or her car in the Parking Areas; equipment, jewelry or other possessions stored in the fitness center lockers, on bicycles, or within cars; and wallets, books and clothing left in the pool areas.

16.4. Activities. Any Member, Immediate Family Member, guest or other person who, in any manner, makes use of, or accepts the use of, any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Club, or who engages in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Club, either on or off the Club Facilities, shall do so at their own risk. Every Member shall be liable for any property damage and/or personal injury at the Club, or at any activity or function operated, organized, arranged or sponsored by the Club, caused by any Member, Immediate Family Member, or guest.

16.5. Property Belonging to the Club. Property or furniture belonging to the Club shall not be removed from the room in which it is placed or from the Club Facilities.

16.6. Indemnification of Club Owner. In addition, each Member, Immediate Family Member, and guest agrees to indemnify and hold harmless Club Owner and Club Manager, their officers, partners, agents, employees, affiliates, directors and attorneys (collectively, "Indemnified Parties") against all actions, injury, claims, loss, liability, damages, costs and expenses of any kind or nature whatsoever ("Losses") incurred by or asserted against any of the Indemnified Parties from and after the date hereof, whether direct, indirect, or consequential, as a result of or in any way related to such Member's membership, including, without limitation, use of the Club Facilities by Members, Immediate Family Members, and their guests, or the interpretation of these Covenants, and/or these Rules and Regulations and/or from any act or omission of the Club or of any of the Indemnified Parties.

16.7. Membership Cards. Membership cards are required each time a Member or an Immediate Family Member visits the Club Facilities. Members without membership cards will not be permitted to use the facilities.

16.8. Guests.

a. Number of Guests. Each Member is restricted to two (2) Guests per visit to the Club Facilities other than for parties approved by the Club. Club Owner reserves the right to limit (or expand) the number of Guests that may accompany a Member on any given day.

b. Number of Visits by a Guest. A Guest may not visit (or make use of) the Club Facilities more than six (6) times per

year without the prior consent of Club Owner, which may be withheld for any reason whatsoever.

c. Guest Charges. The Club shall establish from time to time the daily Guest fees, charges, and the Rules and Regulations for use of the Club Facilities by Guests.

16.9. Attorneys' Fees. Should any Member and/or Immediate Family Member bring suit against Club Owner or Club Manager or any of the Indemnified Parties for any claim or matter and fail to obtain judgment therein against such Indemnified Parties, the Member and/or Immediate Family Member shall be liable to such parties for all Losses, costs and expenses incurred by the Indemnified Parties in the defense of such suit, including attorney's fees and paraprofessional fees at trial and upon appeal.

17. Violation of the Rules and Regulations.

17.1. Basis For Suspension. The membership rights of a Member may be suspended by Club Owner if, in the sole judgment of Club Owner:

- a. such person is not an Owner or a Tenant;
- b. the Member violates one or more of the Rules and Regulations;
- c. an Immediate Family Member, guest or other person for whom a Member is responsible violates one or more of the Rules and Regulations;
- d. an Owner fails to pay Club Charges in a proper and timely manner; or
- e. a Member, Immediate Family Member, and/or guest has injured or harmed any person within the Club Facilities, or harmed, destroyed or stolen any personal property within the Club Facilities, whether belonging to a third party or to Club Owner.

17.2. Types of Suspension. Club Owner may restrict or suspend, for cause or causes described in the preceding section, any Member's privileges to use any or all of the Club Facilities. By way of example, and not as a limitation, Club Owner may suspend the membership of a Tenant if such Tenant's Owner fails to pay Club Charges due in connection with a leased Home. In addition, Club Manager may suspend some membership rights while allowing a Member to continue to exercise other membership rights. For example, Club Manager may suspend the rights of a particular Immediate Family Member, or Club Manager may prohibit a Member and his Immediate Family Members from using a portion of the Club Facilities. No Member whose membership privileges have been fully or partially suspended shall on account to any such restriction or suspension be entitled to any refund of Club Charges or any other fees. During the restriction or suspension, Club Charges shall continue to accrue and be payable each month. Under no circumstance will a Member be reinstated until all Club Charges and other amounts due to the Club are paid in full.

18. Destruction. In the event of the damage by partial or total destruction of the by fire, windstorm, or any other casualty for which insurance shall be payable, any insurance proceeds shall be paid to Club Owner. The proceeds shall be available for the purpose of reconstruction or repair of the Club; provided, however Club Owner shall have the right to change the design or facilities comprising the Club in its sole and absolute discretion. There shall be no abatement in payments of Club Charges, including the Club Fee, during casualty or reconstruction. The reconstruction or repair, when completed, shall, to the extent legally possible, restore the Club substantially to the condition in which it existed before the damage or destruction took place. After all

reconstruction or repairs have been made, if there are any insurance proceeds left over, the excess shall be the sole property of Club Owner.

19. Risk of Loss. Club Owner shall not be liable for, and the Members assume all risks that may occur by reason of, any condition or occurrence, including, but not limited to, damage to the Club on account of casualty, water or the bursting or leaking of any pipes or waste water about the Club, or from any act of negligence of any other person, or fire, or hurricane, or other act of God, or from any cause whatsoever, occurring after the date of the recording of these Covenants. Neither Association or any Owner shall be entitled to cancel these Covenants or any abatement in Club Charges on account of any such occurrence.

20. Eminent Domain. If, during the operation of these Covenants, an eminent domain proceeding is commenced affecting the Club, then in that event, the following conditions shall apply:

20.1. Complete Taking. If the whole or any material part of the Club is taken under the power of eminent domain, Club Owner may terminate these Covenants and the provisions of the Declaration relating to the Club by written notice given to Association, which notice shall be recorded in the Public Records. Should such notice be given, these Covenants and the provisions in the Declaration relating to the Club shall terminate. All damages awarded in relation to the taking shall be the sole property of Club Owner.

20.2. Partial Taking. Should a portion of the Club be taken in an eminent domain proceeding which requires the partial demolition of any of the improvements located on the Club so that Club Owner determines the taking is not a complete taking, then, in such event, Club Owner shall, to the extent legally possible, utilize, a portion of the proceeds of such taking for the restoration, repair, or remodeling of the remaining improvements to the Club. All damages awarded in relation to the taking shall be the sole property of Club Owner, and Club Owner shall determine what portion of such damages, if any, shall be applied to restoration, repair, or remodeling.

21. Additional Indemnification of Club Owner. Association and each Owner covenant and agree jointly and severally to indemnify, defend and hold harmless Declarant and Club Owner, their respective officers, directors, shareholders, and any related persons or corporations and their employees, attorneys, agents, officers and directors from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Areas, Club Property, or other property serving Association, and improvements thereon, or resulting from or arising out of activities or operations of Association or Owners, and from and against all costs, expenses, court costs, counsel fees, paraprofessional fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders judgments or decrees which may be entered relating thereto. In addition Association shall, and does hereby, indemnify and save harmless Club Owner from and against any and all claims, suits, actions, damages and/or causes of action arising for any personal injury, loss of life and/or damage to property sustained in or about the Club, by reason or as a result of Association's operation, management, or occupancy of the Club as Club Manager, and from and against any orders, judgments, and/or decrees which may be entered thereon, and from and against all costs, counsel fees, paraprofessional fee, expenses and liabilities incurred in and about the defense of any such claim and the investigation thereof. Association shall immediately give Club Owner notice in writing that the same are about to be incurred and Club Owner shall have the option to make the necessary investigation

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and employ, at the expense of Association, counsel of Club Owner's own selection for the defense of any such claims and expenses, etc. The indemnifications provided in this section shall survive termination of these Covenants. The costs and expense of fulfilling this covenant of indemnification shall be Operating Costs to the extent such matters are not covered by insurance maintained by Association.

22. Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of these Covenants by Association:

22.1. Abandonment. The vacation or abandonment of the Club by Association or Owners.

22.2. Failure to Pay. The failure by Association to make any payment required to be made hereunder to Club Owner within ten (10) days after the same is due.

22.3. Compliance with Declaration and These Covenants. The failure of Association to observe or perform any other covenant, condition or provision of the Declaration relating to the Club or these Covenants to be observed or performed by Association, unless the same is cured by Association within twenty (20) days after notice, provided, however, that notice shall not be required if the failure of Association shall be of such a nature as to expose Club Owner or the Club to irreparable injury or material and adverse risk.

22.4. Insolvency. The making by Association of any general assignment for the benefit of creditors, the filing by or against Association of a petition to have Association adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in case of a petition filed against Association, the same is dismissed within thirty (30) days), the appointment of a trustee or receiver to take possession of substantially all of Association's assets, or the attachment, execution or other judicial seizure of substantially all or any material part of Association's assets.

23. Remedies. In the event of any such default or breach by Association, Club Owner may at any time thereafter, with or without notice or demand, and without limiting Club Owner in the exercise of any other right or remedy which Club Owner may have, at law or equity, exercise any one or more of the following additional remedies:

23.1. Terminate Association's Responsibilities. Club Owner may immediately terminate Association's ability to operate and manage the Club as Club Manager and may re-assume the sole right to operate and manage the Club. Upon receipt of such notice the license granted to Association to occupy the Club as Club Manager shall forthwith terminate, provided, however Association shall remain liable to Club Owner as hereinafter provided. Thereafter, all payments of Club Charges shall be made directly by the Owners, to Club Owner, or its designee.

23.2. Charge the Association Interest. In the case of any such default by Association all sums then due hereunder shall bear interest thereon at the Default Rate until paid.

23.3. Right to Add Costs to Club Operating Costs. All damages, costs, expenses, losses, liabilities and other amounts suffered by Club Owner due to a default by Association shall be, at the direction of Club Owner, be considered part the Club Operating Costs. Club Owner may, but is not obligated to, cure any breach hereof by Association, the expense of which, together with interest at the Default Rate, shall be paid by Owners as part of the Club Charges, upon demand.

23.4. Right to Notify Owners. Club Owner may notify Owners that Club Charges are to be paid directly to Club Owners.

23.5. Remedies Cumulative. The specific remedies of Club Owner under the terms of these Covenants are cumulative and are not intended to be exclusive of any other remedies or means of redress to which it may be lawfully entitled in case of any breach or threatened breach by Association of any provisions of these Covenants. In addition to the other remedies provided in these Covenants, Club Owner shall be entitled to enjoin, without bond, the violation or attempted or threatened violation of any of the provisions of these Covenants or obtain specific performance of any such provisions. Association hereby stipulates that such violation or attempts or threatened violation constitutes irreparable injury to Club Owner. At all times Club Owner shall have the option of collecting all or any part of damages owed to Club Owner from the Association as a separate entity.

24. Security for Association's Agreements. There is a presumption that all personal property and fixtures within the Club belong to Club Owner. In the event that Association is able to demonstrate otherwise, and to further secure payment and performance of all of Association's obligations hereunder, Association gives, grants, pledges with and assigns to Club Owner a first lien and charge upon all furniture and fixtures, goods and chattels of Association, which may be brought or put on the Club. Association agrees that such lien for the payment of the charges may be enforced by distress, foreclosure or otherwise, at the option of Club Owner.

25. Estoppel. Association shall, from time to time, upon not less than ten (10) days' prior written notice from Club Owner, execute, acknowledge and deliver a written statement: (a) certifying that these Covenants are unmodified and in full force and effect (or, if modified, stating the nature of such modification, listing the instruments of modification, and certifying that these Covenants, as so modified, are in full force and effect) and the date to which the Club Charges are paid; and (b) acknowledging that there are not, to Association's knowledge, any uncured defaults by Association, Club Owner or Members with respect to these Covenants. Any such statement may be conclusively relied upon by any prospective purchaser of Club Owner's interest or mortgagee of Club Owner's interest or assignee of any mortgage upon Club Owner's interest in the Club. Association's failure to deliver such statement within such time shall be conclusive evidence: (1) that these Covenants are in full force and effect, without modification except as may be represented, in good faith, by Club Owner; and (2) that there are no uncured defaults; and (3) that the Club Charges have been paid as stated by Club Owner.

26. No Waiver. The failure of Club Owner in one or more instances to insist upon strict performance or observance of one or more of the covenants or conditions hereof or to exercise any remedy, privilege or option herein conferred upon or reserved to Club Owner, shall not operate or be construed as a relinquishment or waiver of such covenant or condition or of the right to enforce the same or to exercise such privilege, option or remedy, but the same shall continue in full force and effect. The receipt by Club Owner of any payment required to be made by any Owner, or any part thereof, shall not be a waiver of any other payment then due, nor shall such receipt, though with knowledge of the breach of any covenant or condition hereof, operate as, or be deemed to be a waiver of such breach. No waiver of Club Owner (with respect to Association or a Member) shall be effective unless made by Club Owner in writing. No surrender of the operation and management of the Club by Association shall be valid unless accepted by Club Owner in writing.

27. Franchises and Concessions. Club Owner may grant franchises or concessions to commercial concerns on all or part of the Club and shall be entitled to all income derived therefrom.

28. Waiver of Trial By Jury and Release. ASSOCIATION AND, BY ACCEPTANCE OF A DEED, EACH OWNER, KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT TO A TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, WITH RESPECT TO ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSS CLAIM, WHETHER IN CONTRACT AND/OR IN TORT (REGARDLESS IF THE TORT ACTION IS PRESENTLY RECOGNIZED OR NOT), BASED ON, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THESE COVENANTS, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY. CLUB OWNER HEREBY SUGGESTS THAT EACH OWNER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A HOME. AS A FURTHER MATERIAL INDUCEMENT FOR CLUB OWNER TO SUBJECT THE CLUB PROPERTY TO THESE COVENANTS, EACH OWNER DOES HEREBY RELEASE, WAIVE, DISCHARGE, COVENANT NOT TO SUE, ACQUIT, SATISFY AND FOREVER DISCHARGE CLUB OWNER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS AND ITS AFFILIATES AND ASSIGNS FROM ANY AND ALL LIABILITY, CLAIMS, COUNTERCLAIMS, DEFENSES, ACTIONS, CAUSES OF ACTION, SUITS, CONTROVERSIES, AGREEMENTS, PROMISES AND DEMANDS WHATSOEVER IN LAW OR IN EQUITY WHICH AN OWNER MAY HAVE IN THE FUTURE, OR WHICH ANY PERSONAL REPRESENTATIVE, SUCCESSOR, HEIR OR ASSIGN OF OWNER HEREAFTER CAN, SHALL OR MAY HAVE AGAINST CLUB OWNER, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS, AND ITS AFFILIATES AND ASSIGNS, FOR, UPON OR BY REASON OF ANY MATTER, CAUSE OR THING WHATSOEVER RESPECTING THESE COVENANTS, OR THE EXHIBITS HERETO. THIS RELEASE AND WAIVER IS INTENDED TO BE AS BROAD AND INCLUSIVE AS PERMITTED BY THE LAWS OF THE STATE OF FLORIDA.

29. Amendment.

29.1. General Restrictions on Amendments. Notwithstanding any other provision herein to the contrary, no amendment to these Covenants shall affect the rights of Declarant or Club Owner unless such amendment receives the prior written consent of Declarant or Club Owner, as applicable, which may be withheld for any reason whatsoever. No amendment shall alter the provisions of these Covenants benefitting Lenders without the prior approval of the Lender(s) enjoying the benefit of such provisions. If the prior written approval of any governmental entity or agency having jurisdiction is required by applicable law or governmental regulation for any amendment to these Covenants, then the prior written consent of such entity or agency must also be obtained. No amendment shall be effective until it is recorded in the Public Records.

29.2. Amendments Prior to the Transfer of the Club to Association. Prior to the date that Association owns the Club, Declarant shall have the right to amend these Covenants as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Declarant's right to amend under this provision is to be construed as broadly as possible. By way of example, Club Owner may terminate these Covenants (and all rights and obligations hereunder) in the event of partial or full destruction of the Club.

29.3. Amendments From and After the Transfer of the Club to Association. After the date that Association owns the Club, but subject to the general restrictions on amendments set forth above, these Covenants may be amended with the approval of (i) sixty six and 2/3 percent (66%) of the Board; and (ii) seventy-five percent (75%) of all of the votes in Association.

30. Severability. Invalidation of any of the provisions of these Covenants by judgment or court order shall in no way affect any other provision, and the remainder of these Covenants shall remain in full force and effect.

31. Notices. Any notice required to be sent to any person, firm, or entity under the provisions of these Covenants shall be deemed to have been properly sent when mailed, postpaid, to the last known address at the time of such mailing.

32. Florida Statutes. Whenever these Covenants refer to the Florida Statutes, they shall be deemed to refer to the Florida Statutes as they exist on the date the Covenants are recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

33. Headings. The headings within these Covenants are for convenience only and shall not be used to limit or interpret the terms hereof.

NOW THEREFORE, Lennar Homes, Inc. has set its signature and seal below.

WITNESSES:

LENNAR HOMES, INC., a Florida corporation

Print Name: [Signature]

Print Name: [Signature]

By: [Signature]

Name: Michael D. Hutchinson

Title: Vice President

{SEAL}

STATE OF FLORIDA)

COUNTY OF Franklin)

SS.:

The foregoing instrument was acknowledged before me this 30th day of September, 1996 by Michael D. Hutchinson, as Vice President of Lennar Homes, Inc., a Florida corporation, who is personally known to me or who produced [Signature] as identification, on behalf of the corporation.

My commission expires:

[Signature]
NOTARY PUBLIC, State of Florida
at Large

Print name: [Signature]

