

**CLUB PLAN
FOR
CANOPY CREEK COMMUNITY**

THIS CLUB PLAN IS SUBJECT TO CHANGE WITHOUT NOTICE

**PREPARED BY:
CYNTHIA C. SPALL, ESQ.
Gunster, Yoakley & Stewart, P.A.
777 South Flagler Dr., Suite 500
West Palm Beach, FL 33401**

CANOPY CREEK CLUB PLAN

KC Canopy Creek LLC, a Florida limited liability company ("KC Canopy Creek"), is presently the owner of the real property described on Exhibit A attached hereto and made a part hereof ("Canopy Creek Community"). KC Canopy Creek hereby declares that the real property comprising the Canopy Creek Community shall be subject to the following restrictions, covenants, terms and conditions set forth in this Club Plan so that the residents of the Canopy Creek Community shall have access to and the use of certain club facilities:

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

"Acceptance Notice" shall have the meaning set forth in Section 5.3.2 hereof.

"Applicable Rate" shall mean five percent (5 %) above the Prime Rate.

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

"Association" shall mean the Canopy Creek Community Association, Inc., its successors and assigns.

"Builder" shall mean any person or entity that purchases a Lot from KC Canopy Creek for the purpose of constructing one or more Units.

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

"Budget" shall have the meaning set forth in Section 8 hereof.

"Canopy Creek Community" shall have the meaning set forth in the Declaration. Canopy Creek Community presently includes the real property described on Exhibit A. However, KC Canopy Creek has reserved the right to withdraw property from, or add property to, Canopy Creek Community, so Canopy Creek may include less or more Units than originally anticipated.

"Club" shall mean the Club Property and all facilities constructed thereon subject to additions and deletions made by Club Owner from time to time. The Club may be comprised of one or more parcels of land, which may not be connected or adjacent to one another.

"Club Dues" shall mean the charges related to the Club to be paid pursuant to the provisions of this Club Plan and the Declaration, including, without limitation, the Club Expenses and Club Membership Fee.

"Club Expenses" shall mean all costs (as such term is used in its broadest sense) of owning (including 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 as a limitation, the following expenses

shall be included within Club Expenses: liability, casualty and business interruption insurance (with such deductibles as Club Owner deems appropriate); real property taxes, personal property taxes and taxing and educational facilities benefit district assessments; roof repair and replacement; and all other costs associated with changing or enhancing Club Facilities after initial construction. Club Expenses shall not include replacement of the basic building shell (other than roof repair and replacement) and the initial cost of construction of the Club Facilities. Club Owner may allocate a reasonable portion of its overhead (*e.g.*, employee salaries) to Club Expenses to extent the Club benefits from such overhead. Club Expenses shall include all legal expenses of Club Owner with respect to the Club.

“Club Facilities” shall have the meaning set forth in Section 3.1 hereof.

“Club Manager” shall mean the entity operating and managing the Club, at any time, which entity may be Club Owner or an affiliate of Club Owner. Club Manager may delegate any or all of the management duties to other persons or entities, including, without limitation, the Association or an affiliate of Club Owner, subject to the approval of Club Owner. References to Club Manager in this Club Plan shall include any person or entity which is undertaking the duties of the Club Manager. Club Owner, the Association or a third party may be Club Manager as provided in this Club Plan.

“Club Membership Fee” shall mean the fee to be paid to Club Owner by each Owner pursuant to the provisions of Section 6.1 hereof.

“Club Owner” shall mean the owner of a real property comprising the Club and any of its designees, successors and assigns who receive a written assignment of all or some of the rights of Club Owner hereunder. Such assignment need not be recorded in the Public Records in order to be effective. In the event of such a partial assignment, the assignee shall not be deemed Club Owner but may exercise such rights of Club Owner specifically assigned to it. Any such assignment may be made on a non-exclusive basis. At this time, KC Canopy Creek is Club Owner. Club Owner may change from time to time (*e.g.*, KC Canopy Creek may sell the Club). Notwithstanding that the Club Owner and KC Canopy Creek may be the same party, affiliates or related parties from time to time, each Owner and Builder acknowledges that Club Owner and KC Canopy Creek shall not be considered being one and the same party, and neither of them shall be considered the agent or partner of the other. At all times, Club Owner and KC Canopy Creek shall be considered separate and viewed in their separate capacities. No act or failure to act by KC Canopy Creek shall at any time be considered an act of Club Owner and shall not serve as the basis for any excuse, justification, waiver or indulgence to the Owners and Builders with regard to their prompt, full, complete and continuous performance of their obligations and covenants hereunder.

“Club Plan” shall mean this Canopy Creek Club Plan, together with all amendments and modifications hereto.

“Club Property” shall initially mean the real property described on Exhibit B attached hereto and made a part hereof. Thereafter, Club Property shall include any real property designated by Club Owner as part of the Club Property by amendment to this Club Plan.

"Club Purchase Price" shall have the meaning set forth in Section 5.4.2 hereof.

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

"Declaration" shall mean that certain Declaration of Covenants, Conditions and Restrictions for Canopy Creek, as such Declaration shall be amended or modified from time to time, recorded in Official Records Book 2187, Page 2722 of the Public Records.

"Deed" shall mean any deed conveying any portion of Canopy Creek Community 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 Unit, but excluding a mortgage on a Unit.

"Default Rate" shall mean the lesser of eight percent (8 %) above the Prime Rate or the highest rate permitted by law.

"Immediate Family Members" shall mean the spouse of the Member and all unmarried children twenty-two (22) years and younger of either the Member or the Member's spouse. If a Member is unmarried, the Member may designate one other person who is living with such Member in the Unit in addition to children of the Member as an additional adult Immediate Family Member. Children of such additional adult Immediate Family Member shall also be deemed Immediate Family Members. No unmarried child or other person shall qualify as an Immediate Family Member unless such person is living with the Member within the Unit. In no event shall the Member and all Immediate Family Members exceed a number equal to two times the number of bedrooms in the Unit.

"Initial Contribution" shall have the meaning set forth in Section 7 hereof.

"Lender" shall mean the institutional and licensed holder of a first mortgage encumbering a Unit.

"Lessee" shall mean the lessee named in any written lease respecting a Unit who is legally entitled to possession of any rental Unit within the Canopy Creek Community. The provisions regarding the number of Club users applicable to Members and their Immediate Families shall be applicable to Lessees. An owner and Lessees shall be jointly and severally liable for all Club Dues.

"Lot" shall mean a platted lot within the Canopy Creek Community upon which a Unit has been, or will be, constructed. Once improved, the term Lot shall include all improvements thereon and appurtenances thereto.

"Maturity Date" shall mean twenty-five (25) years from the date the Note is executed.

"Maximum Share" shall have the meaning set forth in Section 6.5 hereof.

"Member" shall mean every Owner (other than an Owner who has leased his Unit to Lessee) and Lessee; provided, however, for the purposes of membership, there shall be only one Lessee per Unit. A person shall continue to be a Member until he ceases to be an Owner, or

ceases to be a Lessee legally entitled to possession of a rental Unit. Once an Owner leases a Unit, only the Lessee shall be entitled to exercise the privileges of a Member with respect to such Unit; however, the Owner and Lessee shall be jointly and severally liable for all Club Dues.

“Mortgage” shall have the meaning set forth in Section 5.3.3 hereof.

“Note” shall have the meaning set forth in Section 5.3.3 hereof.

“Owner” shall mean the record owner (whether one or more persons or entities) of fee simple title to any Unit. The term “Owner” shall not include KC Canopy Creek, Club Owner, or a Lender. A purchaser of a Lot who thereafter builds one or more Units upon such Lot shall be deemed an Owner with respect to each Unit.

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

“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 creditworthy 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 Martin County, Florida.

“Rules and Regulations” shall have the meaning set forth in Section 14 hereof.

“Special Use Fees” shall have the meaning set forth in Section 6.10 hereof.

“Unit” shall have the meaning set forth in the Declaration. A Unit shall be deemed created and have perpetual existence upon the issuance of a final or temporary certificate of occupancy for such residence; provided, however, the subsequent loss of such certificate of occupancy (e.g., by casualty or remodeling) shall not affect the status of a Unit, or the obligation of Owner to pay Club Dues with respect to such Unit. The term “Unit” includes any interest in land, improvements, or other property appurtenant to the Unit.

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

2. Benefits of Club. The Association and each Owner, by acceptance of title to a Unit, ratify and confirm this Club Plan and agree as follows:

2.1 Term. The terms of this Club Plan shall be perpetual covenants running with Canopy Creek Community from the date that the clubhouse receives a certificate of occupancy unless earlier terminated as provided herein. Upon termination of this Club Plan, Club Owner or its successors may offer use of the Club Facilities on such terms and conditions and to such persons as Club Owner may determine in its sole discretion.

2.2 Covenant Running with the Land. Every portion of Canopy Creek Community which shall be improved with a Unit shall be burdened with the payment of Club Dues. Every Owner, by acceptance of a Deed, shall automatically assume and agree to pay all Club Dues 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 Facilities pertaining to the property belonging to the Owner while such Owner remains an Owner. Every Builder, upon receipt of a certificate of occupancy for a Unit located on a Lot owned by such Builder, shall automatically assume and agree to pay all Club Dues which shall be due and payable from and after the issuance of such certificate of occupancy unless this requirement is waived in writing by Club Owner in its sole and absolute discretion as to any particular Builder. Club Owner shall have the right to record a notice in accordance with Section 712.05 of the Florida Statutes preserving this Club Plan from extinguishment pursuant to Chapter 712 of the Florida Statutes.

2.3 Obligation to Reference in Deeds. The grantor of any portion of Canopy Creek Community hereby agrees to include in any Deed a statement that such Deed is subject to the terms of this Club Plan.

2.4 Value. Each grantee of any portion of Canopy Creek Community by acceptance of a Deed for such portion of Canopy Creek Community, hereby joins in the execution of this Club Plan 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 Lessees renders ownership of Canopy Creek Community and any part thereof more valuable than it would be otherwise.

2.5 Material Consideration. All Owners and Builders acknowledge that the provisions and enforceability of this Club Plan were a material consideration in the initial conveyance by KC Canopy Creek of such real property to the Owner or Builder (or their predecessor in title) and that KC Canopy Creek would not have made such conveyance had this Club Plan not been included and enforceable as provided for herein.

2.6 Best Interests. All Owners and Builders acknowledge it is in the best interest of each Owner, for Canopy Creek Community as a whole, and for property values therein, to provide for the Club to be located within Canopy Creek Community.

2.7 Product Purchased. There were significant other housing opportunities available to each Owner in the general location of Canopy Creek Community. The Unit, and rights to utilize the Club, were material in each Owner's decision to purchase a Unit in Canopy Creek

Community and were, for the purposes of this Club Plan, a “single product.” Each Owner understands that the Club is an integral part of the Canopy Creek Community.

2.8 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 Unit and each Owner has, or was afforded the opportunity to, consult with an attorney.

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

3. Club Facilities.

3.1 Property Comprising the Club. Club Owner presently owns all of the real property comprising Canopy Creek Community. Club Owner intends to construct certain club facilities within the real property comprising Canopy Creek Community (the “Club Facilities”) which will be and shall remain the property of Club Owner, subject only to the provisions hereof.

3.2 Construction of the Club Facilities. Club Owner will construct the Club Facilities at its sole cost and expense (subject to Club Owner’s paramount right to unilaterally, and without the joinder of any party whomsoever, add to, delete from, alter, modify and amend the Club Facilities at any time subject to the provisions hereof). The Club Facilities are currently contemplated to consist of a basketball court, pool, kiddie pool, whirlpool spa, one or more tennis courts, clubhouse, lake, playground facilities, 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 and may change the type of Club Facilities from time to time. Club Owner shall have the unequivocal right to:

3.2.1 develop and construct the Club, in whole or in part, and related improvements within Canopy Creek Community, and make any additions, alterations, improvements, or changes thereto;

3.2.2 without the payment of rent and without payment of utilities or any other part of the Club Expenses, maintain sales offices (for sales and resales of Units), 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 Units;

3.2.3 place, erect, and/or construct portable, temporary, or accessory buildings or structures upon the Club Property for sales, construction, storage, or other purposes;

3.2.4 temporarily deposit, dump or accumulate materials, trash, refuse and rubbish on the Club Property in connection with the development or construction of the Club or any improvements located within Canopy Creek Community;

3.2.5 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 Canopy Creek Community, including, without limitation, the sale of Lots and Units;

3.2.6 conduct whatever commercial activities within the Club deemed necessary, profitable and/or appropriate by Club Owner;

3.2.7 develop, operate and maintain the Club as deemed necessary, in its sole and absolute discretion;

3.2.8 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 grow or store plants and trees within, or contiguous to, the Club Property and use and/or sell excess plants and trees; and

3.2.9 all activities which, in the sole opinion of Club Owner, are necessary for the development and sale or resale of real estate within Canopy Creek Community or the Club or any lands or improvements therein.

3.3 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. Such alterations, modifications and amendments may cause an increase or decrease in Club Expenses. THE CLUB FACILITIES ARE SUBJECT TO CHANGE AT ANY TIME.

4. Persons Entitled to Use the Club.

4.1 Rights of Members. Each Member and his or her Immediate Family Members shall have such non-exclusive rights and privileges as shall from time to time be granted by Club Owner. If a Unit is owned by a corporation, trust or other legal entity, or is owned by more than one (1) family, then the Owner(s) collectively shall designate the one (1) person residing in the Unit who will be the Member of the Club with respect to such Unit.

4.2 Use by Persons Other than Owners and Lessees. 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. Without limiting the foregoing, Club Owner shall have the right to make the Club available for all activities as may be reasonably required, convenient or incidental to the sale and resale of Lots and/or Units within Canopy Creek Community. Any such use is at Club Owner's sole discretion and may be terminated at any time. 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 this Club Plan, reduce or abate any Owner's obligations to pay Club Dues pursuant to this Club Plan, or give any Owner the right to avoid any of the provisions of this Club Plan.

4.3 Subordination. This Club Plan 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, or other encumbrance and any renewals, modifications and extensions thereof, now or hereafter placed on the Club by Club Owner; and (b) easements, restrictions, limitations, conditions of record, and other conditions of governmental authorities. This provision shall be self-operative. The

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.

5. Ownership and Control of the Club.

5.1 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 appoints the Association or another third party as Club Manager or Club Owner transfers the Club to the Association or transfers the Club to a third party.

5.2 Transfer of Club. Club Owner may sell, encumber or convey the Club to any person or entity in its sole and absolute discretion at any time.

5.3 Transfer of Club to the Association.

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

5.3.2 The Association's Agreement to Purchase the Club. If Club Owner offers to transfer the Club to the Association and the Association wishes to accept such offer, the Association's acceptance shall be exercised by written notice (the "Acceptance Notice") to Club Owner signed by an officer of the Association, which Acceptance Notice shall be delivered by professional overnight courier to Club Owner at the following address within sixty (60) days of the date of Club Owner's offer to sell (or such other address as may be designated by Club Owner from time to time by amendment to this Club Plan):

Doug Bruk
Senior Project Manager
Kolter Communities
2160 NW Reserve Park Trace
Port St. Lucie, FL 34986

and

Michael Clarke
Chief Financial Officer
Kolter Communities
1601 Forum Place
Suite 805
West Palm Beach, FL 33401

with a copy to:

Cynthia C. Spall, Esquire
Gunster, Yoakley & Stewart, P.A.
777 South Flagler Drive, Suite 500E
West Palm Beach, FL 33401

The Acceptance Notice shall be irrevocable once signed by an officer of the Association. Club Owner shall convey the Club to the Association within sixty (60) days' of Club Owner's receipt of the Acceptance Notice.

5.3.3 Documentation of Transfer. At the time that the Club is transferred to the 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 the Association, the Owners will no longer be obligated to pay the Club Membership Fees; however, this provision shall not limit the authority of the Association to levy assessments for the operation, maintenance and repair of the Club. The Association shall be solely responsible for obtaining third party financing for the purchase of the Club. However, if Club Owner agrees, at its sole option, to provide purchase money financing, the Association shall 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 or her pro rata share of the principal, interest and other amounts due in connection with such Note and Mortgage in common with all Owners as part of the Association Expenses. The payments due pursuant to the Note and Mortgage (or under any third party loan documents respecting the acquisition) shall be deemed part of the Association Expenses, and part of the Assessments payable by the Owners.

5.4 Club Owner Financing. In the event the Association desires to purchase the Club and is unable to obtain third party financing, and if Club Owner agrees, at its sole option, to provide purchase money financing, then, prior to or upon transfer of the Club to the Association, the Association shall comply with the following:

5.4.1 Form of Note. The 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. The Association shall pay the principal balance of the Note and all accrued interest in full on or before the Maturity Date.

5.4.2 Amount of Note. The amount of the Note ("Club Purchase Price") shall be the sum of the following: (i) the amount resulting from the application of the capitalization rate of six percent (6 %) applied to the total annual Club Membership Fees payable by all Owners 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, Club Owner's attorney's fees, and the costs of preparing all of the closing documents.

5.4.3 Terms of Note. From and after the date of the Note, the 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, the 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. The 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 currently due; fourth, to accrued and unpaid interest; and fifth, to the reduction of the outstanding principal balance.

5.4.4 Mortgage. If the Association is unable to obtain third party financing and if Club Owner agrees, at its sole option, to provide purchase money financing, then the 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 the 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 operating statements, annual financial statements, and other financial information (e.g., the Budget); (iii) maintain the Club in a first class condition; (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.

5.4.5 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. The Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership, operation, maintenance and administration of the Club. The Association shall, and does hereby, indemnify and hold Club Owner harmless on account thereof. The 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 THAT BEING CONVEYED.

5.5 Early Offer to Purchase. If the Association wishes to purchase the Club from Club Owner at any time other than the sixty (60) day period described in Section 5.3.2 hereof, the Association, shall give notice to Club Owner in the manner specified in Section 5.3.2 above, and within thirty (30) days of receipt thereof, Club Owner will inform the Association of the price which is acceptable to Club Owner as of the date of such notice, which price shall be set in Club Owner's sole discretion and may be different from the Club Purchase Price. If such price is acceptable to the Association, or if Club Owner and the Association negotiate a mutually acceptable price, which the Association agrees to, the transfer of the Club and payment therefor shall proceed as otherwise provided in this Section 5 without the joinder or approval of any Owner or any other person.

5.6 Sale to a Third Party. If Club Owner desires to offer the Club Property for sale, Club Owner shall first provide the Association written notice, giving the Association an opportunity to purchase the Club Property prior to offering to sell to any third party. Club Owner's offer notice shall indicate the assets being sold, the proposed purchase price and all other terms and conditions on which Club Owner offers to sell the Club Property to the Association ("Terms"). The Association shall have a period of ninety (90) days after receipt of Club Owner's notice and the Terms of the offer to either accept the offer or make a counteroffer to Club Owner. Club Owner shall consider any counteroffer of the Association, but shall not be obligated to accept such counteroffer. If the Association accepts the offer or a counteroffer is acceptable to Club Owner, or if Club Owner and the Association negotiate a mutually acceptable price, which the Association agrees to, the transfer of the Club and payment therefor shall proceed as otherwise provided in this Section 5 without the joinder or approval of any Owner or any other person. If the Association does not accept the offer or Club Owner does not accept a counteroffer, if any, Club Owner may proceed to sell the Club Property and Club Facilities to a third party at a purchase price not below that offered to the Association. If Club Owner thereafter elects to offer the Club Facilities at a price lower than the price specified in the notice to the Association, the Association will have an additional ten (10) days to meet the price and terms and conditions of the Club Owner by executing a contract.

5.7 Ambiguities/the Association to Bear Legal Expenses. In the event that there is any ambiguity or question regarding the provisions of this Club Plan, Club Owner's determination of such matter shall be conclusive and binding. Therefore, except under the circumstances set forth in Sections 14.6 and 14.7, and in order to ensure that the Owners and the Association abide by Club Owner's determination, in the event that there is any dispute respecting the interpretation of this Club Plan, or any aspect of the transfer of the Club to the Association or a third party, the Association shall bear all legal expenses of both the Association and Club Owner including, without limitation, all attorney's fees, paraprofessional fees and costs pre-trial and at all levels of proceedings, including appeal, regardless of the outcome of such proceedings.

6. Club Dues. In consideration of the construction and providing for use of the Club by the Owners, each Owner by acceptance of a deed to a Unit shall be deemed to have specifically covenanted and agreed to pay all Club Dues which are set forth herein. All Club Dues shall commence upon the issuance of a certificate of occupancy for the clubhouse regardless of whether construction of other Club Facilities are complete. Club Owner intends to collect Club Dues on a quarterly basis. Notwithstanding the foregoing, Club Owner may require an Owner or all Owners to pay Club Dues on a monthly or other basis based on prior payment history or other financial concerns, in Club Owner's sole discretion.

6.1 Club Membership Fee. Each Owner of any Unit within Canopy Creek Community shall pay in advance, without setoff or deduction, to Club Owner, or its designee, the amounts (the "Club Membership Fee") set forth in Exhibit "C" attached hereto and made a part hereof.

6.2 Taxes. In addition to the Club Membership Fee, each Owner shall pay all applicable sales, use or similar taxes now or hereafter imposed on the Club Membership Fee and the Owner's prorata share of Club Expenses, if any.

6.3 Builders. Although a Builder shall have no membership rights relative to the Club, each Builder shall pay Club Dues on each Unit owned by such Builder on the same basis as all other Owners commencing upon the date that such Builder receives a certificate of occupancy for a Unit located on a Lot owned by such Builder.

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

6.5 Owners' Share of Club Expenses. In addition to the Club Membership Fee, Club Expenses shall be allocated so that each Owner shall pay his or her pro rata portion of the Club Expenses based upon a fraction, the numerator of which is the number one (1) and the denominator of which is the number of Units within Canopy Creek Community conveyed to Owners as of the immediately preceding September 30th.

6.6 Continuing Obligation. Each Owner's and each Builder's obligation to pay Club Dues shall be for the Term of this Club Plan regardless of whether such Unit is occupied, destroyed, renovated, replaced, rebuilt or leased.

6.7 Individual Units (Single Family Residences). Owners of individual Units shall pay Club Dues for one (1) membership per month per Unit. If an Owner owns more than one (1) Unit, Club Dues are payable for each and every Unit owned by such Owner.

6.8 Excuse or Postponement. Any person or entity developing Units within Canopy Creek Community may be excused by Club Owner, in its sole and absolute discretion, from the payment of Club Dues until such time as the Unit(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 Units from the payment of Club Dues with respect to vacant Units.

6.9 Club Owner's Obligation. Under no circumstances shall Club Owner or KC Canopy Creek be required to pay Club Dues. To the extent that Club Owner elects, in Club Owner's sole and absolute discretion, to base the annual budget on a number of Units greater than those actually in existence within Canopy Creek, Club, Owner agrees to pay the difference, if any, between actual Club Expenses and Club Dues paid by Owners and Builders, if any.

6.10 Special Use Fees. Club Owner shall have the right to establish from time to time, in its sole discretion, 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 an Owner relating to the special use of the Club. Special Use Fees, together with any applicable sales, use or similar taxes now or hereafter imposed thereon, shall be payable at such time or time(s) as determined by Club Owner. Without limiting the foregoing, Owners shall be charged Special Use Fees for the use of vending machines, video arcade machines, and entertainment devices. Club Owner shall have no duty to account for any Special Use Fees; all of such Special Use Fees shall be the sole property of Club Owner.

6.11 Commencement of First Charges. Each prospective Owner who has executed a binding purchase agreement for the purchase of a Unit in Canopy Creek Community and whose Unit is under construction, shall have the option of using the Club Facilities prior to the date that such prospective Owner takes title to his or its Unit, provided that, such prospective Owner pays to the Club Owner the Club Membership Fee and the Initial Contribution and agrees to be bound by the terms of this Club Plan. The obligation to pay Club Dues, including, without limitation, the Club Membership Fee, shall commence, as to each Owner, on the earlier of (i) the day of the conveyance of title of a Unit to an Owner, or (ii) the date that a prospective Owner pays to Club Owner the Club Membership Fee and the Initial Contribution and agrees to be bound by the terms of this Club Plan. The obligation to pay Club Dues, including, without limitation, the Club Membership Fee, shall commence as to each Builder on the date that a Unit owned by such Builder receives a certificate of occupancy. In the event a Unit owned by a Builder is occupied prior to the sale of the Unit to an end-user purchaser, such occupant will be obligated to be a member of the Club and to pay all Club Dues, including the Club Membership Fee and the Initial Contribution, beginning on the date of such occupation. Notwithstanding the foregoing, no Owner, Builder or occupant shall be obligated to pay Club Dues until the first day of the calendar month following the issuance of a certificate of occupancy for the clubhouse. The completion of the other Club Facilities shall not affect the obligation to pay Club Dues.

6.12 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 Dues, or any other sums due or provided for in this Club Plan at any time remain due and unpaid for a period of five (5) days after same shall become due or should the Owner or the Association not perform its obligations hereunder, the Owner or the Association, as the case may be, shall be in default hereunder.

6.13 Obligation to Pay Real Estate Taxes and Other Expenses on Units. Each Owner shall pay all taxes and obligations relating to his or her Unit which if not paid, could become a lien against the Unit which is superior to the lien for Club Dues created by this Club Plan.

6.14 Exemption. Notwithstanding anything to the contrary herein, neither KC Canopy Creek nor Club Owner (except as provided in Section 6.9 herein) nor any Unit or property within Canopy Creek Community owned by KC Canopy Creek or Club Owner shall be responsible for any portion of the Club Dues, nor subject to any lien for Club Dues.

6.15 Initial Budget. The initial budget prepared by Club Owner is not based on historical operating figures and is not a contractual statement or guaranty of actual Club Dues. The figures shown in the initial budget are based on good faith analysis; therefore, it is likely that the actual budget for the Club may be different once historical figures are known. Because there is no history of operation, it is impossible to predict actual Club Expenses once the Club begins operation. It is not intended that you rely on any budget in electing to purchase a Unit. Projections in budgets are an effort to provide some information regarding future Club Expenses. Budgets do not take inflation or scope of services into account.

7. Initial Contribution. Club Owner intends to establish a fund (the “Initial Contribution”) for the operation of the Club. There shall be collected from each Owner or Builder at the time of conveyance of a Unit (including resale conveyances) an amount equal to two (2) quarterly

payments of Club Dues per Unit. Each Owner's Initial Contribution shall be transferred to Club Owner at that time. The purpose of this fund is to ensure that Club Owner will have cash available to meet its obligations, unforeseen expenditures, or to acquire additional property, equipment or services deemed necessary or desirable. Amounts paid into the fund are not to be considered as advance payment of Club Dues. Club Owner shall be entitled to keep such funds, and shall not be required to account for the same. The Initial Contribution may be used and applied by Club Owner as it deems necessary in its sole and absolute discretion including, without limitation, to reduce Club Expenses. Notwithstanding anything herein to the contrary, Club Owner shall have the option to waive, reduce or increase Initial Contributions in its sole and absolute discretion.

8. Determination of Club Expenses.

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

8.2 Adoption of Budget. Club Dues 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 not less than ten (10) days in advance of the due date of the first installment thereof. Club Dues shall, unless otherwise specified by Club Owner, be payable, in advance, at such time as the Association collects regular Assessments from the Owners.

8.3 Adjustments If Budget Estimates Incorrect. In the event the estimate of Club Expenses for the year is, after the actual Club Expenses for that period is known, more or less than the actual Club Expenses, 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 Dues shall be adjusted to reflect such deficit or surplus.

8.4 No Right to Withhold Payment. Each Owner agrees that so long as such Owner does not pay more than the required amount of Club Dues, 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.

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

8.6 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 an Owner a certificate in writing setting forth whether the Club Dues have been paid and/or the amount which is due as of any date. As to parties (other than Owners) who, without knowledge of error, rely on the certificate, the certificate shall be conclusive evidence of the amount of any charges therein stated.

8.6.1 The Association's Collection Responsibilities. In the event Club Owner has designated the Association as the Club Manager as provided in this Club Plan, the

Association has agreed (as evidenced by its joinder in this Club Plan) to collect the Club Dues, Special Use Fees, and any other amounts due to Club Owner ("Club Funds") at the same time it collects Assessments from the Owners. The Association has also agreed to hold all Club Funds in an account separate from the Association funds and shall not commingle Club Funds and the Association funds. Upon collection, the 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.

8.6.2 Record Keeping. In the event Club Owner has designated the Association as the Club Manager as provided in this Club Plan, Club Owner shall have the right to require that the Association use special computer software or accounting practices in connection with the Association's record keeping responsibilities respecting Club Dues, 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.

8.6.3 Diligence. In the event Club Owner has designated the Association as the Club Manager as provided in this Club Plan, the Association shall diligently enforce collection of all delinquencies including enforcement of all liens in the name of Club Owner.

8.6.4 Allocation of Funds. Notwithstanding anything to the contrary contained in the Declaration, by its joinder in this Club Plan, the Association agrees that in the event Club Owner has designated the Association as the Club Manager as provided in this Club Plan and the Association collects Club Dues and Assessments from a particular Owner for any period of time (whether or not those funds are designated as payment of Club Dues or Assessments), those funds shall be first allocated to the payment of Club Membership Fees, then to the payment of Club Expenses, then to the payment of Special Use Fees and other amounts due to Club Owner, and then to the payment of Assessments for the Association purposes. Notwithstanding the foregoing, if such Owner thereafter makes additional payment to the Association, such additional payments shall be applied to bring all Club Dues and Assessments for the first month of delinquency current before funds are applied to the next month's Club Dues. The Association funds and Club Funds will be separately accounted at all times and in no event shall the Association funds and Club Funds be commingled.

8.6.5 The Association Also Acting As Club Manager. During any period that the Association is operating the Club as Club Manager pursuant to this Club Plan, then the Association is granted the conditional license to apply those portions of the Club Dues other than the Club Membership Fee for the strict purpose of paying the Club Expenses.

9. Creation of the Lien and Personal Obligation.

9.1 Claim of Lien. Each Owner and Builder, by acceptance of a Deed or instrument of conveyance for the acquisition of title to a Unit or Lot, shall be deemed to have covenanted and agreed that the Club Dues, Special Use Fees, and other amounts Club Owner permits an Owner to put on a charge account, if any, including, without limitation, the Club Membership 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 Unit and all personal property located thereon owned by the Owner or Builder. The lien is effective from and after recording a Claim of Lien in the Public Records stating the description of the Unit, name of the Owner or Builder, and the amounts due as of that date, but shall relate back to the date this Club Plan is recorded. The Claim of Lien shall also cover any additional amounts which accrue thereafter until satisfied. All unpaid Club Dues, Special Use Fees, and other amounts Club Owner permits an Owner or Builder 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 or Builder of the Unit at the time when the charge or fee became due, as well as the Owner's or Builder's heirs, devisees, personal representatives, successors or assigns. If a Unit is leased, the Owner or Builder shall be liable hereunder notwithstanding any provision in his lease to the contrary. Such lien may be enforced by the Association or enforced by Club Owner, however, the claim of Club Owner for Club Membership Fees is paramount to all claims of the Association. Further, the lien created by this Section is superior to the lien of the Association for Assessments.

9.2 Right to Designate Collection Agent. Club Owner's right to designate who shall collect Club Expenses, Special Use Fees, and/or the Club Membership Fees shall be perpetual and may be changed at any time.

9.3 Subordination of the Lien to Mortgages. The lien for Club Dues, Special Use Fees, and related fees and expenses shall be subordinate to bona fide first mortgages on any Unit, 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 Unit, except in the event of a sale or transfer of a Unit 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 Unit or chargeable to the former Owner of the Unit 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 Expenses. Any sale or transfer pursuant to a foreclosure shall not relieve the Owner from liability for, nor the Unit 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.

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

9.5 Non-payment. If any Club Dues are not paid within fifteen (15) days after the due date, a late fee (to compensate Club Owner for administrative expenses due to late payment) 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 Unit, 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.

9.6 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 Unit.

9.7 Suspension. Should an Owner not pay sums required hereunder, or otherwise default, for a period of thirty (30) days, Club Owner may, without reducing or terminating Owner's obligations hereunder, suspend Owner's (or in the event the Unit is leased, the Lessee's) rights to use the Club until all fees and charges are paid current and/or the default is cured.

10. Operations.

10.1 Control Prior to Transfer. Prior to the transfer of the Club to the Association (if ever), 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 a Club Manager as hereinafter provided.

10.2 Club Manager. At any time, Club Owner may appoint a Club Manager to act as its agent. In the event that the Association becomes Club Owner, the 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 Dues against Units, may enforce the Rules and Regulations of the Club, and prepare the Budget for the Club. Currently, Club Owner has appointed Doug Bruk as Club Manager.

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

10.4 Management by the Association. At any time, and from time to time, Club Owner may notify the Association that the 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 the Association with a specific written list of all of the Association's obligations as Club Manager. Thereafter, the Association shall have the right and obligation to operate, manage, insure and maintain the Club strictly in accordance with the provisions of this Club Plan and the specific written directions of Club Owner. The Association shall be obligated to accept such appointment without conditions or claim. During the time that the Association is the Club Manager, the Association shall have all powers and duties of Club Owner assigned by

Club Owner in such written directions. Club Owner shall have the right to terminate the Association as Club Manager at any time, however, no surrender of operation and management of the Club by the Association shall be valid unless approved by Club Owner in writing.

10.5 The Association's Duties. To the extent Club Owner designates the Association as Club Manager, the Association covenants throughout the term of this Club Plan, 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, the 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, the Association shall have, by way of illustration and not limitation, the following powers, obligations, and duties:

10.5.1 Reports. Upon request by Club Owner, the 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.

10.5.2 Hiring and Supervision. Upon request by Club Owner, the Association shall cause to be hired, paid and supervised, and/or discharged, all necessary persons, firms or corporations. Upon request by Club Owner, the Association shall maintain all required worker's compensation insurance.

10.5.3 Compliance. Upon request by Club Owner, the 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.

10.5.4 Contracts. Upon request by Club Owner, the Association shall enter into contracts for all services necessary for the operation, maintenance, insurance, upkeep, repair, refurbishment, replacement and preservation of the Club. Each such contract shall not be binding on Club Owner and shall contain a provision that such contract can be terminated on thirty (30) days notice without cause.

10.5.5 Purchases. Upon request by Club Owner, the Association shall purchase equipment, tools, vehicles, appliances, goods, supplies and materials as may be necessary.

10.5.6 Club Plan Compliance. Upon request by Club Owner, the Association shall cause to be placed and kept in force and perform all obligations relating to all insurance required by the terms of this Club Plan.

10.5.7 Compliance with Laws. The Club shall be operated, maintained, and repaired so as to comply with, and suffer no default under, all applicable laws, matters of record, 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.

10.5.8 Hazardous Materials. The 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.

10.5.9 Construction Lien. The 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 construction lien as contemplated by the Construction 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 the Association shall be in default of this Club Plan, unless within ten (10) days thereafter, the Association shall furnish a bond, transferring the Lien to bond, in compliance with law.

10.5.10 Alterations. In the event that the Association is Club Manager, the 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.

10.5.11 Financial Responsibilities. Upon request by Club Owner, the 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.

10.5.12 Maintenance of Records. The 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.

10.5.13 Budget. Upon request by Club Owner, the Association shall adopt a Budget which provides for funds needed for all expenses and reserves, including the Club Membership Fees, within the fiscal year of the Club.

10.5.14 Collection. Upon request by Club Owner, the Association shall collect all Club Dues and enforce, with all due diligence, the provisions of this Club Plan relating thereto. Upon direction by Club Owner the Club Dues due from each Owner may, at the Association's discretion, be payable to such firm or entity as it shall direct. All sums due to Club Owner under the terms of this Club Plan, if collected by the Association, shall immediately be delivered, to Club Owner.

10.5.15 Special Use Fees. Upon request by Club Owner, the Association shall make and collect Special Use Fees against Owners subject to the provisions of this Club Plan.

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

10.5.17 Insurance. Upon request by Club Owner, the 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 underwrites.

10.5.18 Professionals. Upon request by Club Owner, the 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.

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

12. Attorney's Fees. If 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.

13. Rights to Pay and Receive Reimbursement. Club Owner and/or the Association shall have the right, but not the obligation to pay any Club Dues, or Special Use Fees which are in default and which may have become a lien or charge against any Unit. 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 the 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.

14. Rules. Club Owner shall have the right at all times 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:

14.1 Children. Children under sixteen (16) years of age are permitted to use the Club Facilities only if accompanied or supervised by an adult Member or adult Immediate Family Member; provided, however, children under sixteen (16) years of age shall not be permitted in the fitness center under any circumstances.

14.2 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.

14.3 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. Further, any person entering the Club Facilities assumes all risk of loss with respect to his or her equipment, jewelry or other possessions stored in the fitness center lockers, on bicycles, or within cars and wallets, books and clothing.

14.4 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.

14.5 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.

14.6 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 this Club Plan, and/or these Rules and Regulations and/or from any act or omission of the Club or of any of the Indemnified Parties.

14.7 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.

14.8 Unrecorded Rules. Club Owner may adopt additional Rules and Regulations from time to time. Such Rules and Regulations may not be recorded; therefore, each Owner and Lessee should request a copy of unrecorded Rules and Regulations from the Club and become familiar with the same. Such Rules and Regulations are in addition to the provision of this Section.

14.9 Waiver of Rules and Regulations. Club Owner may waive the application of any Rules and Regulations to one or more Owners or Lessees in Club Owner's sole and absolute discretion. By way of example, and not of limitation, Club Owner may waive a rule due to unusual hardship. A waiver may be revoked at any time upon notice to affected Lessees and Owners.

15. Violation of the Rules and Regulations.

15.1 Basis For Suspension. The membership rights of a Member may be suspended or a fine imposed by Club Owner if, in the judgment of Club Owner:

- (a) such person is not an Owner or a Lessee;
- (b) the Member violates one or more of these Rules and Regulations;
- (c) an Immediate Family Member, guest or other person for whom a Member is responsible violates one or more of these Rules and Regulations;
- (d) an Owner fails to pay Club Dues 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.

15.2 Procedure for Suspension. Club Owner shall appoint a committee of three (3) Members ("Review Committee") for the sole purpose of reviewing decisions by Club Owner to suspend the membership rights of a Member for non-monetary violations. Except with respect to the failure of a Member to pay Club Funds, Club Owner shall not suspend the membership rights of a Member unless and until written notice of an alleged violation is served upon the Member responsible for such violation specifying: (i) the nature of the alleged violation; (ii) the time and place of a hearing to be held by the Review Committee, which time shall be not less than fourteen (14) days from the giving of the notice; (iii) an invitation to attend the hearing; and (iv) the proposed sanction to be imposed. The hearing shall be held pursuant to the notice and shall afford the alleged violator a reasonable opportunity to be heard. Suspension of membership rights for non-monetary violations shall require a majority vote of the Review Committee.

Suspension of membership rights for monetary violations shall be in the sole discretion of Club Owner.

15.3 Types of Suspension. Club Owner may restrict or suspend, for cause or causes described in Section 15.1, 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 Lessee if such Lessee's Owner fails to pay Club Dues due in connection with a leased Unit. In addition, Club Manager may suspend some membership rights while allowing a Member to continue to exercise other membership rights. By way of example, and not as a limitation, 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 Dues or any other fees. During the restriction or suspension, Club Dues shall continue to accrue and be payable each month. Under no circumstance will a Member be reinstated until all Club Dues and other amounts due to the Club are paid in full.

16. Destruction. In the event of the damage by partial or total destruction by fire, windstorm, or any other casualty for which insurance shall be payable, any insurance proceeds shall be paid to Club Owner. If Club Owner elects to reconstruct the Club Facilities, the insurance 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 Dues, including the Club Membership Fee, during casualty or reconstruction. The reconstruction or repair, when completed, shall, to the extent legally possible, restore the Club Facilities substantially to the condition in which they existed before the damage or destruction took place. After all reconstruction or repairs have been made, if there are any insurance proceeds left over, then and in that event, the excess shall be the sole property of Club Owner. If Club Owner elects not to reconstruct the Club Facilities, Club Owner shall tear the Club Facilities down, remove all the debris, and resod and landscape the Club Property. Thereafter, the Club Property shall be maintained by Club Owner in a good condition and Club Owner shall terminate this Club Plan and the provisions of the Declaration relating to the Club by document recorded in the Public Records. The Association shall have a right to bring an action against Club Owner if Club Owner elects not to reconstruct the Club Facilities and fails to tear down the Club Facilities, remove all the debris, resod and landscape the Club Property and maintain the Club Property in good condition.

17. 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 this Club Plan. Neither the Association nor any Owner shall be entitled to cancel this Club Plan or any abatement in Club Dues on account of any such occurrence.

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

18.1 Complete Taking. If the whole or any material part of the Club is taken under the power of eminent domain, Club Owner may terminate this Club Plan and the provisions of the Declaration relating to the Club by written notice given to the Association, which notice shall be recorded in the Public Records. Should such notice be given, this Club Plan 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.

18.2 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 have the option, 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, or to terminate this Club Plan as provided in Section 18.1 hereof. 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.

19. Additional Indemnification of Club Owner. The Association and each Owner covenant and agree jointly and severally to indemnify, defend and hold harmless KC Canopy Creek 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 Canopy Creek Community or other property serving the Association, and improvements thereon, or resulting from or arising out of activities or operations of the 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 the 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 the 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. The 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 and employ, at the expense of the 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 this Club Plan. The costs and expense of fulfilling this covenant of indemnification shall be Club Expenses to the extent such matters are not covered by insurance maintained by the Association.

20. Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Club Plan by the Association:

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

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

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

20.4 Insolvency. The making by the Association of any general assignment for the benefit of creditors, the filing by or against the Association of a petition to have the 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 the Association, the same is dismissed within thirty (30) days), the appointment of a trustee or receiver to take possession of substantially all of the Association's assets, or the attachment, execution or other judicial seizure of substantially all or any material part of the Association's assets.

21. Remedies. In the event of any such default or breach by the 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:

21.1 Terminate the Association's Responsibilities. Club Owner may immediately terminate the 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 the Association to occupy the Club as Club Manager shall forthwith terminate, provided, however the Association shall remain liable to Club Owner as hereinafter provided. Thereafter, all payments of Club Dues shall be made directly by the Owners, to Club Owner, or its designee. Club Owner shall further have the right to terminate the Association's rights and duties at any time in its sole discretion regardless of any breach or default by the Association.

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

21.3 Right to Add Costs to Club Expenses. All damages, costs, expenses, losses, liabilities and other amounts suffered by Club Owner due to a default by the Association shall be, at the direction of Club Owner, considered part of the Club Expenses.

21.4 Right to Notify Owners. Club Owner may notify Owners that Club Dues are to be paid directly to Club Owner.

21.5 Remedies Cumulative. The specific remedies of Club Owner under the terms of this Club Plan 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 the Association of any provisions of this Club Plan. In addition to the other remedies provided in this Club Plan, Club Owner shall be entitled to enjoin, without bond, the violation or attempted or threatened violation of any of the provisions of this Club Plan or obtain specific performance of any such provisions. The Association hereby stipulates that such violation or attempts or threatened violation constitutes irreparable injury to Club Owner.

22. Security for the Association's Agreements. To further secure payment and performance of all of the Association's obligations hereunder, the Association gives, grants, pledges with and assigns to Club Owner a first lien and charge upon all furniture and fixtures, goods and chattels of the Association, which may be brought or put on the Club. The 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.

23. Estoppel. The 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 this Club Plan is unmodified and in full force and effect (or, if modified, stating the nature of such modification, listing the instruments of modification, and certifying that this Club Plan, as so modified, is in full force and effect) and the date to which the Club Dues are paid; and (b) acknowledging that there are not, to the Association's knowledge, any uncured defaults by the Association, Club Owner or Members with respect to this Club Plan. 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. The Association's failure to deliver such statement within such time shall be conclusive evidence: (1) that this Club Plan 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 Dues have been paid as stated by Club Owner.

24. 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 Club Plan 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 the Association or a Member) shall be effective unless made by Club Owner in writing.

25. 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.

26. Resolution of Disputes. ASSOCIATION AND, BY ACCEPTANCE OF A DEED, EACH OWNER AND BUILDER, AGREE THAT THIS CLUB PLAN IS A VERY COMPLEX

DOCUMENT. ACCORDINGLY, ASSOCIATION AND EACH OWNER AND BUILDER AGREE THAT JUSTICE WILL BEST BE SERVED IF ALL DISPUTES RESPECTING THIS CLUB PLAN ARE HEARD BY A JUDGE, AND NOT A JURY. 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 THIS CLUB PLAN, INCLUDING ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT, VALIDATION, PROTECTION, ENFORCEMENT ACTION OR OMISSION OF ANY PARTY, SHALL BE HEARD IN A COURT PROCEEDING BY A JUDGE, AND NOT A JURY. CLUB OWNER HEREBY SUGGESTS THAT EACH OWNER AND BUILDER UNDERSTAND THE LEGAL CONSEQUENCES OF ACCEPTING A DEED TO A UNIT.

27. Venue. EACH OWNER AND BUILDER ACKNOWLEDGES REGARDLESS OF WHERE SUCH OWNER OR BUILDER (i) EXECUTED A PURCHASE AND SALE AGREEMENT, (ii) RESIDES, (iii) OBTAINS FINANCING OR (iv) CLOSED ON A UNIT, THIS CLUB PLAN LEGALLY AND FACTUALLY WAS EXECUTED IN PALM BEACH COUNTY, FLORIDA. CLUB OWNER HAS AN OFFICE IN PALM BEACH COUNTY, FLORIDA. ACCORDINGLY, AN IRREFUTABLE PRESUMPTION EXISTS THAT THE ONLY APPROPRIATE VENUE FOR THE RESOLUTION OF ANY DISPUTE LIES IN PALM BEACH COUNTY, FLORIDA. IN ADDITION TO THE FOREGOING, EACH OWNER, BUILDER AND CLUB OWNER AGREE THAT THE VENUE FOR RESOLUTION OF ANY DISPUTE LIES IN PALM BEACH COUNTY, FLORIDA.

28. Release. BEFORE ACCEPTING A DEED TO A UNIT OR PARCEL, EACH OWNER OR BUILDER HAS AN OBLIGATION TO RETAIN AN ATTORNEY IN ORDER TO CONFIRM THE VALIDITY OF THIS CLUB PLAN. BY ACCEPTANCE OF A DEED TO A UNIT OR PARCEL, EACH OWNER OR BUILDER ACKNOWLEDGES THAT HE OR SHE HAS SOUGHT AND RECEIVED SUCH AN OPINION OR HAS MADE AN AFFIRMATIVE DECISION NOT TO SEEK SUCH AN OPINION. CLUB OWNER IS RELYING ON EACH OWNER AND BUILDER CONFIRMING IN ADVANCE OF ACQUIRING A UNIT OR PARCEL THAT THIS CLUB PLAN IS VALID, FAIR AND ENFORCEABLE. SUCH RELIANCE IS DETRIMENTAL TO CLUB OWNER. ACCORDINGLY, AN ESTOPPEL AND WAIVER EXISTS PROHIBITING EACH OWNER AND BUILDER FROM TAKING THE POSITION THAT ANY PROVISION OF THIS CLUB PLAN IS INVALID IN ANY RESPECT. AS A FURTHER MATERIAL INDUCEMENT FOR CLUB OWNER TO SUBJECT THE CLUB PROPERTY TO THIS CLUB PLAN, EACH OWNER AND BUILDER 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 OR BUILDER 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 THIS CLUB PLAN, 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 this Club Plan shall affect the rights of KC Canopy Creek or Club Owner unless such amendment receives the prior written consent of KC Canopy Creek or Club Owner, as applicable, which may be withheld for any reason whatsoever. No amendment shall alter the provisions of this Club Plan benefiting Lenders (without the prior approval of the Lenders) 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 this Club Plan, 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 Transfer of the Club. Prior to the date that the Club is transferred to the Association or to a third party (if ever), Club Owner shall have the right to amend this Club Plan as it deems appropriate, without the joinder or consent of any person or entity whatsoever. Club Owner's right to amend under this provision is to be construed as broadly as possible. By way of example, and not as a limitation, Club Owner may terminate this Club Plan (and all rights and obligations hereunder) in the event of partial or full destruction of the Club.

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

29.4 Amendments After the Transfer of the Club to Third Party. After the date that a third party owns the Club (if ever), this Club Plan may be amended subject to the general restrictions included in Section 29.1 above.

30. Severability. Invalidation of any of the provisions of this Club Plan by judgment or court order shall in no way affect any other provision, and the remainder of this Club Plan 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 this Club Plan 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 this Club Plan refer to the Florida Statutes, they shall be deemed to refer to the Florida Statutes as they exist on the date the Club Plan is recorded except to the extent provided otherwise as to any particular provision of the Florida Statutes.

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

NOW THEREFORE, KC CANOPY CREEK, LLC, a Florida limited liability has set its signature and seal below.

Name: _____

KC CANOPY CREEK, LLC, a Florida limited liability company

By _____

Print Title: _____

Name: _____

STATE OF FLORIDA)
)
COUNTY OF _____)

The foregoing instrument was acknowledged before me as of this ____ day of _____, 200__, by _____, as _____ of KC Canopy Creek, LLC, a Florida limited liability company, on behalf of the limited liability company. The foregoing individual ☐ is personally known to me or ☐ has produced _____ as identification.

Print Name: _____
NOTARY PUBLIC - STATE OF _____
Commission Number: _____
My commission expires: _____

(Notarial Seal)

JOINDER

CANOPY CREEK COMMUNITY ASSOCIATION, INC. does hereby join in the Canopy Creek Club Plan to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this ____ day of _____, 200____.

WITNESSES:

CANOPY CREEK COMMUNITY ASSOCIATION, INC., a Florida not-for-profit corporation

Print Name: _____

Print Name: _____

By: _____
Name: _____
Title: President

{SEAL}

STATE OF FLORIDA)
) SS.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 200__ by _____ as President of CANOPY CREEK COMMUNITY ASSOCIATION, INC., a Florida not-for-profit corporation, who is personally known to me or who produced as identification, on behalf of the corporation.

My commission expires:

NOTARY PUBLIC, State of Florida
Print name: _____

EXHIBIT A
LEGAL DESCRIPTION
OF CANOPY CREEK COMMUNITY

To Be Inserted in the Future.

EXHIBIT B

LEGAL DESCRIPTION
OF CANOPY CREEK CLUB

To Be Inserted in the Future.

EXHIBIT C

\$75.00 per quarter until December 31, 2008;
\$78.00 per quarter from January 1, 2009 until December 31, 2009;
\$81.00 per quarter from January 1, 2010 until December 31, 2010;
\$84.00 per quarter from January 1, 2011 until December 31, 2011;
\$89.00 per quarter from January 1, 2012 until December 31, 2012;
\$93.00 per quarter from January 1, 2013 until December 31, 2013;
\$99.00 per quarter from January 1, 2014 until December 31, 2014;
\$105.00 per quarter from January 1, 2015 until December 31, 2015;
\$112.00 per quarter from January 1, 2016 until December 31, 2016;
\$120.00 per quarter from January 1, 2017 until December 31, 2017;
\$129.00 per quarter from January 1, 2018 until December 31, 2018;
\$140.00 per quarter from January 1, 2019 until December 31, 2019;
\$151.00 per quarter from January 1, 2020 until December 31, 2020.

*Notwithstanding the foregoing, Club Membership Fees shall not be payable until a certificate of occupancy has been issued for the clubhouse.

On January 1st of each year thereafter the Club Membership Fee for the immediate following calendar year shall increase by ten (10 %) percent rounded to the nearest dollar until the end of the Term as set forth in Section 2.1. No Club Membership Fee shall be payable at such time, if ever, as the Association becomes Club Owner.