

**SCHEDULE "2" to MILLENNIUM UCO AMENDMENT
OPERATING AGREEMENT**

THIS OPERATING AGREEMENT is made and entered into as of this ___ day of November, 1999, by and between The Benenson Capital Company, a New York general partnership, the owner of the subject recreational facilities and lessor under the Long Term Leases ("Benenson"); W.P.R.F., INC., a Delaware corporation authorized to do business in the State of Florida and assignee of lessor's interests in the Long Term Leases through and including December 31, 2021("W.P.R.F.") (Benenson and W.P.R.F. are hereinafter collectively referred to as "Lessor"); and UNITED CIVIC ORGANIZATION, INC., a Florida not-for-profit corporation ("UCO"), as the representative of all the condominium associations in CENTURY VILLAGE WEST PALM BEACH (collectively, "CV-WPB"), as follows:

WHEREAS, Lessor and the various condominium associations of CV-WPB have simultaneously herewith modified those certain Long Term Leases which provide for rights and obligations with respect to the CV-WPB Facility ("Millennium UCO Amendment," together with "Schedule of Rent Increases" attached thereto and made a part thereof as Schedule "1," and this "Operating Agreement" attached thereto and made a part thereof as Schedule "2"); and

WHEREAS, Lessor and the various condominium associations of CV-WPB desire to make certain delegations of authority to UCO and to establish certain standards and procedures relating to the operation of the CV-WPB Facility concurrent with the term of the Long Term Leases as amended, and to append this Agreement to said Long Term Leases as a part thereof;

NOW, THEREFORE, for and in consideration of the premises herein contained, and the receipt of Ten Dollars (\$10.00) and other good and valuable consideration, to each in hand paid to the other, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. RECITATIONS. The foregoing recitations are true and correct and incorporated herein by reference.
2. DEFINITIONS.
 - A. "All Facilities". The CV-WPB Facility and the Other Facilities.
 - B. "Allocated Costs". Costs which are allocated to the CV-WPB Facility and at least one of the Other Facilities.
 - C. "Allocated Personnel". Any individual providing administrative and/or resource services to at least one (1) of the Other Facilities as well as the CV-WPB Facility, and whose salary or a portion thereof is included in the "Op. Budget" (defined in paragraph 4A below).
 - D. "Allocated Services". Certain services provided in-house by the Management Company to the CV-WPB Facility and at least one (1) of the Other Facilities. Allocated Services are the following: (i) bookkeeping and accounting, including supervision thereof; (ii) entertainment booking; and (iii) data processing. The foregoing is a complete list and shall not be increased in scope without the express written consent of the Committee (defined in paragraph 3 below).
 - E. "Budgetary Period". The period from November 1st of one year to October 31st of the next year.
 - F. "Committee". UCO, or its designee, constituted according to paragraph 4 below.

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Records!

G. "CV-WPB Facility". The recreation facilities and property demised under the Long Term Leases in the project known as Century Village, West Palm Beach, Florida.

H. "Dispute Resolution Procedure". The procedure set forth in paragraph 7 for resolution of disputes between the parties hereto.

I. "Effective Date ". January 1, 2000.

J. "Lessee Associations". The Condominium Associations which are parties to the Millennium UCO Amendment.

K. "Long Term Leases". In the aggregate, each Long Term Lease, together with all amendments thereto, leasing, on a non-exclusive basis, the CV-WPB Facility to the Lessee Association named therein.

L. "Management Company". Lessor, or its designee, providing day-to-day supervision and management of the CV-WPB Facility. The term "Management Company" shall include all assignees and successors-in-interest to Lessor.

M. "Non-Allocated Personnel". All employees of Management Company providing services to the CV-WPB Facility who are not Allocated Personnel.

N. "Non-Allocated Services". Services provided to the CV-WPB Facility which are not Allocated Services.

O. "Operating Expenses". Each, every and all costs, whether direct or indirect, of the operation, maintenance, refurbishment, replacement, repair and supervision of the CV-WPB Facility and all ³⁰personality, fixtures and equipment therein, including without limitation insurance deductibles, ad valorem real estate taxes, and sales taxes, if any, on rents paid under the Long Term Leases.

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1. Upon replacement of the entire Clubhouse roof, as provided in paragraph 4(F)(8) herein, further repairs and/or replacements to the Clubhouse roof shall be an Operating Expense hereunder.

2. In the event any governmental or regulatory agency mandates repairs, replacements or retrofitting to the CV-WPB Facility, no party shall agree, concede, or acquiesce in compliance therewith absent notice to and consultation with the other party; and, further:

(i) the expense of such mandatory repairs, replacements or retrofitting incident to the repair and replacement of the Clubhouse roof pursuant to paragraph 4(F)(8) herein shall be allocated two-thirds ($\frac{2}{3}$) to Management Company and one third ($\frac{1}{3}$) to Operating Expenses;

(ii) the expense of such mandatory repairs, replacements or retrofitting incident to provision of capital improvements pursuant to Section 13 of the Millennium UCO Amendment shall be allocated one hundred (100%) per cent to Management Company; and

(iii) the expense of any other mandatory repair, replacement or retrofitting to the CV-WPB Facility shall be allocated one hundred (100%) per cent to Management Company if the expense is a capital improvement, or one hundred (100%) per cent to Operating Expenses if the expense is an Operating Expense.

(a) If the parties cannot agree as to the allocation of an expense under the foregoing paragraph 2 (O)(2)(iii), the parties shall implement the Dispute Resolution Procedure in paragraph 7 below.

3. There shall be excluded from Operating Expenses, however, replacement of the basic building shell(s) for demised building(s), the initial costs of construction of additional

recreational facilities and improvements thereon, appreciation, depreciation, and debt service
associated with the CV-WPB Facility.

P. "Other Facilities". The leased recreation facilities in the projects known as Century Village, Boca Raton, Florida; Century Village, Deerfield Beach, Florida; and Century Village, Pembroke Pines, Florida; together with any other leased recreational facilities in projects in which Management Company, or its/their affiliates or related companies, owns and/or leases recreation facilities and/or provides services to such facilities.

Q. "Other Income". All income, other than rent under the Long Term Leases, received on account of the operation of the CV-WPB Facility, including without limitation income derived from the sale of tickets for shows or movies or class fees, vending machine revenues, lottery revenues, other user fees, etc. or any such other fees charged to persons utilizing the CV-WPB Facility to defray expenses associated with the CV-WPB Facility. "Other Income" expressly excludes bingo revenues.

R. "Project". Century Village, West Palm Beach, Florida.

S. "Total Annual Funded Amount" is defined as the amount which shall be timely funded by Management Company to the Op. Budget over the course of a Budgetary Period.

T. "Unit Owner/Owners". Each Owner or Owners of a unit in the Project.

U. DELEGATION AND STANDARDS. This Agreement, to the extent that it delegates authority to the Committee or otherwise limits the discretion of Management Company, shall be deemed a partial delegation or limitation, as the case may be, of the rights of Management Company to operate and manage the CV-WPB Facility during the term of the Long Term Leases. This Agreement constitutes the entire Agreement and understanding between the parties with respect to the subject matter hereof. All prior negotiations between

the parties are merged into this Agreement. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, expressed or implied, between them other than as set forth herein or in the Long Term Leases.

3. COMMITTEE. A Committee shall be formed by UCO. Pursuant to this Agreement, the Committee shall perform functions related to the operation of the CV-WPB Facility, including, but not limited to, the making of all policy and control of all budgetary matters regarding Operating Expenses, subject to the following: In the event of a disagreement between Management Company and the Committee concerning the operation of the CV-WPB Facility, the decision of the Committee shall prevail and be implemented, subject to the Dispute Resolution Procedure described in paragraph 7 below. Notwithstanding the foregoing, all decisions of the Committee shall conform to the Standards set forth in paragraph 4C. In the event the Management Company implements a decision of the Committee with which it disagrees, Management Company shall be fully indemnified from the CV-WPB Facility Account (defined in paragraph 4F below) and as an Operating Expense, from all claims, loss, costs and expense of any nature, including reasonable attorney and paralegal's fees at all levels of proceeding including, but not limited to, appeals, bankruptcy and collection, suffered by Management Company on account of the implementation of such decision. The funds necessary to pay such costs shall be deemed an Operating Expense of the CV-WPB Facility. Notwithstanding the foregoing, the provision for indemnification in this paragraph excludes the costs and expense, including legal fees, of defending the validity of the terms of Section 14 of the Millennium UCO Amendment, and excludes defense of this Agreement under paragraph 11 hereof.

A. The Committee shall be selected and shall serve as may be provided by UCO or its successors or assigns in its discretion. Unless the Committee and Management Company agree to the contrary in writing, the Committee may meet at least monthly to consider the desires and needs of all Lessees as concerns the CV-WPB Facility. In accordance with the provisions of paragraph 4-G(1) hereof, the Committee, or its designated representatives, shall have access to the books and records of Management Company pertaining to the CV-WPB Facility. Additionally, the Management Company and the Committee shall meet at least monthly, during normal business hours, concerning the operation of the CV-WPB Facility. An agenda for such meetings shall be drawn up by the Committee and submitted to the Management Company at least seven (7) days in advance of the meeting. Upon request of the Management Company, items shall be added to the agenda. During said meetings, the parties agree to reasonably and in good faith consult with each other concerning the operation and maintenance of the CV-WPB Facility including, but not necessarily limited to, those matters set forth in this Agreement and to the end that the Unit Owners may be best able to utilize the CV-WPB Facility . The Committee shall have input into all matters affecting the operation and maintenance of the CV-WPB Facility, including, but not limited to, adoption of reasonable rules and regulations concerning the utilization of meeting rooms, costs of the operation of the CV-WPB Facility, and programming policy in the entertainment and recreation facilities portion of the CV-WPB Facility.

4. BUDGETS, RECORDS.

A. Budgets. On or before September 1st of each year, Management Company shall submit a proposed budget to the Committee covering the period November 1 through October 31 of the subsequent Budget Year.

1. The Committee shall have a period of thirty (30) business days to review and either approve of, or make specific objections or recommendations to, Management Company concerning all or any portion of the proposed budget. In the event of a dispute concerning the proposed budget, if a new Budgetary Period commences prior to completion of the Dispute Resolution Procedure and, pending such resolution, the recommendations of the Committee are implemented despite objection of Management Company, the Lessee Associations shall be deemed to have fully indemnified and held Management Company harmless as to such disputed items only, in accordance with the provisions of paragraph 3 above. Management Company, after review by the Committee and subject to completion of the Dispute Resolution Procedure as to any dispute concerning the proposed budget, shall adopt an operational budget ("Op. Budget," or "Operational Budget") for operating the CV-WPB Facility for the next Budgetary Period.

2. In its review of the proposed budget, the Committee may determine that the proposed budget should be increased beyond the level of revenues reasonably anticipated for the Budget Year. The Committee may recommend an increase in rent under the Long Term Leases for the Budget Year on an equal, per-unit basis. The Operational Budget adopted by Management Company shall reflect any such recommendation, and Management Company shall cause any such increase to be collected as rent under the Long Term Leases. The full amount of any such increase shall be utilized under the Operational Budget.

B. Operational Budget ("Op. Budget"). Notwithstanding anything in the Long Term Leases or this Agreement to the contrary, all future Op. Budgets promulgated as aforesaid, starting with the Op. Budget for the Budgetary Period commencing November 1, 1999, shall

be prospective in nature for the next ensuing Budgetary Period. The Op. Budget shall be calculated utilizing the Committee's and the Management Company's best estimate for future Operating Expenses for the next ensuing Budgetary Period, and may, in the discretion of the Committee, include the provision of reserves as part of the Op. Budget. To the extent that the actual Operating Expenses exceed or are less than the estimated amounts, the same shall be adjusted on the Op. Budget for the next ensuing Budgetary Period as the Committee shall determine.

C. Standards. Notwithstanding any limitation above, no items shall be excluded from, or included in, the Op. Budget which will adversely, in any way: (i) affect the right of Management Company to collect rent as defined in the Long Term Leases; and/or (ii) in any way cause a breach of the terms and provisions of the Long Term Leases or other recorded documents or mortgages affecting Management Company or the CV-WPB Facility; and/or (iii) fail to provide for payment of proper expenditures over which Management Company has no control (for example, taxes, utility charges, and charges required by governmental authorities), other than Allocated Services, and subject to the provisions of paragraph 6 below; and/or (iv) fail to provide a reasonable mechanism for emergency situations.

The Op. Budget, from rents and Other Income, shall fully and completely provide funds sufficient to properly operate and maintain the CV-WPB Facility.

It is understood that, notwithstanding any terms to the contrary in the Long Term Leases, the Operating Expenses shall be reduced by application of entertainment admission, ticket revenues and other income as provided for in paragraph 4-F below, as well as by any and all other non-rental revenues inuring to the benefit of the CV-WPB Facility. The sources

of such revenues shall include, but shall not be limited to, vending machine revenues, lottery revenues,, and user fees.

D. Implementation. Management Company will operate within the approved Op. Budget. No late fees or penalties with respect to any Op. Budget items shall be considered an Operating Expense or cost, except where such fees are incurred because of matters beyond the control of Management Company. If it appears that the funds available are inadequate to discharge all obligations pursuant to the Op. Budget, or that material deviations therefrom are advisable or necessary, then and in that event, Management Company shall notify the Committee, in writing. The Committee shall, within thirty (30) days from its receipt of such notice, approve or disapprove of the additional expenditure or deviation, in writing. In the event any such approval is not obtained and, in Management Company's opinion the expenditure must be made, then Management Company may, but shall not be obligated to, make the expenditure from its own funds. Management Company may thereupon implement the Dispute Resolution Procedure provided for in paragraph 7 below, and, in the event that any such expenditure is approved as a consequence of the Dispute Resolution Procedure, then and in that event the Lessees shall be liable for additional rent to reimburse Management Company for any such specific expenditure. The sums due shall be paid promptly on demand together with interest thereon (at Wall Street Journal prime rate, plus one percent (1%) per annum, calculated from the date such sum was expended until the date of reimbursement). The dispute will be deemed resolved in a binding manner pursuant to paragraph 7 below, and that item will be included in the Op. Budget and paid in the future. Alternatively, if the expenditure is either denied by the Committee and no Dispute Resolution Procedure is implemented or the Dispute Resolution Procedure is resolved adversely to the Management

Company, the Management Company shall not request that such expenditure be made in the future. In any event, if the approval of the Committee is not given, the Budget, pending the completion of the Dispute Resolution Procedure, shall be as set forth in this paragraph 4.

E. Management Fee. There shall be no management fee paid to Management Company.

F. Funding / CV-WPB Facility Bank Accounts. During the term of this Operating Agreement, the Op. Budget shall be fully funded, as follows:

1. From November 1, 1999, through December 31, 2009, the Total Annual Funded Amount for each Budgetary Period shall be equal to the amount provided in Section 12 (a) of the Millennium UCO Amendment. From November 1, 2000, through December 31, 2009, the Total Annual Funded Amount for each Budgetary Period shall not be decreased by any increase in Other Income in excess of the level of Other Income under the 1999-2000 Budget.

2. From January 1, 2010 through December 31, 2021, the Total Annual Funded Amount for each Budgetary Period shall be increased over the amount in paragraph 4F(1) above by a sum to be determined for each Budgetary Period according to the formula provided in Section 12(c) of the Millennium UCO Amendment. The Total Annual Funded Amount for any Budgetary Period shall not be decreased by any increase in Other Income in excess of the level of Other Income under the 1999-2000 Budget.

3. In addition to the Total Annual Funded Amount, as increased by the formula provided in Section 12(c) of the Millennium UCO Amendment, the Committee may further increase the level of rents to be collected by Management Company, which increased rents shall be used exclusively to fund the Op. Budget.

4. All Other Income shall be utilized to fund the Op. Budget.

5. From November 1, 1999, through December 31, 1999, the Management Company shall fund and implement the Op. Budget for 1999, as provided herein; the Management Company shall not be required to segregate Op. Budget funds, but shall be required to give a complete accounting of income and expenses therefore. Commencing January 1, 2000, the Management Company shall establish one (1) or more separate bank account(s) relating to the operation of the CV-WPB Facility ("CV-WPB Facility Account"). All Op. Budget funds collected and processed by Management Company on account of the CV-WPB Facility shall be deposited into the CV-WPB Facility Account three (3) times per month on the 7th, 12th and 22nd day of each month, or if a weekend or holiday, on the next business day thereafter. Interest earned on the CV-WPB Facility Account, if any, shall be deemed to be receipts on account of the operation of the CV-WPB Facility. Any prepaid Op. Budget funds collected by the Management Company shall be deposited into the CV-WPB Facility Account on the next ensuing deposit date. All Other Income received on account of the operation of the CV-WPB Facility, such as income derived from the sale of tickets for shows or movies or class fees, other user fees, etc. or any such other fees charged to persons utilizing the CV-WPB Facility to defray expenses associated with the CV-WPB Facility shall also be deposited into the CV-WPB Facility Account.

6. All Operating Expenses associated with the CV-WPB Facility shall be paid from the CV-WPB Facility Account. No funds shall be expended from the CV-WPB Facility Account for any purpose other than as related to the CV-WPB Facility pursuant to the Approved Op. Budget and other provisions of this Agreement.

7. The Committee may, in its discretion, borrow funds from the Management Company for the Operating Account, such borrowing not to exceed the principal sum of Sixty ~~(\$67K)~~ ^{\$67K}

Seven Thousand and no hundredths (\$67,000.00) Dollars outstanding at any time. Any funds so borrowed shall bear simple interest at the rate of eight (8%) per cent per annum, and shall be repayed in equal payments amortized over ten (10) years. The Committee may pre-pay all or any portion of the outstanding principal at any time.

8. Management Company will immediately replace the flat portion of the roof over the theater in the Clubhouse, using funds in the amount of Twenty Two Thousand Five Hundred (\$22,500) Dollars funded for that purpose in the Op. Budget for the 1999-2000 Budget Year. When it is no longer cost effective to repair the remainder of the Clubhouse roof, Management Company shall replace the entire remainder of the Clubhouse roof; two-thirds ($\frac{2}{3}$) of the expense of said replacement shall be paid by Management Company, and one-third ($\frac{1}{3}$) of the expense shall be an Operating Expense hereunder.

G. Records.

1. Information. The records described below shall be available for review by the designees of the Committee during normal business hours and upon reasonable written notice. Management Company shall maintain Y2K-compliant books and records as follows:

(i) Management Company commencing as of the date hereof, shall keep each invoice, a separate set or a computer printout duplicate of its accounting records, and contracts, its general ledger, and its books of original entry, prepared in accordance with generally accepted accounting principles at the CV-WPB Facility. The records described herein shall be kept at the administration building occupied by W.P.R.F., Inc. or the CV-WPB Facility at the option of W.P.R.F., Inc., and shall be made available upon reasonable request and shall be open to inspection by the Committee, or its authorized representatives, at all reasonable times during normal business hours and upon reasonable prior notice. The records

include, but are not necessarily limited to, daily vouchers and supporting documents concerning the operations, services and other related matters with regard to the operation of the CV-WPB Facility. The right to examine the accounting records includes the right to examine the relevant records of interrelated companies providing services if the same are required to verify the accuracy or authenticity of revenues and expenditures charged to the cost of operations by interrelated companies. A request to examine such records shall be made in writing and with reasonable specificity. The right of examination may not be exercised in an unreasonable manner so as to harass or cause undue or significant expense. A statement of actual operating income and expense as compared to the Op. Budget shall be provided by Management Company to the Committee on a quarterly basis.

(ii) Management Company shall provide to the Committee all financial reports, documents, and other requisite data regarding operation of the CV-WPB Facility within thirty (30) days, after the end of each calendar month, quarter, or fiscal year, and shall provide copies of all requested support documents within five (5) business days after written request.

All Allocated Costs incurred in connection with the preparation and maintenance of such records (i.e., accounting, data processing, etc.) shall be determined pursuant to the provisions of this Agreement and billed, on the first business day of each month, by the Management Company and paid from the CV-WPB Facility Account.

(iii) All records required hereunder shall be maintained for a period of no less than three (3) years from the date Internal Revenue Service tax returns are filed for the relevant year. Additionally, records shall be kept as long as an audit as described below of the relevant year is in progress and until the report of the audit is received and accepted.

If either party rejects the results of the audit, the records must be kept until the results of the Dispute Resolution Procedure are final and binding.

2. Audit. The Committee may conduct audits of the operation of the CV-WPB Facility which audits shall, subject to the Dispute Resolution Procedure, be binding upon the Committee and the Management Company on the following basis: (a) each audit must be conducted for one (1) Budgetary Period, within three (3) years from the date that Internal Revenue Service tax returns are filed for the relevant year; (b) each audit must be conducted by an independent CPA mutually acceptable to both parties; (c) copies of each audit and all other relevant documentation shall be given at the same time to Management Company and the Committee; (d) the cost of each audit shall be borne as an Operating Expense of the CV-WPB Facility unless any of the audit(s) demonstrates a discrepancy which is material and adverse to the Owners (a material and adverse discrepancy is defined to be a deviation of two percent [2%] or more from the reports previously provided to the Committee). In such event, Management Company shall pay the cost of the audit, within thirty (30) days from the date that the audit is provided to the parties or if the audit is made subject to the Dispute Resolution Procedure, when such Dispute Resolution Procedure becomes final and binding. In the event that the audit(s) reveals that the Management Company has overcharged or undercharged for an Operating Expense then the discrepancy shall be adjusted on the next ensuing Budget.

5. CONTRACTS.

A. Review Procedure. Management Company may not enter into any new contracts or renewals of contracts for services rendered or goods supplied with respect to operation of the CV-WPB Facility, including insurance, without submitting the proposed contract or renewal to the Committee, as provided below.

Management Company shall submit, at the time of submission of the proposed Op. Budget (but in no event less than forty-five [45] days before proposing to enter into or renew a contract, for services rendered or goods supplied), a list of the contracts that will expire, indicating those that Management Company proposes to enter into or renew, for the next twelve (12) month operating period together with the following information:

- (i) A copy of each of the existing contracts in question;
- (ii) Commencement and termination date of the contract;
- (iii) Name and address of vendor;
- (iv) Proposed contract, if any, or proposals containing the material terms;
- (v) Copies of request for proposal and response (including contract specifications), and any competitive written bids, with associated contract documents; and
- (vi) A statement whether or not the Contract is for Allocated Services pursuant to the terms of paragraph 5C below, and the explanation therefor. The failure to so advise shall be deemed a waiver of the provisions of paragraph 5C hereof.

The Committee shall approve or disapprove of the contracts, renewals and proposals in writing, on a per contract basis, on or before thirty (30) days after its receipt of all the required information, unless a reasonable extension of no more than fifteen (15) additional days is requested by the Committee. In the event that the Committee does not approve of the contracts, renewals or proposals within said time period, the contracts, renewals or proposals shall be deemed disapproved. It is intended that the time periods provided for herein for contract review be implemented in a manner so as to not cause any interruption in services rendered to, or goods supplied to, the CV-WPB Facility, or to fail to provide adequate time in which to cancel an existing contract before expiration.

B. Substitute Bid. If the Committee disapproves a proposed contract or renewal, then the Committee shall submit, within thirty (30) days prior to the date of expiration or renewal, provided that the contract or renewal is timely submitted by the Management Company, another proposal for that service or supply of goods from a vendor acceptable to the Committee ("Substitute Bid"). The Substitute Bid must be for comparable services or goods. Except as provided in paragraph 5C below in connection with Allocated Services, Management Company shall contract for those services with the vendor making the Substitute Bid within ten (10) days of submission by the Committee. If the price of the Substitute Bid is higher than provided for in the Op. Budget, the difference shall be an additional Operating Expense.

C. Allocated Services. If a disapproved contract or renewal proposal is for services that are Allocated Services, and the effect of the disapproval, if the CV-WPB Facility were excluded from the proposed contract, is to either materially increase the costs of obtaining those services or goods to the Other Facilities or to cause the vendor to materially and adversely alter its proposal, or to not provide the services or goods to the Other Facilities, then Management Company may reject the Substitute Bid. If Management Company rejects the Substitute Bid, then Management Company shall either: (i) cause the vendor recommended by Management Company to perform the services at the price and terms specified in the Substitute Bid, or (ii) perform the services with its own personnel at the price and terms specified in the Substitute Bid.

D. Insurance Contracts. Notwithstanding anything to the contrary above, the existing or substantially similar insurance coverages, maintained with a carrier rated at least A by Standard & Poor's, as afforded by the currently maintained insurance policies, shall be

maintained in the future unless otherwise agreed by the Committee and Management Company.

E. Competitive Bidding. It is understood and agreed that, except for Allocated Services rendered by Management Company, or its affiliates, all contracts and renewals of contracts for services or goods for the CV-WPB Facility shall be solicited on the basis of competitive bidding, unless Management Company and the Committee agree in writing, as to a specific contract or renewal, to the contrary.

F. Contracts Pending Dispute Resolution. In the event of a dispute regarding any provisions of this paragraph 5, including, but not limited to, whether a Substitute Bid is for comparable services or goods, or whether a Substitute Bid for Allocated Services materially increases the cost of obtaining those services to the Other Facilities, or otherwise causes a vendor to materially and adversely alter its proposal or not provide the services to the Other Facilities, such dispute shall be resolved pursuant to the provisions of paragraph 7 hereof. Subject to the provisions of Paragraph 4D, pending resolution of the dispute, the decision of the Committee shall be implemented, without prejudice, until the dispute is finally resolved pursuant to the terms of this Agreement.

G. Entertainment.

Management Company will submit to the Committee, for its approval, the proposed entertainment services for the CV-WPB Facility and the price thereof. The Management Company shall consult with, and receive the approval of, the Committee, on an item-by-item basis, prior to booking and pricing any entertainment for the CV-WPB Facility. Upon approval, the entertainment will be booked. Failure of the Committee to disapprove proposed

entertainment service(s) within thirty (30) days after written submittal hereunder shall be deemed to be approval by the Committee.

The Management Company shall make available to the Committee all copies of proposed contracts, proposals, gross and net revenue recapitulations, advance bookings, ticket sales summaries, financial statements, and any and all other records reasonably requested by the Committee relating to entertainment. All such records and documents shall be submitted by Management Company to the Committee a reasonable time prior to Management Company's requesting the approval of the Committee for entertainment to be booked for the CV-WPB Facility. To the extent permitted by law, the Committee shall keep, and request that the Board of Directors of UCO keep, all such information confidential.

6. OPERATIONAL MATTERS.

A. Wages and Salaries.

(i) Annual Review Procedure. Management Company shall not grant any raises in salary or bonuses to Non-Allocated Personnel, without the written approval and consent of the Committee. To the extent permitted by law, the Committee shall keep, and request that the Board of Directors of UCO keep, all such information confidential. Management Company will submit to the Committee, for its written approval and consent during each Budgetary Period, its written salary recommendations for Non-Allocated Personnel for the next ensuing Budgetary Period.

The written salary recommendations shall include the following information:

- a. The name, date of employment, and classification of the employee;
- b. Present salary, fringe benefits and medical insurance;

- c. Date of last change in salary;
- d. Recommended salary for the next ensuing Budgetary Period.
- e. The grievance history accumulated pursuant to the provisions of paragraphs B(ii) and (iii) below.

The Committee shall approve or disapprove of the recommendations, in whole or in part, on a per-employee basis, as part of the budget process. Any salary increases that are approved shall take effect during the month of February of each year, or as otherwise agreed between Management Company and the Committee.

(ii) Mid-Year Raises. If any Non-Allocated Personnel are hired during the Budgetary Period, or are entitled to a mid-Budgetary Period salary raise in the opinion of Management Company (i.e., for example, a pre-determined raise at the expiration of a probation period, or a raise based upon a job change or promotion or based upon a change in job description entitling the employee to additional salary, in the opinion of a supervisor), then such employee may be granted a raise until the next salary review as set forth above, provided that the written approval and consent of the Committee is first obtained.

(iii) Bonuses. Management Company will submit to the Committee for its written approval and consent, within each Budgetary Period, its written recommendations for bonuses to be paid to Non-Allocated Personnel on a calendar year-end basis. The written bonus recommendations shall include all the information required in paragraph (i) above, as well as the prior history of any bonuses previously paid to that employee in the prior three (3) years, if any.

The Committee shall approve or disapprove of the bonus recommendations in writing, on a per-employee basis, as part of the budget process. Bonuses shall be a line item of the Op. Budget.

(iv) Allocated Personnel. With respect to Allocated Personnel whose salaries, bonuses, etc. shall be contained in the "administrative overhead" portion of the Budget, the Committee shall review the grievance history and the allocated portion of salaries and bonuses, and grant or withhold approval of such "administrative overhead" portion of the Budget, pursuant to Paragraph 4.

B. HIRING/FIRING.

(i) Management Company shall have the sole authority to hire and fire all personnel, including any Allocated supervisors. However, when hiring a supervisor (e.g., a site supervisor), or replacing any other key personnel (i.e., site administrator, athletic director, entertainment director, budget director, maintenance supervisor and allocated supervisors), Management Company shall afford to the Committee the opportunity to interview the recommended candidates and to advise Management Company concerning these candidates.

(ii) If the Committee has any grievance relating to the performance of Allocated Personnel, it shall notify Management Company and specify the nature of the grievance. Neither the Committee nor any of its members shall discuss the matters complained of directly with the employee. Subject to paragraph B(i) above, Management Company shall respond to the grievance and notify the Committee of its proposed action, if any, in regard thereto.

(iii) If the Committee has any grievance relating to the performance of any other employee, it shall notify Management Company and specify the nature of the grievance.

Management Company shall take such action in response to the grievance as it deems appropriate and shall notify the Committee of its action in regard thereto. Neither the Committee nor any of its members shall discuss the matters complained of directly with the employee.

7. DISPUTE RESOLUTION. To facilitate the efficient operations of the CV-WPB Facility and in the event of a dispute concerning any of the provisions of this Agreement, the parties agree as follows:

A. Meetings. Upon request of either Management Company or the Committee, the representatives of Management Company and the Committee shall meet on a regular basis.

B. Standard. The parties shall, in implementing the provisions of this Agreement and in their future dealings, act in a reasonable manner and shall not act in an arbitrary and/or capricious manner.

C. Disagreement. In the event of a dispute, before implementing the Dispute Resolution Procedure set forth below, the aggrieved party ("Aggrieved Party") shall notify the other "Non-Aggrieved Party"), in writing, setting forth the nature of, and reasons for, the dispute. The Aggrieved and Non-Aggrieved Parties shall, within five (5) days, meet in an attempt to resolve the dispute. If the parties fail or refuse to meet and/or if the dispute is not resolved, then the Aggrieved Party may request the activation of the Dispute Resolution Procedure set forth below.

D. Dispute. The Aggrieved Party, within fifteen (15) days after said parties have met (or should have met as required by paragraph C above) and have not resolved the dispute, may request, in writing, resolution of the dispute pursuant to the provisions of paragraph E. If the Aggrieved Party fails to notify the Non-Aggrieved Party in writing within the fifteen (15)-

day period, then the dispute shall be deemed waived by the Aggrieved Party and the recommendations or position of the Non-Aggrieved Party shall be implemented, followed, or adhered to, as the case may be.

E. Arbitration. If the Aggrieved Party notifies the Non-Aggrieved Party within the fifteen (15) day period, the Aggrieved and Non-Aggrieved Parties shall consult in an attempt to select an arbitrator to conduct a mandatory arbitration proceeding. The final results of the proceeding shall be binding or advisory and non-binding as hereinafter provided. In the event that the Aggrieved and Non-Aggrieved Parties are unable to agree upon an Arbitrator within 30 days, then either party shall request that an Arbitrator be appointed according to the then prevailing procedures of the American Arbitration Association.

Once the Arbitrator is selected, the dispute shall be arbitrated by submission to the Arbitrator in accordance with the rules of the American Arbitration Association, unless herein provided to the contrary.

(i) At the request of any party to the arbitration, such arbitrator shall issue subpoenas for the attendance of witnesses and the production of books, records, documents, and other evidence and any party on whose behalf a subpoena is issued may apply to the court or arbitrator for orders compelling such attendance and production. Subpoenas shall be served and shall be enforceable in the manner provided by law.

(ii) Within thirty (30) days of the conclusion of the arbitration proceeding, the arbitration decision, which shall set forth findings of fact and conclusions of law, shall be presented to the parties in writing. Except as otherwise awarded by the Arbitrator, each party shall share and pay for the fees of the Arbitrator and costs of the arbitration equally. However, at the discretion of the Arbitrator, the Arbitrator may award his fees and the costs of the

arbitration to the prevailing party as part of a cost award. If no complaint for a trial de novo, as provided in paragraph E(iv) below, is filed, each party shall bear its own attorney fees.

(iii) An arbitration decision shall be final, in accordance with the provisions of paragraph E(v) below, if a complaint for a trial de novo is not filed in the Circuit Court of Palm Beach County, Florida, within thirty (30) days of the decision. The right to file for a trial de novo entitles either party to file a complaint in the Circuit Court of Palm Beach County, Florida, for a judicial resolution of the dispute. The decision of the Arbitrator shall be admissible in evidence at the trial de novo.

(iv) The party who files a complaint for a trial de novo shall be assessed the other party's reasonable arbitration costs, court costs, and attorneys' fees for the arbitration and the trial de novo if the judgment rendered in the trial de novo is not more favorable to the party filing the complaint than the arbitration decision. If the judgment is more favorable to the party filing the complaint, the party filing a complaint shall be awarded reasonable arbitration costs, court costs, and attorneys' fees for the arbitration and the trial de novo. In the event of a dispute, the Court shall determine if the judgment rendered is, or is not, more favorable to the party filing the complaint, then the arbitration decision. Provided, however, that Management Company may not claim that its attorney fees and costs, if any, pursuant to this paragraph 7 are an Operating Expense under the terms of the Long Term Leases, unless the Court determines that Management Company is entitled to recover its attorneys' fees and costs pursuant to this paragraph 7.

(v) If no trial de novo is requested, any party to an arbitration proceeding may enforce an arbitration award by filing a Motion to Confirm Arbitration Award in the Circuit Court for Palm Beach County according to Chapter 682, Fla. Stats. A Judgment

confirming the arbitration award may not be granted unless the time for the filing of a complaint for trial de novo has expired. The Arbitrator's award shall be considered final and binding when judgment is entered confirming the Arbitrator's decision as provided herein.

8. REPRESENTATIONS.

A. Standing. UCO and Management Company each warrant and represent to the other that UCO and the Management Company are valid legal entities in good standing and authorized to conduct business in the State of Florida.

B. Corporation Authority. UCO and Management Company each warrant and represent to the other that the respective Boards of Directors (or other governing authority) of each of them have approved this Agreement as required by the documents governing each of them.

C. Condominium Authority. Each Lessee Association consenting to this Agreement warrants and represents that this Agreement has been approved by whatever percent of its membership is required to approve an amendment to its Declaration of Condominium, and that this Agreement is binding upon the Lessee Association and its Unit Owners.

9. FULL AGREEMENT.

A. Negotiation. All parties acknowledge that the terms and conditions of this Agreement were arrived at in arms-length negotiations between the parties, with independent legal advice, and with each party giving due and full consideration to the legal position of the other in regard to the provisions of this Agreement.

B. It is the intent of this Agreement, to establish certain procedures for the supervision, operation, and management of the CV-WPB Facility until the expiration of the term of the Long Term Leases and to establish a mechanism for the resolution of any disputes concerning the implementation of the provisions of this Agreement.

10. COSTS. Each party shall bear its own costs, attorney's and other fees incurred or suffered in connection with the making of this Agreement.

11. DEFENSE. Any attack on the terms and/or conditions of this Agreement by any third party shall be jointly defended by UCO and Management Company. Each party shall vigorously defend this Agreement. Selection of any attorney to conduct any such defense shall be by mutual consent. The legal and other professional fees and disbursements incurred during such proceedings shall be valid Operating Expenses of the CV-WPB Facility. All parties to this Agreement shall exercise their reasonable best efforts to cause the full approval of this Agreement. No party to this Agreement shall prosecute, directly or indirectly, any action or proceeding, which would tend to challenge or undermine this Agreement. This covenant shall not be deemed to affect the enforcement of any provision or provisions of this Agreement.

12. SPECIFIC PERFORMANCE. As to all matters relating to this Agreement, the parties agree that, inasmuch as the CV-WPB Facility is unique, each and every of the terms of this Agreement may be enforced by specific performance within the context of the Dispute Resolution Procedure provided herein.

13. SURVIVAL OF PROVISIONS. The representations, warranties, covenants, agreements and indemnities of the parties hereto made in this Agreement or any certificate or documents delivered pursuant hereto shall remain and survive the execution and delivery hereof.

14. APPLICABLE LAW. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of Florida, as they exist as of the date hereof.

15. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which, when executed and delivered, shall be an original. The counterparts shall together constitute one and the same instrument.

16. CAPTIONS. The captions of paragraphs of this Agreement, or underlining of headings, are for convenient reference only and shall not affect the construction or interpretation of any of its terms or provisions as set forth herein.

17. ATTORNEYS' FEES. Except as provided to the contrary herein, in any action to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover all reasonable costs and attorneys' fees (including paralegal fees) at all levels of proceedings, including, but not limited to, appeals, bankruptcy and collection.

18. NOTICES. Any notices required to be given hereunder shall be in writing directed to the following:

As to Management	MARK F. LEVY
Company	100 Century Boulevard
	West Palm Beach, FL 33417

And as to any
notice provided to
the above, a copy
to:

MANNY GARCIA, ESQ.
Abrams Anton, P.A.
2021 Tyler Street
P.O. Box 229010
Hollywood, FL 33022-9010

and

THE BENENSON CAPITAL COMPANY
708 Third Avenue, 28th Floor
New York, New York, 10017
Attn: Mr. Charles B. Benenson

and

GOLDFARB & FLEECE
345 Park Avenue
New York, New York 10154
Attn: Emanuel Lubin, Esq.

As to UCO and the
Associations:

UNITED CIVIC ORGANIZATION, INC.
82 Stratford "F"
West Palm Beach, FL 33417
Attn: Kurt Weiss, President

And as to any notice provided to the above, a copy to:

PETER S. SACHS, ESQ.
Sachs, Sax & Klein, P.A.
301 Yamato Road
Suite 4150
Boca Raton, FL 33431

and

ROD TENNYSON, ESQ.
Rod Tennyson, P.A.
1801 Australian Avenue South
Suite 101
West Palm Beach, FL 33409

Notices may be given by the legal representative of any party.

19. FURTHER ASSURANCES. The parties agree to timely execute all such further instruments and take all such further action that may be reasonably required by any party to fully execute the terms and provisions of this Agreement.

20. TIME. Time is of the essence in all regards concerning this Agreement.

21. MODIFICATION. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party (or its

representative) against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

22. PRONOUNS. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons or entity may require.

23. GOOD FAITH Each of the parties, their successors and assigns, shall act in good faith under this Operating Agreement in order to implement the provisions hereof.

24. BINDING EFFECT. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns. This Agreement may be recorded in the Public Records of Palm Beach County, Florida, and shall be deemed actual and constructive notice to all persons and/or entities in connection with, or relating to, the project known as Century Village at West Palm Beach.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals (by their duly authorized officers or agents) on the day and year first set forth in this Agreement.

Witnesses:

W.P.R.F., Inc., a Delaware corporation

Print Name: _____

By: _____

Mark Levy

Print Name: _____

Its: President

