



1125 S ALANTIC AVE.
COCOA BEACH, FL 32931
PHONE 321-784-5720

THIS PUBLIC OFFERING STATEMENT CONTAINS IMPORTANT MATTERS TO BE CONSIDERED IN ACQUIRING A TIME-SHARE PERIOD. THE STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY IN NATURE. A PROSPECTIVE PURCHASER SHOULD REFER TO ALL REFERENCES, EXHIBITS HERETO, CONTRACT DOCUMENTS, AND SALES MATERIALS. YOU SHOULD NOT RELY UPON ORAL REPRESENTATION AS BEING CORRECT. THE SELLER IS PROHIBITED FROM MAKING ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE CONTRACT AND THIS PUBLIC OFFERING STATEMENT.

**BEACH ISLAND RESORT LESSEES'
ASSOCIATION, INC.
1125 S. ATLANTIC AVENUE
COCOA BEACH, FLORIDA 32931**

This is a concise summary of Beach Island Resort's history as a motel and, also, subsequently, as a timeshare resort, based on the best information available to the current owners (Beach Island Resort Lessees Association, Inc.).

The property and existing structures, now called Beach Island Resort, came into being as a motel in the early 1950s when it was constructed and began operation as a motel called the "Tides". To the best of our knowledge, the property has operated continuously, as a motel, since that time.

Approximately thirty years ago the property (with structures and motel business) was acquired by Castle Development Company; the motel business continued under their ownership. In 1981 the "Resort" began operating as a timeshare, as well; both operations were managed by "Castle Management Company"; Timeshare Vacation Weeks were sold to the public; all timeshare owners were and are members of the "Beach Island Resort Lessees Association".

It is noted that the majority of our current owners bought their timeshare weeks during the 1980s. During that period, Castle Development sold several hundred timeshare weeks to several hundred buyers. In 1990, without warning, Castle Development filed for bankruptcy in Federal Court and gave notice to all timeshare owners that they were "creditors" and denied access to the resort. The motel operation continued. Facing significant obstacles, the owners organized, procured legal representation, challenged and ultimately prevailed over "Castle Development" in the Orlando Federal Bankruptcy Court. The judge denied Castle Development's bankruptcy claim and recommended the timeshare owners seek justice in Civil Court, which we did. The resort was placed under the management of a Court Appointed Receiver and the timeshare owner's occupancy rights were restored, as the trial proceeded.

In September 1991 (Re: Case number: 91-176-CA-J/C), the Circuit Court of The Eighteenth Judicial Circuit, in and for Brevard County, Florida, ruled in favor of "the Class Action Plaintiffs" (the timeshare owners). In accordance with the approved Settlement Agreement, the Court Appointed Receiver was then directed to and did expeditiously turn over, to the Plaintiff's Class Action Representatives (Court Appointed Trustees) all property, assets and funds in the Receiver's possession and his power to manage said facility (i.e. Beach Island Resort). The Trustees then assumed interim ownership and management until a Board of Directors could be elected.

On November 16, 1991 a Timeshare Owner's Organizational Meeting was held: They elected a Board of Directors and Bylaws were approved. This was done pursuant to the Stipulated Final Judgment, which resulted in the re-establishment of the corporate charter in the name of "Beach Island Resort Lessees Association, Inc.". Pursuant to the November 16th meeting, the Plaintiff's Trustees transferred all responsibilities, properties, funds etc. to. Beach Island Resort Lessees Association, Inc.", a non-profit timeshare owner's corporation; and its Board of Directors became the new management entity. As stipulated by the Court, original corporate documents remain in force and govern (e.g. 1981 Declarations of Covenants, the original Articles of Incorporation etc.). Because of this, you will see reference made throughout this document to Castle Development Co., Inc. and Robert Jaros. However, Castle Development Co., Inc. and/or Robert Jaros, are no longer connected in any way to Beach Island Resort Lessees Association, Inc.

In summary, Beach Island Resort has operated continuously, as a motel, since the 1950's and, also, as a timeshare resort since 1981, which included the period during which it was under the direction of the Court Appointed Receiver (in 1990 and 1991). The Resort has continued to operate as a timeshare resort, properly licensed in the state of Florida, in good standing with Brevard County and the City of Cocoa Beach; under the management of Beach Island Resort Lessees Association, Inc. since 1991.

Respectfully submitted,

David A. Newcomb
Former President, Beach Island Resort Lessees Association, Inc.

BEACH ISLAND RESORT

CASTLE DEVELOPMENT CO, INC.

DECLARATIONS OF COVENANTS CONDITIONS & RESTRICTIONS

TABLE OF CONTENTS

1. Declarations of Covenants, Conditions and Restrictions
2. Articles of Incorporation of Beach Island Resort Lessees Association, Inc.
3. By-Laws of Beach Island Resort Lessees Association, Inc.
4. Summary
5. Public Offering Statement
6. Addendum
Certificate of Amendment of Declaration of Covenants, Conditions and Restrictions of Beach Island Resort Lessees Association, Inc.
8. Certificate of Amendment of Declaration of Covenants, Conditions and Restrictions of Beach Island Resort Lessees Association, Inc.
9. Certificate of Amendment to By-Laws of Beach Island Resort Lessees Association, Inc.
10. Certificate of Amendment of Declaration of Covenants, Conditions and Restrictions of Beach Island Resort Lessees Association, Inc.

Note:

The Certificate of Amendment of Declaration of Covenants, Conditions and Restrictions of Beach Island Resort Lessees Association, Inc. was approved pursuant to Article XIII of the Declaration by an instrument signed by not less than a majority of the lessees.

This document was then subsequently recorded in the Brevard County Land Records office on March 20, 2009.

The Certificate of Amendment of Declaration of Covenants, Conditions and Restrictions of Beach Island Resort Lessees Association, Inc. was approved pursuant to Article XIII of the Declaration by an instrument signed by not less than a majority of the lessees.

This document was then subsequently recorded in the Brevard County Land Records office on October 14, 2009.

The Certificate of Amendment to By-Laws of Beach Island Resort Lessees Association, Inc. was approved pursuant to Article IX of the By-Laws, after providing a statement of the proposed amendment in the notice of meeting, by the affirmative vote of the voting members casting a majority of the votes in favor of the amendment.

This document was then subsequently recorded in the Brevard County Land Records office October 14, 2009.

The Certificate of Amendment of Declaration of Covenants, Conditions and Restrictions of Beach Island Resort Lessees Association, Inc. was approved pursuant to Article XIII of the Declaration after providing a statement of the proposed amendment in the notice of meeting, by an instrument signed by not less than a majority of the lessees.

This document was then subsequently recorded in the Brevard County Land Records office on August 16, 2012.

DECLARATION OF COVENANTS

CONDITIONS AND RESTRICTIONS

THIS DECLARATON is made by CASTLE DEVELOPMENT CO., INC., a Florida Corporation in its own behalf as developer of the Project described herein, hereinafter referred to as "Declarant".

RECITALS

WHEREAS, Declarant is the owner of that certain real property located in the County of Brevard, State of Florida, more particularly described in Exhibit 1 which is attached to this Declaration and by this reference made a part hereof as thoughtfully set forth; and

WHEREAS, Declarant intends to and does hereby establish for its own benefit and for the mutual benefit of all future owners or occupants of the said real property described in Exhibit 1, and each part thereof, certain mutually beneficial covenants, conditions, restrictions and obligations with respect to the proper use, conduct and maintenance thereof; and

WHEREAS, Declarant desires and intends that the lessees, lienholders, occupants and all other persons hereafter acquiring any interest in said real property described in Exhibit I or any part thereof shall at all times enjoy the benefits of, and shall hold, sell and convey their interests subject to the rights, easements, covenants, conditions, restrictions and obligations hereafter set forth, all of which are hereby declared to the furtherance of a general plan to promote and protect the cooperative aspect of such development and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the said real property;

NOW, THEREFORE, Declarant, as the lessor of the said real property described in Exhibit 1 hereto, and for the purposes above set forth, declares that all of the said real property described in said Exhibit 1 and each part thereof shall be held, and licensed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the said real property and be binding on all parties having any right, title, lease or other interests therein, or in any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

As used herein, unless otherwise specified or unless the context otherwise requires:

1. "Accessory Use" means a use naturally and normally incidental to, subordinate to and devoted exclusively to the main use of the premises.
2. "Articles" shall mean the Articles of Incorporation of the Association, annexed hereto as Exhibit No.5.
3. "Association" shall mean Beach Island Resort Lessee's Association, Inc., a non-business corporation, its successors and assigns.
4. "Board" shall mean the Board of Directors of the Association.
5. "Building" means any structure having a roof supported by columns or walls for the housing or enclosure of persons, animals or chattels and located on the parcel and forming a part of the property.
6. "By-Laws" shall mean the By-Laws of the Association as By-Laws may be amended from time to time, annexed hereto as Exhibit No.6
7. "Common Area" means all of the property described on Exhibit 2 hereto.
8. "County" means the County of Brevard.
9. "Declaration" means this instrument by which the property is established as a planned development, as this Declaration may be amended from time to time.
10. "Declarant" shall mean its successors and assigns if such successors and assigns should acquire any portion of the property from the Declarant for the purpose of development and are designated by Castle Development co., Inc. as the Declarant for the purpose hereof by a duly recorded written instrument.
11. "Dwelling" means any building or portion thereof which is used as a private residence or sleeping place of one or more human beings, but not including club houses or recreational buildings intended and designed primarily for recreational use.
12. "Improvements" shall mean buildings, garages, carports, roads, driveway's, walkways, parking areas, fences, walls, covered patios, porches, elevated porches, sun decks, balconies, hedges, plantings, planted trees and shrubs, and all other structures or landscaping improvements of every kind, nature and description.
13. "Lien" includes both voluntary and involuntary liens.
14. "Lot" means a vacation apartment as shown on Exhibit I.
15. "Manager" means that person or entity employed from time to time by the Board to manage the affairs of the Association.
16. "Member" shall mean every person or entity who holds membership in the Association.
17. "Lien Holder" means the beneficiary of the holder of a lien.
18. "Lessee" means the person or persons whose estates or interests, individually or collectively aggregate record ownership of a lot, but excluding those having such interest merely as security for the performance of an obligation.
19. "Person" includes but is not limited to natural persons, associations, firms, partnerships and corporations.
20. "Project" or "The Project" means all of the land described in Exhibit 1 attached hereto.
21. "Record" or "recording" or "recorded" means to file or record in the office of the Recorder, Titusville, FL.

22. "Shall" is mandatory and not merely directory.
23. "State" means the State of Florida.
24. "Street" means a thoroughfare which affords means of access to abutting property.
25. "Structure" means anything constructed or erected, which requires a location on the ground or attached to something having a location on the ground.
26. "Use" means the purpose, for which land or a building is designed, arranged or intended, or for which either is or may be occupied or maintained.
27. "Non-Disturbance Agreement" means a release from any owner or lien holder of the property, whereby they declare to honor the rights of the lease holder under the terms of the lease.
28. The following definitions shall refer only to those lots committed to and leased under a plan of "Vacation Leases".
 - A. "Vacation Leases" is a concept whereby lots are leased for periods of time, the Lessee receiving a stated time period for a period of years together with a remainder over in fee simple as tenant in Common with all other Lessees of "Unit Weeks" in each such lot in the year 2090.
 - B. "Unit Week" means a period of lease in a lot committed to Vacation Leases. "Unit weeks" are computed as follows:

Unit Week No.1 is the seven (7) days commencing on the first Saturday following the first Friday in each year. Unit Week No.2 is the (7) days succeeding. Additional weeks up to and including Unit Week No. 51 are computed in a like manner. Unit Week No. 52 contains the seven (7) days succeeding the end of Unit Week No. 51 without regard to the month or year plus any excess days not otherwise assigned. Unit Weeks run from 4 P.M. the first Saturday of the Unit Weeks purchased to 10 A.M. on the last Saturday of said Unit Weeks.
 - C. A "Lot" committed to Vacation Leases shall be any Vacation Apartment Leased under a plan of Vacation Leases.

ARTICLE II

COMMITTING A LOT TO VACATION LEASES

A lot shall become a lot committed to Vacation Leases upon the signing of the lease in said lot, conveying Unit Weeks by the Declarant. No lot may be Committed to Vacation Leases by any person, or other entity other than the Declarant. A lot will no longer be committed to Vacation Leases any time all Unit Weeks are owned by the same legal entity. Notwithstanding the above, the Declarant may assign its right to commit lots to Vacation Leases to any other entity to which it conveys substantially all lots which it owns in the Project. Declarant agrees to grant a non-disturbance release to each Lessee and to obtain from any lien holder against the property or any part of the property a non-disturbance agreement.

ARTICLE III

IDENTIFICATION OF LOTS COMMITTED TO VACATION LEASES

Wherever the term "Lessee" or "Lessees" is used anywhere within the context of this Declaration or any Amendment or Supplementary Declaration hereto, it shall be construed to include all Lessees of Unit Weeks within any Lot committed to Vacation Leases as one Lot Lessee. The respective interests of each Lessee of Unit Weeks within such Lot committed to Vacation Leases with respect to each other shall be delineated on Exhibit No.3 which is annexed to this Declaration and made a part hereof.

ARTICLE IV

LESSEES ASSOCIATION, INC.

Section 1, Organization

The Association is a non-profit Florida Corporation which Corporation shall be the governing body for all of the Lessees for the maintenance, repair, replacement, administration and operation of the Common Areas, Lots Committed to vacation lease and all other portions of the Project it is required or permitted to maintain pursuant to this Declaration, and shall have the duties and powers prescribed by law and, set forth in the Articles, By-Laws, and this Declaration. Neither the Articles nor By-Laws shall be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration. In the event of any such inconsistency, the provisions of this Declaration shall prevail. Neither the officers nor the directors of the Association, nor any of them, shall be required to be Members of the Association. The Board of Directors of the Association, and such officers as the Board may elect or appoint, shall conduct the affairs of the Association in accordance with the Articles and By-Laws, as the same may be amended from time to time.

Section 2, Membership

- (a) **Qualifications.** Each Lessee of a Unit Week including Declarant shall be a Member of the Association and shall be entitled to one membership for each Unit Week Owned.
- (b) **Member's Rights and Duties.** Each Member shall have the rights, duties and obligations set forth in this Declaration, the Articles, the By-Laws, and the Association Rules, as the same may from time to time be amended.
- (c) **Transfer of Membership.** The Association membership of each lease (including Declarant) shall be appurtenant to the Unit Week giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of lease to said Unit Week, and then only to the transferee of lease to said Unit Week. Any attempt to make a prohibited transfer shall be void. Any transfer of lease to said Unit Week shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

Section 3, Voting

- (a) **Number of Votes.** The Association has two classes of voting membership:

Class A. Class A Members shall be all Lessees except Declarant and shall be entitled to one (1) vote for each Unit Week Leased. When more than one person is the lessee of a Unit Week, all such persons shall be Members. The vote for such Unit Week shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to anyone Unit Week. The Association shall not have a vote for any Unit Weeks conveyed to it.

Class B. The Class B Member shall be the Declarant, who shall be entitled to one vote per unit lease week owned. Class B Membership shall cease and be converted to Class A Membership on the happening of the earlier of the following events:

- (1) When the Declarant has leased all of the Lots and Unit Weeks in the Project; or
- (2) On December 31, 1986

(b) **Joint Owner Disputes.** The vote for each Lot and Unit Week must be cast as a unit, and fractional votes shall not be allowed. In the event that Joint Lessees are unable to agree among themselves as to how their vote or votes shall be cast; they shall lose their right to vote on the matter in question. If any Lessee or lessees cast a vote representing a certain Lot or Unit Week, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Lessees of the same Lot, or Unit Week. In the event more than one vote is cast for a particular Lot or Unit week, none of said votes shall be counted and said vote shall be deemed void.

(c) **Cumulative Voting.** In any election of the Members of the Board, every Lessee entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of Lots or Unit Weeks owned by the Lessee multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board Members to be elected, shall be deemed elected.

Section 4, Maintenance Week in Lots committed to Vacation Leases

Upon conveying forty (40) Unit Weeks in any Lot committed to Vacation Leases, the Declarant agrees to convey and the Association agrees to accept one Unit Week to be used for maintenance purposes. The Declarant shall have the right to choose the Unit Week to be so conveyed.

Section 5, Duties of the Association

In addition to the powers delegated to it by its Articles, and without limiting the generality thereof, the Association shall have the obligation to perform each of the following duties:

- (a) Maintenance and Management of common Area, Private Streets, Easements. To Maintain, manage, preserve and control all property acquired by or under the jurisdiction of the Association, including, but not limited to (1) all of the Common Area, including the Private Streets, if any, and all improvement located thereon, (2) all easements for operation and maintenance purposes over Any Common Area, (3) all easements for the benefit of the Association Members within the Common Area, and (4) all other portions of the Project which it is required to maintain pursuant to this Declaration.
- (b) Maintenance and Management of Lots Committed to Vacation Leases. To maintain, manage and preserve all of the Lots Committed to Vacation Leases and improvements thereon, including but not limited to (1) the maintenance and repair of all interior and exterior components of any dwelling located on any Lot Committed to Vacation Leases, (2) the repair and replacement of all appliances, furniture, carpeting, fixtures, equipment, utensils and other personal, property found, in any dwelling located on a Lot Committed to Vacation Leases (3) to determine the interior and exterior color scheme, decor, and furnishings of each dwelling located on a Lot Committed to Vacation Leases, as well as the proper time for redecorating, and replacements thereof, and (4) the upkeep of all landscaping, private roads and private walkways located on any Lot Committed to Vacation Leases.
- (c) Water and Other Utilities. To acquire, provide and/or pay for water, sewer, garbage disposal, electrical, telephone and gas and other necessary utility services for the Common Area and Lots Committed to Vacation Leases.
- (d) Insurance. To obtain and maintain in force the policies of insurance as described in Article VIII.
- (e) Rule Making. To make, establish, promulgate, amend and repeal the Association Rules.
- (f) Taxes and Assessments. Pay all taxes and assessments which are or could become a lien on (1) the Common Area or any portion thereof and (2) any Lot Committed to Vacation Leases.
- (g) Enforcement of Restrictions and Rules. To perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association Rules.
- (h) Title to Property Upon Dissolution. To convey, upon dissolution of the Association, the assets of the Association to any non-profit corporation, association, trust or other organization to be used for purposes similar to those for which the Association was created.

Section 6, Powers and Authority of the Association

The Association shall have all of the powers of a non-profit corporation organized under the laws of the state of Florida, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the By-Laws, or this Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under this Declaration, the Articles and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association, including without limitation:

- (a) Assessments. To levy assessments on the Lessees of Lots and Unit Weeks and to enforce payment of such assessments, all in accordance with the provisions of Article V hereof.

(b) **Right of Entry and Enforcement.** To enter upon any Lot or Common Area for the purpose of enforcing by peaceful means any of the provisions of this Declaration or for the purpose of maintaining or repairing any such area if for any reason whatsoever the Lessee thereof fails to maintain or repair any such area as required by this Declaration or if the Association is required by this Declaration to maintain and repair such area. Such entrance shall be after twenty-four (24) hours prior written notice to the Lessee in all cases other than one where a Lot Committed to Vacation Leases is involved or such notice as may be required by any provision hereof, provided, however, that such entrance shall be permitted without any prior notice whatsoever in the event of an emergency. The Association also shall have the power and authority from time to time in its own name, on its own behalf or on behalf of any Lessee or Lessees who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration and the Rules of the Association and to enforce by mandatory injunction or as an alternative method of enforcing the Declaration (except as to a failure to pay assessments) and the aforesaid rule the Board after a hearing on ten (10) days written notice to any person violating the rules of the Association, may suspend said person's voting rights and/or right to use the recreational facilities and Common Area for a period not to exceed thirty (30) days.

(c) **Easements and Rights-of-Way.** To grant and convey to any third party easements and rights-of-way in, on, over or under any Common Area, for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder (1) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other purposes, (2) public sewers, storm water drains and pipes water systems, water, heating and lines or pipes and, (3) any similar or quasi-public improvements or facilities.

(d) **Employment of Agents.** To employ the services of any person, or corporation as Manager, or other employees as may be directed by the Board, to manage, conduct and perform the business, obligations, and duties of the Association, and to enter into contracts for such purpose. Such agents shall have the right to ingress and egress over such portions of the Project as is necessary for the performance of such business duties and obligations.

(e) **Employment of Professional Advisors.** To employ professional counsel and advice from such persons or firms or corporations such as, but not limited to, landscape architects, recreation experts, lawyers and accountants.

(f) **Borrowing of Money.** To borrow and repay monies, giving notes, mortgages or other security provided, however, that any borrowing in excess of \$1,000 upon the security of the Common Area real property shall be subject to the prior consent of a majority of the votes cast by the Members of the Association voting at a duly held special or annual meeting, excluding the vote of the Class B Member.

(g) **Create Classes of Service and Make Appropriate Charges.** To create, in its sole discretion, various classes of service and to make appropriate charges therefor to the users thereof, including, but not limited to reasonable admission and other fees for the use of any recreational facility situated in Common Areas, and to avail itself of any rights granted by law without being required to render such services, to those of its members who do not assent to the said charges and to such other rules and regulations as the Board deems proper. In addition, the Board shall have the right to discontinue any service upon non-payment, or to eliminate such service for which there is no demand therefor or adequate funds to maintain the same out of charges.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section I, Creation of the Lien and Personal Obligation Assessments

The Declarant, for each Lot or Unit Week leased in a Lot Committed to Vacation Leases, hereby covenants, and each Lessee of any Lot or Unit Week by acceptance of a Lease therefore whether or not it shall be so expressed in such Lease, is deemed to covenant and agree, for each Lot or Unit Week leased, to pay to the Association Annual Assessments, Maintenance Fee Assessments, Special Assessments, and Emergency Assessments. Such assessments to be established made and collected as hereinafter provided. The Annual Maintenance Fee, Special and Emergency Assessments, together with interest costs and reasonable attorneys' fees shall be a charge on the land and shall be a continuing lien upon the Lot or Unit Week against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be a personal obligation of the person who is the Lessee of such Lot or Unit Week at the time when the assessment becomes due and payable.

The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. No lessee of a Lot or Unit Week in a Lot committed to Vacation Leases may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use of the Common Area or any part thereof, or his Lot, or any other part of the Project, or abandonment of his Lot or Unit Weeks.

Section 2, Purpose of Assessments.

Assessments levied shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Project, the improvement, operation and maintenance of the Common Area, and the Lots Committed to Vacation Leases, and the performance of the duties of the Association as set forth in this Declaration.

Section 3, Annual Assessments.

The Board shall fix and determine from time to time the sum or sums necessary and adequate for the operation, maintenance and management of the Common Area and the improvements which shall be as set forth in Article V, Section 4.

The Annual Assessment may be increased by the Board each year by an amount not more than fifteen percent (15%) above the Annual Assessment for the previous year without a vote of the Members of the Association as set forth in Section 7.

Section 4, Maintenance Fee Assessments for Lots Committed to Vacation Leases.

All Lessees of Unit Weeks in Lots Committed to Vacation Leases shall pay a "Maintenance Fee Assessment". The Maintenance Fee Assessment shall include, but is not limited to, the following:

The particular Unit Week Lessee's share of Annual Assessments as set forth in Section 3 above;

That particular Unit Week Lessee share of Special Assessments for Capital Improvements as set forth in Section 5 below;

That particular Unit Week Lessee share of Special Assessments for Emergency Needs as set forth in Section 6 below;

Repair and upkeep of the improvements located on the Lot Committed to Vacation Leases for normal wear and tear (example, repainting interior walls);

Repair and replacement of furniture, fixtures, appliances, carpeting and utensils;

Casualty and/or liability and fire and extended coverage for building and contents on the Lot Committed to Vacation Leases and common area.

Utilities for the improvements located on the Lot Committed to Vacation Leases;

Personal property real estate and any other applicable taxes on the Lot committed to Vacation Leases;

Any other expenses incurred in the normal operations and maintenance of the Lot Committed to Vacation Leases which cannot be attributed to a particular Unit Week Lessee.

The Maintenance Fee Assessment shall be pro-rated among the Lessees of Unit Weeks, based upon location. The foregoing shall not apply to any Unit Week conveyed to or owned by the Association. The Maintenance Fee Assessment may be increased by the Board each year by an amount not more than fifteen percent (15%) above the Maintenance Fee Assessment for the previous year without a vote of the Members of the Association as set forth in Section 7.

Section 5, Special Assessments for Capital Improvements.

In addition to the Annual Assessments authorized in section 4 above, the Board may levy, during any calendar year, a Special Assessment ("Special Assessment") applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, or unexpected repair or replacement of a capital improvement upon the Common Area or Lots Committed to Vacation Leases including the necessary fixtures and personal property related thereto; provided that any such assessment in excess of \$1,000 shall be approved by a vote of Members of the Association as set forth in Section 6 hereof. Said Special Assessments shall be paid at the same time as payment is made of the Annual Assessment. A Special Assessment resulting from a specific Lot Committed to Vacation Leases Shall only be Prorated among Owners of the Unit Weeks in said Lot by applying the fraction provided for in Section 4 above for the proration of the Maintenance Fee Assessments.

Section 6, Special Assessments for Emergency Needs.

If the assessments levied in any month are or will become inadequate to meet all expenses hereunder for any reason, including non-payment of any Lessee's assessments on a current basis, the Board shall immediately determine the approximate amount of such inadequacy for such month and issue a supplemental budget, noted as to the reason therefor, and levy an Emergency Assessment for the amount requested to meet all such expenses on a current basis ("Emergency Assessment") against the Lessee of each of the Lots and Unit Weeks provided, however, that any Emergency Assessment in excess of \$1,000 may be made only upon vote of the Members as provided in Section 7 hereof. Said Emergency Assessment shall be paid by the Lessee within thirty (30) days after notice thereof.

Section 7, Notice and Quorum for Any Action Authorized Under Sections 3, 4, 5 and 6.

Any action authorized under Section 3, 4, 5 or 6 of this Article 5 shall require the approval of 51% of the votes allowed to each of the Members of each class.

The approval of the Members of the Association shall be taken at a meeting called for that purpose, at which a quorum need not be present, written notice of which shall be sent to all Members not less than ten (10) days or more than twenty (20) days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such a meeting, but such vote is less than fifty-one percent (51%), members who were not present in person or by proxy may give their consent in writing within ten (10) days after the aforesaid meeting, so that the percentage of each class of membership required for action under Sections 3, 4, 5 and 6 of this Article V might be obtained.

Section 8, Due Dates of Annual Assessments and Maintenance Fee Assessments: Certificate Regarding Assessments.

The Board shall fix the amount of the Annual Assessment against each Lot and the amount of the Maintenance Fee Assessment against Unit Weeks in Lots Committed to Vacation Leases at least thirty (30) days in advance of each Annual Assessment or Maintenance Fee Assessment period. Written notice of the Annual Assessment and Maintenance Fee Assessment shall be sent to each Lessee subject thereto. The Annual Assessments and Special Assessments shall be collected on a monthly basis and shall be due the 1st day of each month. The Maintenance Fee Assessment shall be due and payable on January 1 of each year. The Association shall, upon demand, and for a reasonable charge not to exceed twenty-five (\$25.00) dollars, furnish a certificate to persons requesting same signed by an officer setting forth all assessments on a specified Lot or Unit Week and whether said assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9, Effect of Non-Payment of Assessments: Remedies of the Association.

Each Lessee of any Lot or Unit Week in a Lot Committed to Vacation Leases on becoming a Lessee of any Lot or Unit Week is and shall be deemed to covenant and agree to pay to the Association the assessments provided for in this Article V and in Article VIII hereof, and agrees to the enforcement of all such assessments in the manner herein specified. Any assessment which is not paid within thirty (30) days after the due date shall bear interest from the date of delinquency at the rate of Ten Percent (10%) per annum and the Board may impose a late payment penalty not to exceed twenty-five (\$25.00) dollars for each delinquency. In the event an attorney or attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Lessee agrees to pay reasonable attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Lessee. In the event of a default in payment of any such assessment when due, such assessment shall be deemed to be delinquent. In addition to any other remedies herein or, by law provided, the Association may enforce the obligations of the Owners to pay the assessments provided for herein, and each of them, in any manner provided bylaw or in equity, and without limitation of the foregoing, by any or all of the following procedures:

(a) Enforcement by Suit. By commencement and maintenance of a suit at law against a Lessee or prior Lessee to enforce each such assessment obligation, such suit to be maintained in the name of the Association. Any judgment rendered in any such action shall include the amount of the delinquency, interest thereon at the maximum legal rate per annum from the date of delinquency, court costs and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Lessee.

(b) Enforcement by Lien. There is hereby created a claim of lien, with power of sale, on each and every lease for Lot and Unit Week in a Lot Committed to Vacation Leases to secure payment to the Association of any and all assessments levied against any and all Lessees of such Lots and Unit Weeks under this Declaration, together with interest thereon at the maximum legal rate per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorneys' fees. At any time within ninety (90) days after the occurrence of a default in the payment of such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Lessee. Said demand shall state the date and amount of the delinquency. Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien. If such delinquency is not paid within ten (10) days after delivery of such demand, or, even without such a written demand being within 100 days after the date of the delinquency, the Association may elect to file and record such a claim of lien on behalf of the Association against the Lot or Unit Week of the defaulting Owner in the office of the Recorder at Titusville, FL. Such a claim of lien shall be executed and acknowledged by any officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent Lessee;
- (2) The legal description of the Lot or Unit Week against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Association pursuant to this Declaration; and
- (5) That a lien is claimed against said Lease Lot or Unit Week in an amount equal to the amount stated.

Upon such recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Lessee, the lien claimed therein shall immediately attach and become effective. Any such lien may be enforced and foreclosed by appropriate action in Court. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any Lease Lot or Unit Week. In the event of such foreclosure, reasonable attorneys' fees, Court costs, title search fees, interest and all other cost and expenses shall be allowed to the extent permitted by law.

The proceeds of any foreclosure sale provided for in this Declaration shall first be paid to discharge Court costs, Court reporter charges, reasonable attorneys' fees, and costs of the sale, and all other expenses of the proceedings and sale and the balance of proceeds, after satisfaction of such charges and unpaid assessments hereunder or any liens, shall be paid to the defaulting Lessee. Any purchaser upon such sale shall thereupon be entitled to a lease to the Lot or Unit Week. It shall be a condition of such sale, and the deed so made shall so provide, that the purchaser shall take the interest in the property sold subject to this Declaration.

Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to record appropriate release of such notice in the office of the Recorder, Titusville, FL. In the case of a lien against a Lessee of Unit Weeks in a Lot Committed to Vacation Leases said lien shall be limited to the Unit Weeks owned by said Lessee and shall not encumber the property, real or personal, of any other Lessee or Unit Weeks in said Lot.

Section 10, Assignment of Rents.

As security for the payment of all such liens, each Lessee hereby gives to and confers upon the Association, the right, power and authority, during the continuance of such lease, to collect the rents, issues and profits of said Lessees' Lot or Unit Weeks reserving unto the Lessee the right, prior to any default by such Lessee in performance of that Lessees' obligations under this Declaration, or the Articles, or By-Laws or in payment of any indebtedness to such Association or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default the Association may at any time, upon ten (10) day's written notice to such Lessee, then either in person, by agent or by a receiver to be appointed by a Court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Lessee's Lot or Unit Week(s) or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any such indebtedness, and in such order as the Association may determine. The entering upon and taking possession of said property, the collection of

such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default hereunder or invalidate any act done pursuant to this Declaration.

The assignment of rents and powers described in the foregoing paragraph shall not affect, but shall in all respects be subordinate to, the rights and power of the holder of any first mortgage on any Lot or Unit Week, or any part thereof, to do the same or similar acts.

Section II, Subordination to Certain Mortgage Deeds.

The lien of the assessments shall be prior to all encumbrances made by the Lessee or imposed by legal process upon any Lot or Unit Week, whether the lien of the assessment is recorded prior or subsequent to any such encumbrances, except that the lien of the assessments provided for herein shall be subordinate to the lien against the lease made in good faith and for value. Sale or transfer of any lease or Unit Week shall not defeat or affect the assessment lien. However, the sale or transfer of any lease Lot or Unit Week, which is subject to any lien, pursuant to a foreclosure under such lien, or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments to payments thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such lease Lot, Unit Week, or purchaser thereof from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12, Exempt Property.

All Common Areas, all Lots or Unit Weeks leased by the Association, all properties subject to any easement or other interest dedicated to and accepted by any public authority and/or devoted to public use, and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Florida shall be exempt from assessment under this Article.

**ARTICLE VI
OMITTED FROM ORIGINAL DOCUMENT**

**ARTICLE VII
USE RESTRICTIONS**

In addition to all other covenants contained herein, the use of the Project is subject to the following restrictions, which restrictions shall be in favor of the Lessees of the Lots and Unit Weeks, the Common Area and the Association:

Section I, Residential Use.

No part of any Lot shall be used for other than private dwelling purposes and accessory uses. Notwithstanding the foregoing, nothing in this Declaration shall be construed to restrict the Declarant, from selling and/or conveying any Lot under a plan of Vacation Leases, or any person, group of persons, corporation, partnership, or other entity, from selling, reconveying, or in any other way, transferring same, at any time under said plan of Vacation Leases.

Section 2, Lots Committed to Vacation Leases.

All lots shall be Committed to Vacation Leases.

Section 3, Signs.

No sign or billboard of any kind (including but without limitation commercial or political signs) shall be displayed to the public view on any Lot, except for (a) directional signs established by the Declarant or the Association, (b) such signs as may be required by legal proceedings, (c) residential identification signs, and (d) during the time of construction of any residence or other improvement, one job identification sign.

Section 4, Obnoxious and Offensive Activities.

No obnoxious or offensive activity shall be carried on upon any Lot or any part of the Project, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Lessees of his respective dwelling unit, or which shall in any way increase the rate of insurance.

Section 5, Temporary Structures.

Unless approved in writing by the Board, no structure of a temporary character, trailer, tent, shack, garage, barn, or other out-building shall be used on any Lot at any time as a residence, either temporarily or permanently. Notwithstanding the provisions of this Section, the Declarant may construct and maintain temporary buildings, structures and vehicles on the Project used only for construction and administration purposes. All such buildings shall be removed no later than the completion of the construction for which such buildings, vehicles or structures were constructed or placed upon the Properties. The Declarant may also construct, operate and maintain a sales office on the Common Area and model homes and a sales office on the Lots, in connection with its continuing sales program and in furtherance thereof, shall have an easement over all of the Common Area for ingress, egress and parking for itself, its agents, employees and prospective buyers of the Lots, such rights, uses and easements to continue so long as Declarant shall own at least one Lot or Unit Week and maintain an active sales program.

In the event the Holdover Lessee fails to pay same within ten (10) days of the date of same, a lien shall be filed against said Holdover Lessee's Unit Weeks in accordance with the provisions of Article V hereof.

Section 6 - 16, Omitted from original document.

Section 17, Exceptions.

The restrictions set forth in this Article VII shall and do not apply to any of the following:

- (a) Any part of the Project which is a part of the Common Area, or which is owned by any public body.
- (b) Any act done or proposed to be done upon the Project, or any condition created thereon, by any governmental entity acting in the scope of their authority as such agents or employees.
- (c) Any act done or proposed to be done upon the Project, or any condition created thereon, by any utility company (including, but not limited to, companies furnishing electric, gas, water, telephone, cable television, and/or sewer service to all or part of the property), or the agents or employees of any such company, which act could be done by such company were this Declaration not made.
- (d) Any act done or proposed to be done upon the Project, or any condition created thereon, by Declarant, or its successors, assigns, agents, employees or contractors, in the course of planning for, preparing the property for and/or constructing upon the property streets, utilities, buildings and all other original improvements.
- (e) Any act done or proposed to be done upon the Project, or any condition created thereon, which act or condition has been approved in advance by the Board.
- (f) Any act done or proposed to be done upon the Project, or any condition created thereon, by any person pursuant to court order, or the order of any public officer or public agency; provided, however, that only those which are the result of action initiated by public officers or agencies and which embody mandatory requirements with penalties for non-performance, and are not those orders which result from the application of private parties or are merely permissive.

ARTICLE VII INSURANCE

Section I, Purchase of Insurance.

The Association shall obtain fire and extended coverage insurance and vandalism and malicious mischief insurance insuring all of the improvements located in or upon the Common Area or otherwise under the control of the Association, together with such other insurance as the Association deems necessary in and for the interest of the Association, all Lessees and their Mortgagees, as their interests may appear, in an amount which shall be equal to the maximum insurable replacement value as determined annually; and the premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Lot Lessees as part of the Annual Assessment. The named insured shall be the Association, individually and as Agent for the Lessees without naming them, and as Agent for their lien holders,

Section 2, Coverage.

(a) Casualty. All buildings and improvements located in or upon the Common Area or otherwise under the control of the Association shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, and all personal property located in or upon the Common Area or otherwise under the control of the Association shall be insured for its value, all as determined annually by the Board. Such coverage shall afford protection against:

- (1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and
- (2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings located in or upon the Common Area or otherwise under the control of the Association, including but not limited to vandalism and malicious mischief,

(b) General Comprehensive Public Liability. Insurance against claims for personal or bodily injury, death, or property damage with limits as shall be required by the Board insuring against liability for bodily injury, death and property damage arising from the activities of the Association or with respect to property under its jurisdiction. Said liability insurance shall name as separately protected insureds, Declarant, the Association, the Board, and their representatives, Members and employees and the Association Members (as a class), with respect to any liability arising out of the maintenance or use of the Common Area, or other property under the jurisdiction of the Association.

(c) Insurance on Lots Committed to Vacation Leases. The Board shall obtain casualty and liability insurance, as needed, on all Lots Committed to Vacation Leases. The named insured shall be the Association, individually and as Agent for the Lessees without naming them, and as Agent for their lien holders. Casualty insurance shall be in an amount equal to the maximum insurable replacement value of the dwelling and other improvements on the Lot and the personal property therein without deduction for depreciation as determined annually by the Board. The premiums shall be a part of the Maintenance Fee Assessment. All losses thereunder shall be payable to the Insurance Trustee hereinafter designated. All such proceeds shall be used for the purpose of repair or replacement of any loss, or in the event such loss is not to be repaired or replaced, as determined elsewhere, to be divided among all Lessees of Unit Weeks in such Lot in accordance with their percentage interest in remainder, as described in Exhibit No.3. Any deficit or overage in such proceeds, after repair or replacement, shall be divided among all such Owners of Unit Weeks in that Lot in accordance with their percentage interest in remainder.

- (d) Workmen's Compensation policy to meet the requirements of law.
- (e) Such Other Insurance including indemnity and other bonds as the Board shall deem necessary or expedient to carry out the Association functions.
- (f) Miscellaneous. Every policy of insurance obtained by the Association shall expressly waive any and all rights of subrogation against Declarant, its representatives and employees, and all Association Members.

Section 3, Premiums.

Premiums upon insurance policies, other than on Lots Committed to Vacation Leases, shall be paid by the Association and collected from the Lessees as part of the Annual Assessment.

Section 4, Insurance Trustee; Shares of Proceeds.

All insurance policies purchased by the Association shall be for the benefit of the Association and the Lessees and their lien holders as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Insurance Trustee, which shall be designated by the Board and which shall be any bank or trust company with trust powers. The Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Lessees and their lien holders in the following shares, but which shares need not be set forth on the records of the Insurance Trustee:

- (a) Common Area. Proceeds on account of damage to the Common Area. An undivided share for each Lessee, such share to be determined by applying a fraction, the numerator of which is the total number of votes in the Association assigned to a specific Lessee, the denominator of which is the total number of votes in the Association to the total amount of proceeds.

(b) Lots Committed to Vacation Leases. Proceeds on account, of damage to improvements on Lots Committed to Vacation Leases. An undivided share for each Lessee of Unit Weeks in such Lots to be equal to their percentage interest in remainder as described in Exhibit No.3.

(c) Liens. In the event a lien endorsement has been issued as to a Lot or Unit Week, the share of the Lessee shall be held in trust for the lien holder and the Lessee as their interests may appear; provided however, that no lien holder shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, and no lien holder shall have any right to apply or have applied to the reduction of a lien debt any insurance proceeds except distributions thereof made to the Licensee and lien holder pursuant to the provisions of this Declaration.

Section 5, Distribution of Proceeds.

Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial Lessees in the following manners:

(a) Expense of the Trust. All expenses of the Insurance Trustee shall be first paid or provision made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial Lessees. Remittance to Lessees and their lien holders being payable jointly to them. This is a covenant for the benefit of the lien holders of the Lot or Unit Week that may be enforced by such Lien holders.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Lessees, remittances to Lessees and their lien holders being payable jointly to them. This is a covenant for the benefit of any lien holder of a Lot or Unit Week and may be enforced by such lien holders.

(d) Certificate. In making distribution to Lessees and their lien holders, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the names of the Lessees, and their respective shares of the distribution.

Section 6, Association as Agent.

The Association is hereby irrevocably appointed agent for each Lessee and for each lessee of a lien upon a Lot or Unit Week to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 7, Notice of Insurance Coverage.

In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Lessees, the Association will give Notice of the exposure within a reasonable time to all Lessees who may be exposed to the liability and they shall have the right to intervene and defend.

Section 8, Inspection of Insurance Policy.

A copy of each insurance policy obtained by the Association shall be made available for inspection by Lessees at reasonable times.

Section 9, Determination to Reconstruct or Repair.

If any improvement shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Area. If all or any portion of the Common Area is damaged or destroyed by fire or other casualty and the cost of repairing or rebuilding the portion of the Common Area so damaged or destroyed does not exceed the amount of insurance proceeds available to the Association, the Board shall be authorized and required without the consent, or approval of the Members, to contract to repair or rebuild the damaged portions of the Common Area substantially in accordance with the original plans and specifications therefor. If said cost exceeds the amount of insurance proceeds available, neither the Board, the Association, or any agent or any agent or employee thereof, shall be required or permitted to take any action to repair or rebuild the damaged portions, or to cause the damaged portions to be repaired or rebuilt without the written consent of at least fifty-one (51 %) percent of votes allowed to the Members of each class as to the manner of repair or reconstruction and the payment therefor. Notwithstanding the provisions of Sections 6 and 7 of Article V, this paragraph shall govern the vote required for payment for repairs and reconstruction under this paragraph. The Members may, by said vote, establish an assessment ("Casualty Assessment"), which shall be enforceable by the Association in the manner set forth in Article V hereof.

(b) Improvements on Lots Committed to Vacation Leases.

(1) Lesser Damage. If the damaged improvement is less than fifty (50%) percent destroyed as certified in writing by an engineer or architect qualified to practice in Florida, the damaged improvement shall be reconstructed or repaired.

(2) Major Damage. If the damaged improvement is more than fifty (50%) percent destroyed as certified in writing by an engineer or architect qualified to practice in Florida, then the damaged improvement will be reconstructed or repaired, unless within sixty (60) days of the casualty; the Lessees of seventy-five (75%) percent of the Unit Weeks in that Lot agree in writing not to reconstruct or repair the damaged improvement.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary to determine whether or not the damaged property is to be reconstructed or repaired.

Section 10, Plans and Specifications.

Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original improvement, or if not, then according to plans and specifications approved by the Board and if the damaged property is a dwelling on a Lot Committed to Vacation Leases by the Lessees of not less than 75% of the Unit Weeks in that Lot, which approval shall not be unreasonably withheld.

Section 11, Estimates of Costs.

Immediately after a determination is made to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

Section 12, Assessments.

If the proceeds of any insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs of reconstruction and repair are insufficient, assessments shall be made against all Lessees in the case of damage to the Common Area in proportion to their percentage of the total votes in the Association, in such amount to provide sufficient funds for the payment of such costs. Such assessments against Lessees for damage to improvements on a Lot Committed to Vacation Leases shall be shared by each Lessee in such Lot in proportion to his percentage share in remainder as described in Exhibit No.3.

Section 13, Construction Funds.

The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Insurance Trustee and funds collected by the Association from assessments against Lessees, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases, the Association shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconstruction and repair,

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty, and the sums deposited with the Insurance Trustee by the Association from collections of assessment against Lessees on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner and order:

(1) Association - Lesser Damage - If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association; provided, however, that upon request to the Trustee by a lien holder which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund. Such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(2) Association - Major Damage - If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board and upon approval of an architect or engineer employed by the Association to supervise the work.

(3) Surplus - It shall be presumed that the first monies disbursed in payment of costs and reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial Lessees of the fund in the manner elsewhere stated; except, however, that the part of a distribution to a beneficial Lessee which is not in excess of assessments paid by such Lessee into the construction fund shall not be made payable to any lien holder.

(4) Certificate - Notwithstanding the provisions herein, the Insurance Trustee shall not be required to determine whether or not sums paid by Lessees upon assessments shall be deposited by the Association or with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an engineer, architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by Lessee. Instead, the Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable, and stating the name of the payee and the amount to be paid. provided, that when a lien holder is herein required to be named as payee, the Insurance Trustee shall also name the lien holders as a payee of any distribution of insurance proceeds to a Lessee, and further provided that when the Association or a lien holder who is the beneficiary of an insurance policy, the Proceeds of which are included in the construction fund so requires, the approval of an architect or engineer named by the Association shall be first obtained by the Association upon disbursements in payment of costs of reconstruction and repair.

ARTICLE IX

MANAGEMENT AGREEMENT

Section I, Management Agreement.

Pursuant to Article IV, Section 6, the Association has entered into a Management Agreement, a copy of which is annexed hereto as Exhibit No.4 and made a part hereof.

Section 2, Ratification.

The Association has delegated to the Manager the power of the Association through its Board of Directors, to make assessments and collect same. Each Lessee, his heirs, successors and assigns, shall be bound by said Management Agreement for the purposes therein expressed, including but not limited to:

- (1) Adopting, ratifying, confirming and consenting to the execution of said Management Agreement by the Association.
- (2) Covenanting and promising to perform each and every of the covenants, promises and undertakings to be performed by Lessees in the cases provided therefor in said Management Agreement.
- (3) Ratifying, confirming and approving each and every provision of said Management Agreement, and acknowledging that all of the terms and provisions thereof are reasonable.
- (4) Agreeing that the persons acting as Directors and Officers of the Association entering into such an Agreement have not breached any of their duties or obligations to the Association.
- (5) It is specifically recognized that some or all of the persons comprising the original Board are or may be stockholders, Officers and Directors of the Management Firm, and that such circumstances shall not and cannot be construed or considered as a breach of their duties and obligations to the Association, nor as possible grounds to invalidate such Management Agreement, in whole or in part.
- (6) The acts of the Board and Officers of the Association in entering into the Management Agreement be the same are hereby ratified, approved, confirmed and adopted.

ARTICLE X

EASEMENTS

Section 1, Use of the Common Area and Private Streets.

Each Lot within the Project subject to this Declaration is hereby declared to have non-exclusive easement for enjoyment over all of the Common Area, a non-exclusive easement for ingress and egress over and through the Common Areas and a non-exclusive easement for ingress and egress over and through the Private Streets, if any. Said easements are appurtenant to and shall pass with the title to every Lot or Unit Week. Said easements are for the benefit of the Lots, the Lessees of the Lots, or, Unit Weeks in Lots Committed to Vacation Leases, and each of them, their respective families, guests, invitees, tenants, contract vendees, such other classes of persons as to Whom the Board may, from time to time and subject to published rules and regulations, extend the privilege of use and enjoyment of the Common Areas and ingress and egress over the Private Streets, if any, for all of the purposes and uses herein above set forth. The right of Declarant and each Lessee, and of such Lessee's tenants and contract vendees, to use and possess the Common Areas set forth herein, shall be subject to and governed by the provisions of this Declaration, the Articles and the By-Laws, and such other rules and regulations as may hereafter be adopted by the Board from time to time. The Association shall have the authority to lease or to grant licenses or concessions with respect to all or any part of the Common Area and Private Streets, if any, subject only to the provisions of this Declaration, the Articles and By-Laws; provided, however, that any charges levied against the general public for any particular facilities shall not be less than charges levied against Lessee for the same use of the same facilities.

Section 2, Easement for Access.

Each Lot shall be subject to an easement in favor of the Association, each Lessee of a Lot or Unit Week, his family and guests for access to any Public or Private Street.

Section 3, To the Association.

There is hereby reserved to Declarant, and the Association, their agents and employees, such easements as are necessary to perform the duties and obligations of the Association as are set forth in this declaration, or in the By-Laws, the Articles, or Association Rules, including, but not limited to, the right of access at all reasonable hours to any part of the property or Project, and to any structures built thereon, for the purpose of inspection relative to compliance with this Declaration.

Section 4, Covenants Running with the Land.

Each of the easements provided for in this Declaration shall be deemed to be established upon the recordation of this Declaration and shall hence forth be deemed to be covenants, running with the land for the use and benefit of the Lots and the Common Area, as the case may be, superior to all other' encumbrances applied against or in favor of any portion of the Project which are the subject of this Declaration.

Section 5, Utility Easements.

The rights and duties of the Lessees within the Project with respect to sanitary sewers and water, electricity, gas, and telephone shall be governed by the following:

- (a) Whenever sanitary sewer house connections and/or electricity, gas, water or telephone lines are installed within the Project, which connections or any portion thereof lie in or upon Lots owned by others than the Lessee of the Lot served by said connections, the Lessee of any Lot served by said connections shall have the right, and are hereby granted an easement to the full extent necessary therefore, to enter upon Lots or to have the utility companies enter upon the Lots within the Project in or upon which said connections or any portion thereof lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.
- (b) Whenever sanitary sewer house connections and/or water house connections or electricity, gas or telephone lines are installed within the Project, which connections serve more than one Lot, the Lessee of each Lot served by said connections shall be entitled to full use and enjoyment of such portions of said connections as service his Lot.
- (c) In the event of a dispute between Lessees with respect to the or rebuilding of said connections, or with respect to the sharing of the cost thereof, then upon written request of one of such Lessees addressed to the Association, the Matter shall be submitted to the Board who shall decide the dispute and make a Special Assessment against any or all of the Lessees involved which shall constitute a Special Assessment within the meaning of Article V of this Declaration, but shall not require the consent or approval of the Members of the Association, or any percentage of them.

Section 6, Easements Reserved by Declarant.

Declarant accepts and reserves for itself, its successors and assigns, and declares that upon the conveyance by it of any Lot or Unit Week there is reserved and accepted the following easements:

- (a) All easements, if any, which are delineated on the recorded Deed for the purposes described for each such easement on said plat.
- (b) An easement over and upon an area ten feet wide inside the front, rear, and side property lines of each Lot, for the purpose of installing and maintaining utilities not delineated on the final subdivision plat of same.

Within these easements no structure, planting or other material shall be placed or permitted to remain which damages or interferes, or which may have the ability at any time to damage or interfere, with the use of the easements for the purposes described except as approved in writing by the Board.

ARTICLE XI ACCEPTANCE BY GRANTEEES

Each grantee, by the acceptance of a deed of conveyance, and each purchaser under any contract for such deed, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and potential liens, charges, and to the jurisdiction, rights and power created or reserved by this Declaration, and all rights, benefits and privileges of every character hereby granted, created, reserved or declared, or implied in those rights, benefits and privileges hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to the covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such Lessee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every such deed and contract.

ARTICLE XII ENFORCEMENT

In the event of any default by any Lessee under the provisions of this Declaration, the Articles, the By-Laws, or the Rules and Regulations of the Association, and upon any failure of an Owner to comply with any requirements or restriction set forth in this Declaration, the Association and its successors and assigns, and the Board and its agents, or any of them, shall have all the rights and remedies which may be provided for in the Declaration, the Articles, the By-Laws, said Rules and Regulations, or which may be available at law or in equity, and may prosecute any action or other proceeding against such defaulting Owner and/or other persons for enforcement of any lien and the appointment of a receiver for the Lot or Unit Week and ownership interest of such Lessee, or for damages or injunction or specific performance, or for judgment of payment of money and collection thereof, or the right to take possession of the Lot or Unit Week and to sell the same as herein above provided, or for any combination of remedies, or for any other relief. All expenses of the Association in connection with such actions or proceedings, including court costs and attorneys' fees, and all damages, liquidated or otherwise, together with interest thereon at the maximum legal rate until paid, shall be charged to and assessed against such defaulting or non-complying Lessees, and shall be added to and deemed part of his or its respective share of the common expenses, for which the Association shall have a lien as provided in Article V hereof. Said lien shall be upon the Lot or Unit Week, the interest of the Lot Lessee, or Unit Week Lessee in the Association and the Board, and the agents of each, shall have the authority to correct such default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Lessee. Any and all such remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or by the Board.

Should any member institute suit against the Association and the Association be successful in its position in such suit, then such Member shall be requested to reimburse the Association for its legal expenses incurred, including, but not limited to attorney's fees, fees of experts, court costs and other expenses reasonably incurred by the Association, and the amount to which the Association is entitled to be so reimbursed shall be an obligation of the lessee and lien against his Lot or Units Week(s) as provided in and enforced by the provisions of Article V hereof.

ARTICLE XIII GENERAL PROVISIONS

Section 1, Corporate Reorganizations.

Upon a merger or consolidation of the Association with any other corporation or association, the properties of the Association, its rights and obligations may, by operation of law, be transferred to another surviving or consolidated corporation or association, or alternatively the properties, rights and obligations of another corporation or association, may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated corporation or association may administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions established upon any other properties, as one scheme.

Section 2, Amendments.

This Declaration may be amended at any time by the affirmative vote of a majority of the lessees who are voting, in person or by proxy, at a meeting of the unit lessees at which a quorum has been obtained (e.g., once a quorum of this unit lessees attending in person has been obtained at a meeting of the unit lessees/members of the Association, a majority of those unit lessees/members attending the meeting, in person or by proxy may amend this Declaration). Alternatively, this Declaration may be amended by an instrument signed by not less than a majority of the lessees. Any amendment must be recorded prior to becoming effective.

Notwithstanding the provisions of the foregoing paragraph, if by law, any different consent or agreement is required for any action, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be effective if taken and made as required by law.

No provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of any law.

Section 3, Duration of Covenants, Conditions and Restrictions.

The covenants, conditions and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Declarant, the Association, or the Lessee of any Lot or legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument executed by Lessees holding not less than fifty one (51%) percent vote of the Membership in the Association has been recorded, agreeing to change said covenants, conditions and restrictions in whole or in part. Provided, however, that no such agreement to change shall be effective unless written notice of the proposed agreement is sent to every Lessee at least ninety (90) days in advance of any action taken.

Section 4, Notices.

Notices provided for in this Declaration shall be in writing or electronic communication and shall be addressed to the person intended to receive the same, at the following address:

Beach Island Resort Lessees Association, Inc. 1125 S,
Atlantic Ave.
Cocoa Beach, FL

DECLARANT:

Castle Development Co. Inc. 1125 S.
Atlantic Ave.
Cocoa Beach, FL

LESSEES:

At the address of the Lot or in the case of Lots
Committed to Vacation Leases at the address of the
Lessee of the Unit Weeks on file with the Association,
or such other address as may be designated herein.

The Declarant and the Association may designate a different address or addresses for notices to it giving written notice of such change of address to all Members of the Association, Any Lessee may designate a different address or addresses for notice to him by giving written notice of his change of address to the Association. Notice addressed as above provided shall be deemed delivered when mailed by United States mail, return receipt requested, or when delivered in person with written acknowledgment of the receipt thereof. Any notice to Members of a meeting of the Association shall be given in accordance with the By-Laws and at least fifteen (15) but not more than sixty (60) days before the meeting.

Upon written request, the holder of any recorded lien or deed of trust encumbering any Lot or Unit Week shall be given a copy of all notices permitted or required by this Declaration to be given to the Lessee or Lessees whose property is subject to such lien or deed of trust.

Section 5, Severability.

If any provision of this Declaration, the Articles, or the By-Laws, or any section, sentence, clause, phrase or word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Declaration, Articles and By-Laws, and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

Section 6, Successors of Declarant.

Each and every right and obligation of Declarant under this Declaration shall inure to the benefit of and be binding upon the successors of Declarant as Lessor of the Project.

Section 7, Inapplicability to Property of Public Entity.

The provisions hereof shall be inapplicable to any property now owned or hereafter acquired by the State of Florida or a political subdivision thereof.

Section 8, Violation and Nuisance.

Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association or any Lessee or Lessees of Lots or Unit Weeks.

Section 9. Violation of Law.

Any violation of any state, municipal or local law, ordinance or regulation, pertaining to the Lessee's occupation or use of any of the Lots or Common Area is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 10, Notification of Sale.

Concurrently with the consummation of the sale of any Lot or Unit Week under circumstances whereby the transferee becomes a Lessee thereof or within five (5) business days thereafter, the transferee shall notify the Association in writing of such sale. Such notification shall set forth (i) the name of the transferee and his transferor, (ii) the street address of the Lot purchased by the transferee, and, if applicable, the Unit Week Number, (iii) the transferee's mailing address, and (iv) the date of sale. Prior to receipt of such notification any and all communications required or permitted to be given by the Association or the Board shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.

Section 11, Gender.

Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Project.

Section 12, Captions.

The captions used in this Declaration and Exhibits annexed hereto are inserted solely as a matter of convenience and shall not have relied upon and/or used in construing the effect or meaning of any of the text of this Declaration or Exhibits hereto annexed.

Section 13, Termination.

The timeshare condominium regime may be caused to be terminated by a plan of termination adopted at any time by the affirmative vote of two-thirds (2/3) of the Lessees. Alternatively, this timeshare condominium regime may be caused to be terminated by a plan of termination adopted by an instrument signed by not less than two-thirds (2/3) of the Lessees. The Association shall otherwise comply with the provisions of the Florida Statute 718.117, or as otherwise required by Florida Law, in said termination.

WHEREFORE, this Declaration of Covenants, Conditions, and Restrictions is made by Declarant on MARCH 3, 1981.

Signed, sealed and delivered by

CASTLE DEVELOPMENT CO.,
INC. by

Robert G. Jaros
DECLARANT

President
Received
MAR6198

1

DEPT. OF LEGAL
AFFAIRS CONSUMER
PROTECTION

ARTICLES OF INCORPORATION OF BEACH ISLAND RESORT LESSEES ASSOCIATION INC.

We, the undersigned subscribers desiring: to form a corporation not-for-profit-under Chapter 617, Florida Statutes, as amended, hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the Corporation shall be BEACH ISLAND RESORT LESSEES ASSOCIATION, INC., hereinafter referred to as "Association".

ARTICLE II

Terms used herein shall have the meanings ascribed to them in the Articles referred to below, unless the context indicates otherwise.

ARTICLE III

The purposes for which the Association is formed are:

A. The specific and primary purposes are to supervise and manage the operation of the services furnished to the owners of 99 year leases of interval time units within the project known as BEACH ISLAND RESORT, located at 1125 S. Atlantic Avenue, Cocoa Beach, Florida, for the benefit of all owners.

B. The general purposes and powers are:

1. To promote the common good, health, safety and general welfare of all of the owners of 99 year leases of interval time units and occupants within BEACH ISLAND RESORT.
2. To exercise all of the powers and privileges and to perform ail of the duties and obligations of the Association as described herein, amended from time to time, and recorded or to be recorded in the public records of Titusville, Florida.
3. To enforce applicable provisions of these Articles and By-Laws of this corporation, and Rules and Regulations of the Association to fix, levy and collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms hereof and any By-Laws or Rules and Regulations as may from time to time be adopted and approved by the Association to contract for and to pay all expenses in connection with the maintenance, materials, supplies and services relating to the units as hereinafter described; to employ personnel reasonably necessary for administration and operation of the interval time units' property; including lawyers and accountants where appropriate to pay all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes and special assessments which are or would become a lien on any portion of the interval time unit properties; and to enforce by whatever means necessary, such conditions and restrictions as may from time to time be imposed against the property located within BEACH ISLAND RESORT, Cocoa Beach, Florida.

To have and to exercise any and all powers, rights, and privileges, including delegation of powers as permitted by law which a corporation organized under Chapter 617, Florida Statues may now or hereafter have or exercise.

The foregoing statement of purposes shall be construed as statement both of purposes and powers in each clause and shall not be limited or restricted by reference or inference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements of purposes and powers, the Association shall not, to a substantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE IV

Any person or entity, who is a recorded owner of a 99-year lease of an interval time unit with BEACH ISLAND RESORT, Cocoa Beach, Florida, including contract sellers but excluding persons or entities holding title merely as security for performance of an obligation, shall be a member of the Association.

Membership shall be appurtenant to and may not be separated from ownership of a unit with said project, which is subject to Acceptance by the Association. The Association shall have two classes of membership, Class "A" and Class "B" as follows:

- A. Class "A" shall be all Lessees within the Resort who acquire their interest from Castle Development Co. Inc., or their successor developers, or successive lessees. Class "A" members shall be entitled to one vote for each interval time unit in which they hold interest required for membership as hereinafter defined. When more than one person holds such interest in any interval time unit, the vote for such interval time unit shall be exercised as those lessees themselves determine and advise the secretary prior to any meeting. In the absence of such advice, the interval time unit vote shall be suspended in the event more than one person seeks to exercise it.
- B. Class "B" shall be the developers, Castle Development Co. Inc., or any successor or developer who takes title for the purpose of development and sale. The Class "B" members shall be originally entitled to one vote for each interval time unit owned, provided that the Class "B" member shall maintain a minimum of 51 % of the total votes in the Association until all of the 1,020 (total) 99-year leases of interval time units are conveyed by the Class "B" member or his successor assigns, at which time the Class "B" member shall have one vote for each 99-year lease of an interval time unit owned thereafter.

ARTICLE V

The Association shall have perpetual existence.

ARTICLE VI

No person, firm, or corporation shall ever receive any dividends or profit from the undertaking of this corporation and upon dissolution of this corporation, all of his assets remaining after payment of costs and expenses of such dissolution shall be distributed to organizations which have qualified for exemption under Section 501 (c) (3) of the Internal Revenue Code or to the Federal Government or to a State or Local government for a public purpose and none of the assets will be distributed to any member, officer, or trustee of this corporation.

ARTICLE VII

The affairs of the Association shall be managed by the Board of Directors as provided in the By-Laws, but no less than three. The name and address of the member of the first Board of Directors of the Association, who shall hold office until the election thereafter is as follows:

ROBERT G. JAROS 1125 S. Atlantic Avenue
Cocoa Beach, Florida

Except for the first Board of Directors, and unless otherwise provided in the By-Laws, Directors shall be elected by the members of the Association at the annual meeting of the membership as provided by the By-Laws of the Association, and the By-Laws may provide for the method of voting in the election and for the removal from office of Directors. Only members of the Association, or authorized representatives, officers or employees of corporate members may be Directors.

Members elected to the Board of Directors shall hold office until the next succeeding annual meeting of members, or as is otherwise set forth in the By-Laws and thereafter until qualified successors are duly elected and have taken office.

If a Director elected by the general membership shall for any reason cease to be a Director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term.

ARTICLE VIII

The Association shall have a President, Vice-President, Secretary, and Treasurer, and such other officers as the Board of Directors may from time to time elect. One person may hold all offices.

The officers of the Association in accordance with applicable provisions of the By-Laws shall be elected by the Board of Directors for terms of one year, and until qualified successors are duly elected and have taken office. The name and address of the first officer of the Association, who shall hold office until such successors are duly elected and have taken office, shall be as follows:

ROBERT G.
JAROS

1125 S. Atlantic
Avenue Cocoa
Beach, Florida

President
and
Secretary-
Treasurer

ARTICLE IX

The By-Laws of the Association may be made, altered or rescinded at any annual meeting of the Association, or at any special meeting duly called for such purpose, upon the vote of the members provided in the By-Laws, except that the initial By-Laws of the Association shall be made and adopted by the first Board of Directors.

ARTICLE X

Amendments to these Articles of Incorporation may be proposed by a member of the Association. These Articles may be amended at any annual meeting of the Association or at any special meeting duly called and held for such purpose, on the affirmative vote of 51% of the Class "A" members existing at the time of such amendment, except that the Developer shall have the right to veto amendments while the Class "B" membership exists.

ARTICLE XI

The name and address of the subscriber to these Articles of Incorporation are:

ROBERT G.
JAROS

1125 S. Atlantic
Avenue Cocoa
Beach, Florida

ARTICLE XII

The initial registered office of this corporation shall be at 1125 S. Atlantic Avenue, Cocoa Beach, Florida, with the privilege of having its office and no branch offices at any places within or without the State of Florida. This initial registered agent at that address shall be Robert G. Jaros.

ARTICLE XIII

It is the intent and purpose of these Articles of Incorporation to provide for the maintenance, upkeep and ownership of a 99 year lease of an interval time unit with BEACH ISLAND RESORT including, but not limited to the streets, open areas, recreational facilities, maid service, and rental, and to further provide the obligations imposed upon said Association by any and all Declarations, Restrictions, and Conditions, duly recorded in the Public Records of Titusville, Florida, pertaining to BEACH ISLAND RESORT. The powers and duties of this corporation shall be limited to said purposes at all times.

**BY-LAWS OF
BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.**

(Adopted November 16, 1991)

**ARTICLE I
PLAN OF APARTMENT LEASING**

SECTION ONE. LOCATION. The property is located at Cocoa Beach, Florida, and is known as Beach Island Resort.

SECTION TWO. APPLICABILITY TO PROPERTY. The provisions of these By-Laws are applicable to the Association and its members who own 99-year leases of time-share units recorded in the Public Records of Brevard County, Florida, as residential apartments, which term includes the land, the buildings, and all other improvements thereon, all easements, rights, and appurtenances belonging thereto, and all other property, real or mixed, intended for use in connection therewith.

SECTION THREE. APPLICABILITY TO PERSONS. All present and future lessees of 99-year leases of time-share units, their employees, and any other persons who use the facilities in any manner shall be subject to these By-Laws, the Declaration, and rules and regulations pertaining to the use and operation of the property established by the Beach Island Resort Lessees Association, Inc.

SECTION FOUR. OFFICE. The office of the Association shall be located at 1125 South Atlantic Avenue, Cocoa Beach, Florida.

**ARTICLE II
FORM OF ADMINISTRATION**

SECTION ONE. GOVERNING BOARD. The affairs of the Association shall be administered and managed through its Board of Directors, to be known as the Governing Board, consisting of five (5) members. Each director will serve for two (2) year terms, of whom three (3) directors' terms will expire in odd numbered years and two (2) directors' terms will expire in even numbered years, except that the term of two (2) of the five (5) directors elected in 1991 will expire in 1992 to establish the cycle.

SECTION TWO. COMPOSITION OF GOVERNING BOARD. Members of the Governing Board shall be elected by the unit lessees as follows:

- (a) At the annual meeting of units lessees in good standing as provided by these By-Laws.

Persons elected to the Governing Board shall be lessees, co-lessees, spouses of lessees, or, in the case of corporate lessees, officers, directors, shareholders, or employees of such corporations.

SECTION THREE. POWERS AND DUTIES. The Governing Board shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are by law, the Declaration and amendments thereto, the Articles of Incorporation, or by these By-Laws directed to be executed and done by the unit lessees. The powers and duties to be exercised by the Governing Board shall include, but shall not be limited to, the following:

- (a) Maintenance, repair, replacement, cleaning, and sanitation of the common areas;
- (b) Adoption of annual budgets, establishment of annual assessments, and special assessments when necessary, and the collection of any other funds for common expenses, and payment of such expenses;

- (c) Adoption, distribution, amendment, and enforcement of rules governing the use and operation of the Association and the use of the common area;
- (d) Procurement and maintenance of insurance as hereinafter provided;
- (e) Maintenance of accounting records, and procuring an annual audited statement of financial operations and distribution of same to the lessees;
- (f) Authorization and prosecution, in the name of the Association, of an and all actions and proceedings deemed necessary or appropriate in furtherance of the interests of unit lessees generally, including suits to foreclose liens for nonpayment of assessments or to recover money judgments for unpaid assessments;
- (g) Entry into any and all contracts deemed necessary or appropriate in furtherance of the interests of unit lessees generally;
- (h) Employment and dismissal of personnel, including professionals, deemed necessary or appropriate for the maintenance and operation of the property, the common areas, and the restricted common areas;
- (i) Establishment of bank accounts in the name of the Association and authorization of signatories therefore;
- (j) Acquiring, in the name of the Association, Unit Weeks offered for sale, or surrender by their lessees in lieu of foreclosure;
- (k) Acquiring units as foreclosure or other judicial sale in the name of the Association: (l) Leasing, mortgaging, or otherwise dealing with units acquired by the Association;
- (l) Designing parking places; and
- (m) Contracting for repairs of and additions and improvements to the property and for repairs to the restoration of the property in accordance with the provisions of these By-Laws caused by use and deterioration, or after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

SECTION FOUR. ORGANIZATIONAL MEETING. The first meeting of each Governing Board shall be held within thirty (30) days after the election of such board, at such place as may be fixed by the board. No notice shall be necessary to the newly elected Governing Board to legally constitute such meeting, providing that a majority of the board shall be present.

SECTION FIVE. REGULAR MEETINGS. Regular meetings of the Governing Board may be held at such times and places as shall from time to time be determined by the board; provided, however, that at least one (1) such regular meeting shall be held during each calendar year. Notice of each regular meeting of the Governing Board shall be held during each calendar year. Notice of each regular meeting of the Governing Board shall be given to each board member personally, by telephone, Email, or by mail, at least three (3) days prior to the date set for such meeting.

SECTION SIX. SPECIAL MEETINGS. Special meetings of the Governing Board may be called by the president, and shall be called by the president or secretary on the written request of at least two (2) board members, on three (3) day's written notice to each board member, given personally, by telephone, email, or by mail. Any such notice shall state the time, place, and purpose of the meeting.

SECTION SEVEN. MEETINGS OPEN TO UNIT LESSEES. All meetings of the Governing Board shall be open to all unit lessees. Notice of each meeting shall be posted at the office of the Association at least forty-eight (48) hours before the meeting, except in the case of emergency meetings.

SECTION EIGHT. WAIVER OF NOTICE. Any board member may at any time waive notice of any meeting of the board in writing, and any such written waiver shall be deemed equivalent to the giving of the notice required herein. Attendance of any board meeting by a member shall constitute a waiver by him of notice of the time and place thereof. If all board members are present at any meeting of the board, no notice shall be required, and any business may be transacted at any such meeting.

SECTION NINE. QUORUM OF GOVERNING BOARD. At all meetings of the Governing Board, a majority of the board shall constitute a quorum for the transaction of business, and the acts of a majority of members present at a meeting at which a quorum is present shall constitute the acts of the board. If at any meeting of the Governing Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

SECTION TEN. MINUTES. Minutes shall be taken at all meetings of the Governing Board. Copies of the minutes shall be available for inspection at the office of the Association by unit lessees and board members at all reasonable times.

SECTION ELEVEN. COMPENSATION. No member of the Governing Board shall receive compensation for acting as such (but by resolution of the board, a fixed fee and expenses of attendance may be allowed for attendance at each regular and special meeting). Nothing herein contained shall be construed to preclude any board member from serving the Association or the board in any other capacity and receiving compensation therefor.

SECTION TWELVE. LIABILITY OF GOVERNING BOARD. Members of the Governing Board shall not be liable to unit lessees for mistakes in judgment, for negligence, or otherwise, except for their own willful misconduct or bad faith. Nor shall members of the board be personally liable with respect to any contract made by them on behalf of the Association, and unit lessees shall indemnify the board and each member thereof against all contractual liability to third parties arising out of contracts made by the board on behalf of the Association. However, such indemnification shall not extend to any contract made in bad faith or contrary to the provisions of the declaration of these By-Laws.

ARTICLE III OFFICERS

SECTION ONE. DESIGNATION. The principal officers of the Association shall be a president, a vice-president, a secretary, and a treasurer, all of whom shall be elected by and from the Governing Board. The Governing Board may also appoint one (1) or more assistant vice-presidents, and assistant treasurer, and assistant secretary, and such other officers as in its judgment may be necessary.

SECTION TWO. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Governing Board at its organizational meeting, and shall hold office at the pleasure of the board.

SECTION THREE. REMOVAL OF OFFICERS. On the affirmative vote of a majority of the members of the Governing Board, any officer may be removed, with or without cause, and his successor may be elected at any regular board meeting or at any special meeting of the board called for that purpose.

SECTION FOUR. PRESIDENT. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Governing Board and of unit lessees. He shall have all general powers and duties that are incident to the office of president of a Florida corporation not-for-profit, including, without limitation, the power to appoint committees from among the lessees from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association.

SECTION FIVE. VICE-PRESIDENT. The vice-president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice-president is able to act, the Governing Board shall appoint some other member of the board to do so on an interim basis. The vice-president shall also perform such other duties as may from time to time be imposed upon him by the Governing Board.

SECTION SIX. SECRETARY. The secretary shall keep the minutes of all meetings of the Governing Board and of unit lessees; he shall have charge of such books and papers as the Governing Board may determine; and he shall, in general, perform all the duties incident to the office of the secretary of a Florida corporation not for profit.

SECTION SEVEN. TREASURER. The treasurer shall have responsibility for the funds and securities of the Association, for keeping full and accurate accounts showing all receipts and disbursements, and for the preparation of all necessary financial statements. He shall be responsible for the deposit of all monies and other valuable effects in the name of the Association or managing agent, in such depositories as may from time to time be designated by the Governing Board, and shall, in general, perform all duties incident to the office of treasurer of a Florida corporation not-for-profit.

SECTION EIGHT. COMPENSATION. Compensation for all officers shall be fixed by the Governing Board, and the fact that any office is a member of the board shall not preclude him from receiving his salary or from voting on any resolution providing the same.

ARTICLE IV

UNIT LESSEES

SECTION ONE. ANNUAL MEETINGS. Annual meetings of the unit lessees shall be held at such a time and place as shall be determined by the Governing Board, provided, however, that the Governing Board shall give notice to the membership as otherwise required under the Declaration of Covenants, Conditions and Restrictions, these By-Laws and by Florida Statutes. At each such subsequent meeting the unit lessees shall elect a number of members to the Governing Board sufficient to fill all vacancies and to replace or re-elect members whose terms have expired. Unit lessees may also transact such other business of the Association as may properly come before the meeting.

SECTION TWO. SPECIAL MEETINGS. The president may, upon receipt of a petition signed and presented to the secretary by unit lessees leasing a total of at least ten percent (10%) of the units, call a special meeting of unit lessees. The notice of any special meeting shall state the time and place of the meeting, and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent either in person or by proxy of unit lessees leasing at least fifty percent (50%) of the units owned by lessees. Association owned units will not be counted or voted.

SECTION THREE. PLACE OF MEETINGS. Meetings of the unit lessees shall be held at the principal office of the Association at such other suitable place convenient to the lessees as may be designated by the Governing Board.

SECTION FOUR. NOTICE OF MEETINGS. It shall be the duty of the secretary to mail a notice of each annual or specific meeting, stating the purpose, the time and the place thereof, to each unit lessee at least fourteen (14) days prior to such meeting. The mailing of a notice to the last address filed in the Association records in the manner provided in this section shall be considered notice served. However, every such notice will also be posted at the Association's office at least fourteen (14) days prior to the meeting to which it refers.

SECTION FIVE. QUORUM. At all meetings of unit lessees, a majority of unit lessees shall constitute a quorum for transaction of business. As used in these By-Laws, the term "majority of unit lessees" means those lessees holding twenty-five percent (25%) of the units. If a quorum is present at a meeting, the acts of a majority in both common interest and in number of units held of those unit lessees present shall bind all unit lessees for all purposes other than those for which a higher percentage is required by law, by the Declaration, or by these By-Laws. If, at any meeting of unit lessees less than a quorum is present, a majority of those present may adjourn the meeting to a time and date. At any such subsequent meeting, the quorum shall be ten percent (10%) of lessees in common interest and number of units, and any business that might have been transacted at the meeting as originally called may be transacted without further notice. Association owned units will not be counted or voted.

SECTION SIX. ORDER OF BUSINESS. The order of business at all meetings of unit lessees shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Governing Board.
- (f) Reports of committees.
- (g) Election of inspectors of election (when appropriate).
- (h) Election of member of Governing Board (when appropriate).
- (i) Unfinished business.
- (j) New business.

SECTION SEVEN. VOTING. The lessee or lessees of each unit, or some person appointed by such lessee or lessees to act as proxy on his or their behalf, shall be entitled to cast the vote appurtenant to each such unit as all meetings of unit lessees. The appointment of any proxy shall be made in writing filed with the secretary, and shall be revocable at any time by notice in writing to the secretary. One vote per unit.

SECTION EIGHT. MINUTES. Minutes shall be taken at all meetings of unit lessees. Copies of the minutes shall be available for inspection at the office of the Association by unit lessees and members of the Governing Board at all reasonable times.

SECTION NINE. TITLE TO UNITS. Title to units may be acquired and held in the name of an individual, in the name of two or more individuals as joint tenants, tenants in common, or any other joint estate recognized under Florida law, or in the name of a corporation, a partnership, or a fiduciary.

ARTICLE V

OPERATION OF PROPERTY

SECTION ONE. DETERMINATION OF ASSESSMENTS. Each year, the Governing Board shall prepare a proposed budget of common expenses for the Association. This budget shall include projections of common expenses, common revenues including from sources, if any, other than assessments of unit lessees, the amount of common charges required to meet the excess of the former over the latter, and an allocation and assessment of such common charges against unit lessees.

As used in these By-Laws, the term "common expense" or "common charges" shall mean expenses or charges for which unit lessees are proportionately liable to pay an annual assessment and shall include, but shall not be limited to, the following:

- (a) All expenses of administration, maintenance, repair, and replacement.

- (b) Insurance premiums on all policies of insurance obtained by the Governing Board, managing agent, or manager, as the case may be, pursuant to Article VIII of the Covenants.
- (c) Repair and replacement reserve.
- (d) Funds necessary to cover operating shortfall of the previous year.
- (e) Real estate taxes.
- (f) Reserve for acquisition of units, the lessees of which have elected to sell the same, or that may become available at foreclosure or other judicial sale.
- (g) Utility rates for water and gas and related sewer rents.
- (h) Utility rates for electricity.
- (i) All other amounts that the lessees may agree upon or that the Governing Board may deem necessary or appropriate for the operation, administration, and maintenance of the Association.
- (j) All other amounts designated common expenses by the Declaration, by these By-Laws, or by law.

A copy of the proposed budget will be mailed or Emailed to each unit lessee not less than thirty (30) days prior to the meeting at which the budget will be considered by the board, together with a notice of that meeting. A final budget of common expenses will be adopted by the board at such meeting. Each unit lessee will be advised in writing of the amount payable by him during the following year.

The revision of the budget or the recall of any and all members of the Governing Board shall require a vote of not less than a majority of the votes of all lessees. The Governing Board may in any event propose a budget to the Lessees at a meeting of members or by writing, and if such budget or proposed budget be approved by writing, such budget shall not thereafter be reexamined by the Lessees in the manner hereinabove set forth nor shall the Governing Board be recalled under the terms of this section.

SECTION TWO. COMMON SURPLUS. If in any taxable year, the net receipts of the Association from assessments and all other sources except casualty insurance proceeds and other nonrecurring items exceeds the sum of (a) total common expenses for which payment has been made or liability incurred within the taxable year, and (b) reasonable reserves for common expenses and other liabilities in the next succeeding taxable year as may be determined by the Governing Board, such excess shall be retained and applied to lessen the assessments for the next succeeding year, the amount of such reduction for each unit lessee being in proportion to his undivided interest in the common elements.

SECTION THREE. COLLECTION OF ASSESSMENTS. The Governing Board shall, by suitable written notice, assess common charges against unit lessees annually, on the second day of January, each such assessment covering the next succeeding year. If any such installment remains unpaid for more than thirty (30) days from the date due, the Governing Board will take prompt action to collect it.

SECTION FOUR. LIABILITY FOR ASSESSMENTS. The Association shall not be liable for annual or special assessments for time-share Unit Weeks the Association holds and has acquired by surrender, deed in lieu of foreclosure, foreclosure, or purchase. All other unit lessees are obligated to pay the common charges assessed by the Governing Board at the times set forth in these By-Laws. No unit lessee may exempt himself from liability for any assessment for common charges by waiver of the use or enjoyment of any of the common areas or by abandonment of his unit. However, no unit lessee shall be liable for any assessment for common charges against his unit subsequent to a sale, transfer, or other conveyance by him of such unit made in accordance with the provisions of Section Three of Article Seven of these By-Laws. Moreover, any lessee of a unit that is free and clear of all liens and encumbrances other than a first mortgage and the statutory lien for unpaid common charges may, subject to the provisions of these By-Laws, convey such unit to the Association as grantee, and such conveyance shall exempt the lessee from liability for any common charges assessed thereafter. In all other voluntary conveyances of units, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover over against the grantor for any amounts paid by the grantee. However, any such grantee, or any mortgage, shall be entitled, within ten (10) days after making request therefore, to a certificate from the Governing Board, or the managing agent or manager as the case by be, setting forth the amount of unpaid assessments pertaining to such unit, and in such event, any person other than the grantor who relies on such certificate shall be entitled to rely thereon, and shall not be liable for any amounts in excess of the amount stated therein.

SECTION FIVE. DEFAULT IN PAYMENT OF COMMON CHARGES. In the event a unit lessee shall fail for thirty (30) days following due date thereof, to pay to the Governing Board the common charges assessed against his unit, such unit lessee shall be deemed in default, and shall be obligated to pay a late charge of \$50.00 plus interest at the legal rate on such common charges from the due date thereof, together with all expenses, including reasonable attorney's fees, incurred by the Governing Board in any proceeding brought to collect the name, or to foreclose a lien for non-payment thereof.

ARTICLE VI

FINANCES AND ACCOUNTING

SECTION ONE. DEPOSITORIES. The funds of the Association shall be deposited in such banks and depositories as directed by the Governing Board from time to time upon resolutions and shall be withdrawn only upon checks and demands for money signed by officer(s) of the Association as designated by the Governing Board. Obligations of the Association shall be signed by at least two (2) officers of the Association; provided, however, that the provisions of any Management Agreement between the Association and a management firm or person relative to the subject matter in this section shall supersede the provisions hereof.

SECTION TWO. FIDELITY BONDS. The treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association, and any contractor handling or responsible for Association funds shall be bonded in such amount as may be determined by the Governing Board. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies and individual handles or has control by way of signatory power of a bank account or other depository account.

SECTION THREE. FISCAL YEAR. The fiscal year for the Association shall begin on the first day of January of each year, provided, however, the Governing Board is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America at any time as the Governing Board deems it advisable.

SECTION FOUR. APPLICATION OF PAYMENTS AND CO-MINGLING OF FUNDS. All sums collected by the Association from assessments, except for real estate taxes and reserve accounts, may be comingled in a single fund or divided into more than one fund, as determined by the Governing Board of the Association. All assessment payments by a Lessee shall be applied as to interest, delinquencies, costs, and attorney's fees, other charges, expenses, and advances as provided herein and in the Declaration of Covenants, and general or special assessments, in such manner and amounts as the Governing Board determines in its sole discretion.

SECTION FIVE. AUDITS. An audit of the accounts of the Association shall be made annually. Said audit shall be prepared by such accountant as the Governing Board determines, and a copy of said report shall be available to the members of the Association in the office of said Association and with the treasurer of the Association. Such report shall be available not later than three (3) months after the end of the year for which the report is made.

SECTION SIX. APPLICATION OF SURPLUS. Any payments or receipts to the Association whether from Lessees or otherwise, paid during the year in excess of the operating expenses and other common expenses of the Association shall be kept by the Association and applied against the Association's expenses for the following year, or placed in a reserve account, in the discretion of the Governing Board.

ARTICLE VII
COMPLIANCE AND DEFAULT

SECTION ONE. VIOLATIONS. In the event of a violation (other than the nonpayment of an assessment) by the Lessee in any of the provisions of the Declaration of Covenants, or these By-Laws or of the applicable portions of Chapter 721, Florida Statutes, the Association, by direction of its Governing Board, may notify the Lessee by written notice of said breach, transmitted by mail, and if such violation shall continue for a period of seven (7) days from the date of the Notice, the Association, through its Governing Board, shall have the right to treat such violation as an intentional and inexcusable and material breach of the Declaration of Covenants, of the By-Laws, or of the pertinent provisions of Chapter 721, Florida Statutes, and the Association may then, at its option, have the following elections:

- (a) an action of law to recover for its damages, on behalf of the Association or on behalf of the other Lessees;
- (b) an action in equity to enforce performance on the part of the Lessee; or
- (c) an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief

Any violations which are deemed by the Governing Board to be a hazard to public health may be corrected immediately as an emergency matter by the Association and the cost thereof shall be charged to the Lessee as a specific item, which shall be a lien against said Unit Week with the same force and effect as if the charge were a part of the common expenses.

SECTION TWO. NEGLIGENCE OR CARELESSNESS OF LESSEE, ETC. Each Lessee shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by any insurance company of its rights of subrogation. The expense for any maintenance, repair, or replacement required, as provided in this section, shall be charged to said Lessee as a specific item which shall be a lien against said Unit with the same force and effect as if the charge were a part of the common expenses.

SECTION THREE. COSTS AND ATTORNEY'S FEES. In any proceeding arising because of an alleged default by Lessee, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court.

SECTION FOUR. NO WAIVER OF RIGHTS. The failure of the Association or of Lessee or to enforce any right, provision, covenant, or condition which may be granted by the time-share documents shall not constitute a waiver of the right of the Association or the Lessee to enforce such right, provision, covenant, or condition in the future.

SECTION FIVE. ELECTION OF REMEDIES. All rights, remedies, or privileges granted to the Association or Lessee, pursuant to any terms, provisions, covenants, or conditions of the Condominium documents shall be deemed to be cumulative and the exercise of anyone or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same or from exercising such other and additional right, remedies, or privileges as may be granted to such other party by time-share documents, or at law or in equity.

ARTICLE VIII.

ACQUISITION AND TRANSFER OF UNIT WEEKS

SECTION ONE. ACQUISITION OF UNIT WEEKS. The Governing Board may purchase or acquire in the name of the Association, or its designee, a Unit Week. The power of the Governing Board to acquire a Unit Week shall never be interpreted as any requirement or obligation of the Governing Board or of the Association to do so, the provisions hereof being permissive in nature and for the purpose of setting forth the power of the Governing Board to do so. The Governing Board may purchase at a foreclosure sale of a Unit Week prosecuted to recover the Association's lien for assessments under the provisions of the Declaration of Covenants.

SECTION TWO. TRANSFER OF UNITS. All lessees of Unit Week shall notify the Association of any transfer, by sale or otherwise, of said Unit Week, which shall be by copy of documents recorded in the Public Records of Brevard County within ten (10) days of the date of same. Said notice shall include such information and be in the form that the Association shall prescribe from time to time. The Association may send necessary notices to the person shown as Lessee of said Unit Week in its records, and said notice shall be binding as to any other Lessee of said Unit Week where the Association has not been notified as provided herein.

ARTICLE IX.

AMENDMENTS TO THE BY-LAWS

These by-laws may be altered, amended, or added to at any duly called meeting or the Lessees provided:

- (a) Notice of the meeting shall contain a statement of the proposed amendment'
- (b) If the amendment is approved upon the affirmative vote of the voting members casting a majority of the votes present at the meeting; and
- (c) Said amendment shall be recorded and certified as required by Florida Statutes.

ARTICLE X.

AMENDMENTS TO THE BY-LAWS

NOTICES

Whatever notices are required to be sent hereunder shall be delivered or sent in accordance with the applicable provisions for notices as set forth in the Declaration of Covenants to which these by-laws are attached.

ARTICLE XI.

INDEMNIFICATIONS

The Association shall indemnify every Director and every Officer, his heirs, or personal representatives, against all loss, cost, and expenses reasonably incurred by him in connection with any section, suit, or proceeding to which he may be made a party by reason of his being or having been a Director and/or Officer of the Association, except as to matters wherein he shall be finally adjudged in such action, suit, or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing right shall be in addition to and not exclusive of all other rights to which such Director and/or Officer may be entitled.

ARTICLE XII

LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former member from any liability or obligation incurred under or in any way connected with the time-share property during the period of such membership or impair any rights or remedies which the Association may have against such former member arising out of or in any manner connected with such membership, and the covenants and obligations incident thereto.

ARTICLE XIII

LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair parts of the time-share property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damages caused by the elements or by the other Lessees or persons.

ARTICLE XIV

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with Florida Statutes, the Declaration of Covenants, or these By-Laws.

ARTICLE XV

RULES AND REGULATIONS

SECTION ONE. RULES AND REGULATIONS. The Governing Board may, from time to time, adopt, or amend previously adopted administrative rules and regulations governing the details of the operation, use, maintenance, management, and control of the Association properties, the common elements, and limited common elements of the time-share resort and any facilities or services made available to the Lessees. A copy of the Rules and Regulations adopted from time to time herein provided shall from time to time be posted in a conspicuous place on the time-share property and/or copies of same shall be furnished to each Lessee.

SECTION TWO. CONFLICT. In the event of any conflict between the rules and regulations adopted, or from time to time amended, the time-share documents, or Florida Statutes, the latter shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these By-Laws and the Declaration of Covenants, the provisions of said Declaration shall prevail.

SUMMARY

YOU MAY CANCEL THIS CONTRACT WITHOUT ANY PENALTY OR OBLIGATION WITHIN 10 DAYS FROM THE DATE YOU SIGN THIS CONTRACT AND UNTIL 10 DAYS AFTER YOU RECEIVE THE PUBLIC OFFERING STATEMENT, WHICHEVER IS LATER.

IF YOU DECIDE TO CANCEL THIS CONTRACT, YOU MUST NOTIFY THE DEVELOPER IN WRITING OF YOUR INTENT TO CANCEL. YOUR NOTICE OF CANCELLATION SHALL BE EFFECTIVE UPON THE DATE SENT AND SHALL BE SENT TO BEACH ISLAND RESORT LESSEES ASSOCIATION, INC. 1125 SOUTH ATLANTIC AVENUE, COCOA BEACH, FLORIDA 32931.

ANY ATTEMPT TO OBTAIN A WAIVER OF YOUR CANCELLATION RIGHTS IS UNLAWFUL. WHILE YOU MAY EXECUTE ALL CLOSING DOCUMENTS IN ADVANCE, THE CLOSING AS EVIDENCED BY DELIVERY OF YOUR VACATION LEASE BEFORE EXPIRATION OF YOUR 10 DAY CANCELLATION PERIOD IS PROHIBITED.

YOU MAY ALSO CANCEL THIS CONTRACT AT ANY TIME AFTER THE ACCOMMODATIONS OR FACILITIES ARE NO LONGER AVAILABLE AS PROVIDED IN THIS CONTRACT OR THE PUBLIC OFFERING STATEMENT.

THE TIME-SHARE PERIODS MAY BE TRANSFERRED SUBJECT TO A LEASE.

THERE IS A LIEN OR LIEN RIGHT AGAINST EACH UNIT TO SECURE THE PAYMENT OF ASSESSMENTS OR OTHER EXACTIONS COMING DUE FOR THE USE, MAINTENANCE, UPKEEP OR REPAIR OF THE RECREATION OR COMMONLY USED FACILITIES. THE UNIT OWNER'S FAILURE TO MAKE THESE PAYMENTS MAY RESULT IN THE FORECLOSURE OF THE LIEN (SEE ARTICLE III OF THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS).

The following is important information concerning the purchase of a time-share period:

THE PURCHASE OF A TIME-SHARE PERIOD SHOULD BE BASED UPON ITS VALUE AS A VACATION EXPERIENCE OR FOR SPENDING LEISURE TIME, AND NOT CONSIDERED FOR PURPOSES OF ACQUIRING AN APPRECIATION INVESTMENT OR WITH AN EXPECTATION THAT THE TIME-SHARE PERIOD MAY BE RESOLD.

DATE: _____ RECEIVED:

Purchaser

Purchaser

UNITS(S) _____

WEEK(S) _____

PUBLIC OFFERING STATEMENT

I. DESCRIPTION OF TIME-SHARE PLAN:

- A. Name: Beach Island Resort
- B. Location:
1125 South Atlantic Avenue
Cocoa Beach, Florida 32931
- C. Form of Ownership: Beach Island is a right of use Time-Share Plan. The units are conveyed to purchasers in the form of Vacation Leases. A Vacation Lease is a concept whereby the right of use in a unit is leased to a lessee for a stated time period for a period of years. A copy of the Vacation Lease is attached hereto at Exhibit "H".
- D. Apportionment of Common Expenses: Each unit has a right to use an undivided share of the common elements based upon a proportion of the square footage of the unit in relation to the total square footage of all units.

Each Unit Week of a unit leased under the Time-Share Plan has a right of use in an undivided 1/51 st share of common elements for that unit.

Common expenses and any common surplus are shared by all Units and Unit Weeks in the same proportions as in the common elements.

II. DESCRIPTION OF ACCOMMODATIONS AND FACILITIES:

- A. Number of Buildings Beach Island Resort consists of four separate buildings.
- B. Number of Units in Each Building There are five units in each building.
- C. Number of Time-Share Periods in Each Unit There are 51 time-share periods in each unit.
- D. Total Number of Time-Share Periods Offered The total number of time-share periods being offered for each unit is 51.
- E. Number of Bathrooms and Bedrooms in Each Unit
Each one-bedroom unit has one bathroom. Each two-bedroom unit has one bathroom, with the exception of Unit No. 119 and Unit No. 120, which are two-bedroom units that have two bathrooms.
- F. Total Number of Units and Unit Weeks There are a total of 16 Units and a total of 816 Unit Weeks.
- G. Estimated Date of Completion All accommodations and amenities are complete.
- H. Maximum Number of Units and Time-Share Periods that Will Use Facilities
The maximum number of units that will use the accommodations and facilities is 16. The maximum time-share periods that will use the accommodations and facilities are 816. The maximum will not vary as there will be no addition to, or enlargements of, the accommodations or facilities.
- I. Whole Units The Association does not intend to offer whole units in addition to time-share units.
- J. Duration of Plan The duration of the time-share plan is until January 1, 2080. Thereafter, the fee reverts to the lessees
- K. Unit Week A Unit Week will run from 4:00 p.m. of each Saturday to 10:00 a.m. on the following Saturday.

III. DESCRIPTION OF RECREATIONAL AND COMMONLY USED FACILITIES

A. Common Area Rooms

There are three (3) common area rooms. The first is the reception area in the center of the properties west side. It is approximately 13'2" by 13'8" feet containing 182.16 square feet. It has a capacity for twenty (20) people. The second is the storage room located in the laundry room on the north side of the complex. It contains 106.00 square feet and a capacity for ten (10) people. The third is the laundry room. It contains a washer and dryer to clean and dry clothes. It is located on the north side of the complex. The dimensions of the room are approximately 10'6" by 5'7" containing approximately 60.42 square feet. It has a capacity of ten (10) people.

B. Reserved Units

Four units are reserved for administration: Unit No. 105 for the Resort office; Unit No. 108 for Association Office; Unit No. 110 for Repair/Storage Room; and Unit No. 115 for Resident Manager's Apartment.

C. Swimming Pool

The swimming pool is located Oceanside, east of the concourse. It is kidney-shaped, with an approximate size of 20' by 40'. Its depths range from 3 to 6 feet. It has a capacity of forty (40) people. There is a 3-foot-wide deck around the pool with a capacity for twenty (20) people. The pool is heated.

D. Additional Facilities

The only additional facility is the spa. It is located on the north side of the property. It is approximately 3-foot in depth and 8-foot in diameter. There is a 3-foot deck around the entire spa. It is heated with natural gas and has a capacity of eight people.

E. Personal Property

The personal property contained in the sales office is owned by the Association. The units are furnished with flooring, stove, refrigerator, dishwasher, linens, towels, kitchen appliances, kitchen utensils, dishes, etc. A schedule of personal property to be furnished with each unit is set forth in Exhibit "I" to this Public Offering Statement.

F. Estimated Date when Each Room Will be Available

Each room is complete and presently available.

G. Room, Accommodation, or Facility That Will Not be Owned

There will be no rooms, accommodations, or facilities to be used by Lessees that will not be owned by the Association.

H. Contemplated Facilities

The Association does not intend to provide additional facilities not described above.

IV. **STATUS OF TITLE:**

The land underlying the time-share units is owned in fee simple by Beach Island Resort Lessees Association, Inc. Title is free and clear of all encumbrances.

V. **ASSOCIATION FINANCING:**

The Association will offer purchase money financing in limited quantities (30% of gross sales revenue), the terms being 25% down on sales of \$1,500.00 to \$4,000.00 and balance repayable in two years at 18% per annum interest. The purchaser has the right to pay the balance in whole or in part at any time without penalty. The Association retains the right to change terms of financing and any change offered to prospective purchasers shall not be deemed to be a material change.

VI. **MANAGEMENT:**

Beach Island Resort Lessees Association, Inc., 1125 South Atlantic Avenue, Cocoa Beach, Florida will manage the Project.

VII. **RESTRICTIONS:**

The Association has the power and responsibility to promulgate certain rules and regulations periodically in order to control the operation and use of the common elements and facilities. See Rules and Regulations attached hereto at Exhibit "G".

There are no restrictions upon children at Beach Island Resort. Pets are not allowed to be kept on the property. See paragraph 17 of the Rules and Regulations.

The Declaration of Covenants, Conditions, and Restrictions (Exhibit "A") at Article IV, places several restrictions on the use of a unit.

There are no restrictions on the sale, transfer, conveyance, or leasing of a Unit Week.

VIII. **UTILITIES:**

Utility services will be provided as follows:

Water Supplied by City of Cocoa

Sewer Supplied by City of Cocoa

Electricity Supplied by Florida Power & Light Co.

Telephone Supplied by AT & T

Trash Removal Waste Management Cocoa Hauling

IX. **ESTIMATED OPERATING BUDGET FOR BEACH ISLAND RESORT:**

An estimated operating budget for Beach Island Resort stated as monthly and annual expenses is attached hereto as Exhibit "C". These expenses are collected from unit owners. The 2012 annual assessment for one Unit Week two-bedroom unit is \$485.00 and the 2012 annual assessment for one Unit Week one bedroom unit is \$285.00.

X. **BUYER'S CLOSING EXPENSES:**

Buyer will pay for documents, recording, documentary stamps, and title insurance. If the Association finances a portion of the purchase price, the Buyer will pay additional costs for a Purchase Money Mortgage and Promissory Note.

XI. **DEVELOPER:**

The Developer is Beach Island Resort Lessees Association, Inc., a Florida not-for-profit corporation. The original elected Board of Directors are as follows: David Newcomb, President; Hank Laliker, Vice-President; Ann Thompson, Secretary; Eva Fennimore, Treasurer; and Mary Moore, Member-at-Large.

XII. **SERVICE CONTRACTS:**

There are no service, maintenance, or recreation contracts or leases that may be cancelled by the purchaser.

XIII. CANCELLATION RIGHTS:

The purchaser has the right to cancel the contract without any penalty or obligation for a period of ten (10) days from the date the contract is signed or until then (10) days after the purchaser receives the public offering statement, whichever is later. If the purchaser decides to cancel, he must notify the association in writing of his intent to cancel. The notice of cancellation shall be effective upon the date it is sent. The notice shall be sent to Beach Island Resort Lessees Association, Inc., 1125 South Atlantic Avenue, Cocoa Beach, Florida, 32931. In the event the purchaser cancels the contract during the ten (10) day cancellation period, the association will refund the total amount of all payments made under the contract, reduced by the proportion of any contract benefits actually received under the contract prior to the effective date of cancellation. The refund shall be made within twenty (20) days after receipt of notice of cancellation or within five (5) days after receipt of funds from the purchaser's cleared check, whichever is later.

XIV. INSURANCE COVERAGE:

Insurance, in part for the benefit of purchasers, is included in the Budget.

The following coverages are in effect at this time and may be increased or changed as conditions warrant:

Fire, lighting, windstorm, hail, smoke, water, explosion, riot, civil commotion, damage from aircraft and vehicles, vandalism, malicious mischief and burglary on all buildings and contents, flood, bodily injury, property damage and medical payments coverage for all bodily injury or property damages.

XV. EXCHANGE PROGRAM:

Beach Island Resort is a member of Resort Condominiums International, (RCI) which is the exchange company. Resort Condominiums International is located at 9998 N. Michigan Road, Carmel, IN 46032.

XVI. DESCRIPTION OF PENDING LITIGATION OR JUDGMENTS:

The developer, managing entity, and owner of the underlying fee presently have no actual knowledge of any judgment or any pending litigation against them.

XVII. ALTERATION, AMENDMENT OR ADDITION TO CHARGES:

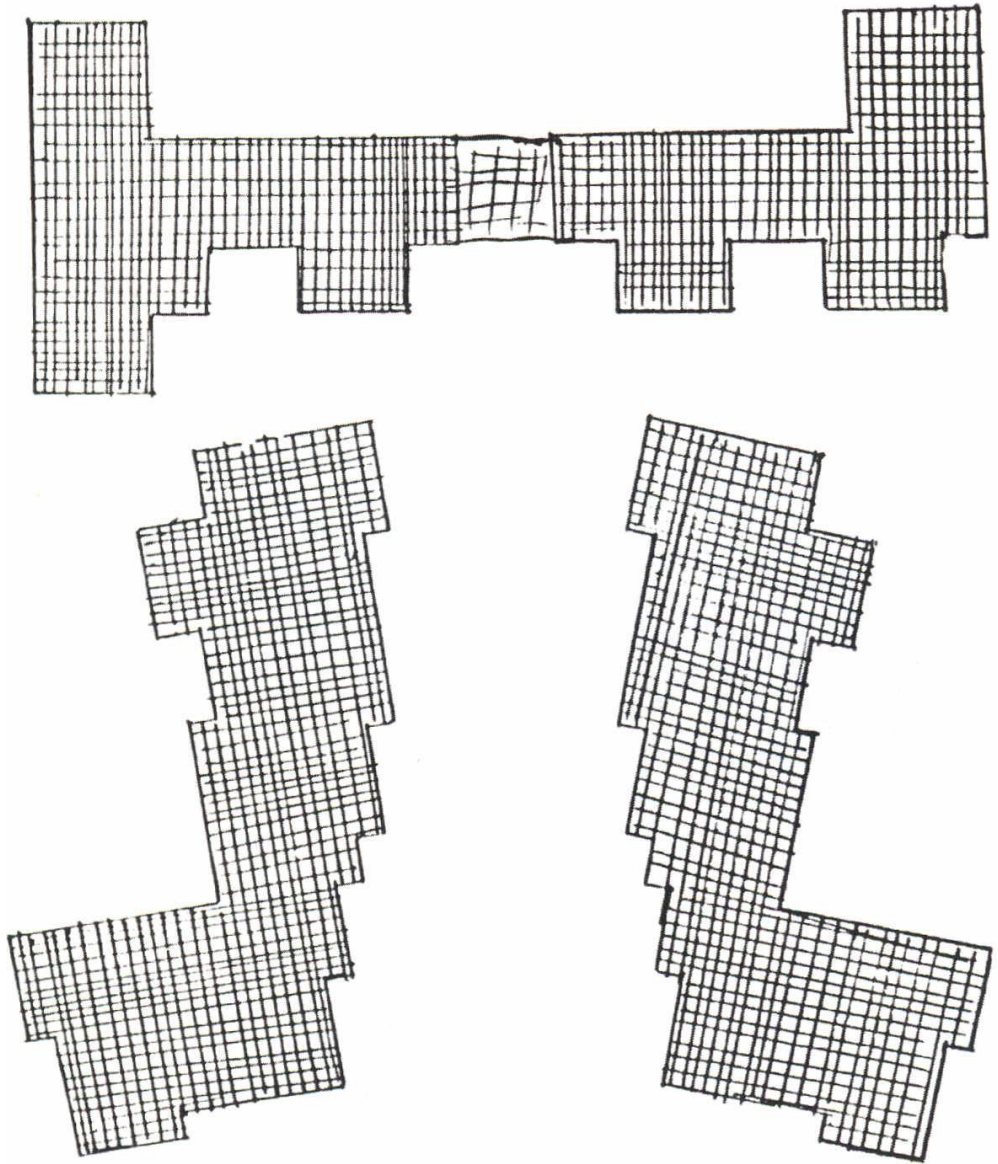
The association has the right to alter, amend, or add to the charges to which the purchaser may be subject. Any such change would be prospective only. The association will give no less than thirty (30) days advance notice to the purchaser of any such change.

EXHIBIT 1

Lots 3, 4 and 5 in Block, 12 of Cocoa Beach according to the plat thereof recorded in plat book No 3 at page 54 of the public records Brevard County, Florida.

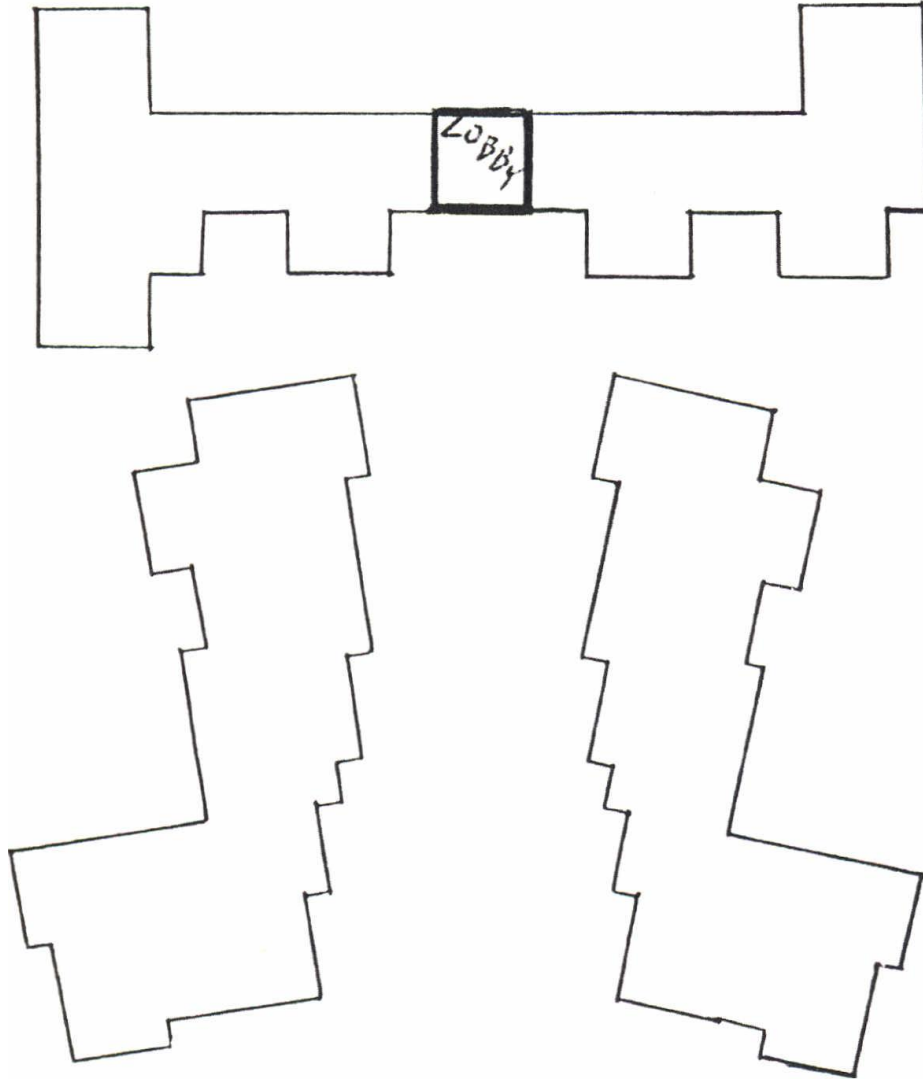
7.

EXHIBIT 2



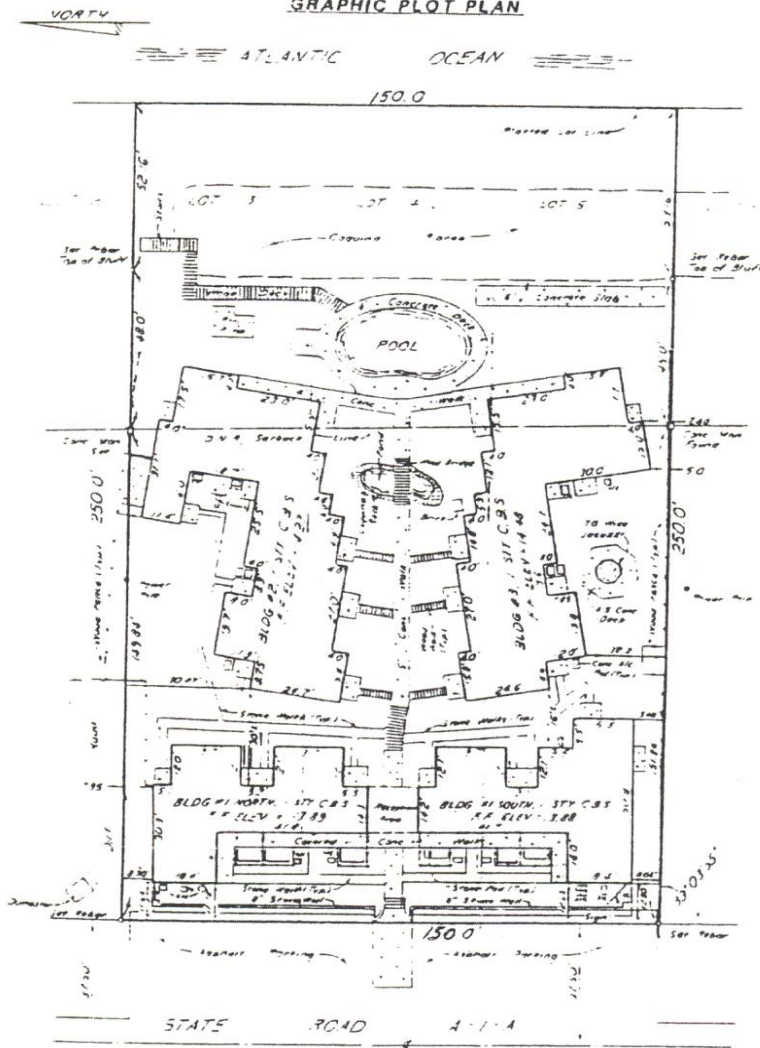
8.

EXHIBIT 3



BEACH ISLAND RESORT

GRAPHIC PLOT PLAN



Notes
See Sheet 4 for Surveyor's Notes concerning this Graphic Plot Plan

ACLEN ENGINEERING, INC.
COCOA BEACH, FLORIDA
JUNE 3, 1984

EXHIBIT "A"

SHEET 2

BEACH ISLAND RESORT

SURVEYOR'S NOTES CONCERNING THE GRAPHICS PLOT SHOWN ON SHEET 3

1. REFER TO SHEET 2 OF THE EXHIBIT FOR THE SOUNDARY SURVEY OF BEACH ISLAND RESORT. A CONDOMINIUM.
2. THIS PLAN WAS PRPARED FROM AN AS BUILT SURVEY BY ALLEN ENGENEERING, INC. CONDUCTED UNDER THE DIRECTION OF JOHN B. CAMPBELL, PROFESSIONAL LAND SURVEYOR.
3. BEACH ISLAND RESORT, A CONDIMINIUM CONTAINS 4 MULTI-FAMILY BUILDINGS WITH A TOTAL OF 20 UNITS AS FOLLOWS:
 - A. BUILDING 1-NORTH, 1 SOUTH, 2&3 ARE ONE STORY CONCRETE BLOCK BUILDINGS APPROXOMATELY 9 FT IN HEIGHT AND CONTAINES 5 UNITS EACH.
4. FOR THE LOCATION, SIZE AND DIMENSIONS OF THE UNITS WITHIN THE BUILDING. SEE THE BUILDING FLOOR PLANS ON SHEET 5-8.
5. REFER TO SHEETS 5-8 FOR THE FINISHED FLOOR ELEVATIONS
6. ALL AREAS AND IMPROVEMENTS EXCLUSIVE OF THE UNITS ARE COMMON ELEMENTS OF THE CONDIMINIUM.

BEACH ISLAND RESORT

CONTRACT FOR PURCHASE OF TIME-SHARE VACATION LEASE

FOR THE VALUE RECEIVED, Beach Island Resort Lessees Association, Inc. agrees to transfer, convey and assign all right, title and interest in a lease for a residential timeshare unit at Beach Island Resort 1125 S. Atlantic Avenue, Cocoa Beach, Florida 32931, situated on Lots 3, 4, and 5, Block 12, COCOA BEACH SUBDIVISION, according to the plat thereof as recorded in the Plat Book 3 Page 54, Public Records of Brevard County, Florida subject to Declaration and Covenants, Conditions and Restrictions filed with the Florida Bureau of Time-Shares.

The Time-Share Lease entitles the Lessee to exclusive occupancy of the time-share unit during the time period designated and unexclusive use of the common areas of the Resort until the year 2080 when the fee ownership of the Resort will convert to all Lessees as tenants in common as their interest exists relative to all other lessees.

FOR THE PRICE OF \$_____ WITH \$_____ FILING FEE. TOTAL \$_____ for
UNIT NUMBER(S) _____, WEEK NUMBER(S) _____

To _____ and _____

Residing at _____

Telephone Number () _____, Cell () _____

Email Address _____

BEACH ISLAND RESORT LESSEES ASSOCIATION, INC., by it Authorized, identified, and undersigned marketing officer, acknowledges receipt of \$_____ deposit, and the balance of purchase price is payable at time of closing, _____, 20____. Buyer to pay costs of recording, documentary stamps, document preparation, and closing costs. Title insurance available at the request and cost of Buyer.

BUYER _____ BUYER _____

Print Name _____ Print Name _____

SELLER: BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.

BY: _____
Authorized Official

DATED THIS _____ DAY OF _____ 20 _____

PREPARED BY:

Beach Island Resort
1125 S Atlantic Ave
Cocoa Beach, FL 32931

**BEACH ISLAND RESORT
TIME-SHARE VACATION LEASE**

THIS AGREEMENT made the _____ day of _____ 20____ by and between
BEACH ISLAND RESORT LESSEES' ASSOCIATION, INC., Florida not-for-profit corporation herein referred to as "lessor", _____
and _____, herein referred as "Lessee(s)".

Lessor is the fee title of Lots 3,4, and 5 in Block 12 of Cocoa Beach, recorded in Plat Book No.3 at Page 54 of the public Records of Brevard County, Florida, and said real estate has been committed to time-share pursuant to Section 721, Florida Statutes and a Declaration of Covenants, Conditions, & Restrictions which was promulgated March 3, 1981and filed with the Florida Department of Business Regulation, Division of Time-Share.

SECTION ONE—**DESCRIPTION OF UNIT** Lessor leases to Lessee from Lessor Unit No. _____, Week No, _____

Located at Beach Island Resort 1125 S. Atlantic Avenue, Cocoa Beach, Florida.

SECTION TWO—**OCCUPANCY** The Unit/s is leased for occupancy as a private dwelling to Lessee and his/her family and is not to be used for any other purpose without first obtaining Lessor's written consent to such use.

SECTION THREE—**TERM** This Vacation Lease will be for occupancy of the accommodations hereinabove described during

Week Number _____ of each year, commencing at 4:00pm. Saturday to 10:00am. Check-out the following Saturday and recurring from year to year until the year 2080 as set forth in Article 1, Section 28 A of the Declaration.

SECTION FOUR—**DEFAULT** As time is of the essence, failure to pay the Annual Maintenance Fee within (20) days after due date, shall cause additional charges of late fees and attorney's fee, and foreclosure by legal action if not paid.

SECTION FIVE—**MAINTENANCE** Lessee agrees to pay Annual Maintenance Fees per unit week established by the Board of Directors of Lessees Association. Increases may be made each year in accordance with circumstances and the cost of maintenance.

SECTION SIX—**FURNISHINGS** The unit is leased as a furnished apartment containing household furniture, kitchen utensils, linens and other household goods.

SECTION SEVEN—**ENTRY FOR INSPECTION, REPAIRS, AND ALTERATIONS** Lessor shall have the right to enter the leased premises for inspection thereof at all reasonable hours and whenever necessary to make repairs and alterations of the Unit or to clean the unit.

SECTION EIGHT—**NOTICES** Notice under this lease will be deemed to be validly given when deposited in the United States mail, postage, prepaid, address to the last known address of the Lessee herein named. It is the responsibility of the Lessor of timely notice of address changes.

SECTION TEN—**ANIMALS** No animals are permitted.

SECTION ELEVEN—**WASTE, NUISANCE, OR UNLAWFUL USE** Lessee agrees that he will not commit waste on the premises, or maintain or permit to be maintained a nuisance, thereon, use or permit the premises to be used in an unlawful manner.

SECTION TWELVE—**WAIVERS** Waiver by the Lessor of any breach of any covenant or duty of Lessee under this lease is not a waiver of a breach of any other covenant or duty of Lessee, or of any subsequent breach of the same covenant or duty.

SECTION THIRTEEN—**USE** Lessee agrees to use this Unit for residential purposes only and to abide by the rules and regulations, from time to time adopted by the Beach Island Resort Lessees Association.

SECTION FOURTEEN—**REPAIRS, REDECORATIONS OR ALTERATIONS** The lessor shall be responsible for repair to the interior and exterior of the building, provided however, repair required through damage caused by Lessee shall be charged to Lessee as additional rent. It is agreed that Lessee will not make or permit to be made any alterations, additions, improvements, or changes in the premises without in each case first obtaining written consent of Lessor. A consent to a particular alteration, improvement or change shall not be deemed a consent to or a waiver of restrictions against alterations, additions improvements or changes for the future.

SECTION FIFTEEN—**INSURANCE** The Lessor will keep in force fire, flood, casualty, and liability insurance customary for similar properties in the area.

SECTION SIXTEEN—**RESTRICTIONS OF PREMISES** It is hereby agreed that these premises will be for the sole use and enjoyment of the leaseholders, their family and guests.

SECTION SEVENTEEN—**LESSEE ACKNOWLEDGES** that he/she is informed of the following: (a) he is acquiring an undivided interest in the Beach Island Resort and that the resort is established pursuant to a Declaration of Covenants and Conditions (1981) providing for a time-share plan resort leases and governed by the Lessees Association; (b) he/she will be co-tenant with other persons having a Lessee interest in the resort; (c) he/she accepts his lease interest subject to among other things, the Declaration of Covenants and Conditions (1981) which provides for the share of common expenses relating to the operation, maintenance repair, use and enjoyment of the resort, membership in the Lessees Association governing the resort, and use of certain recreational facilities and further provides that the obligation of each Lessee to share in the common expenses is secured by the right of the Lessee's Association to lien any defaulting interest in the resort; (d) Lessee shall faithfully keep and comply with all of the terms and provisions of the Declaration of Covenants and Conditions (1981); (e) Lessee verifies that this lease was never offered a an investment and that such lease is entered into for vacation and recreational purposes only with no anticipation of financial reward from this transaction.

SECTION EIGHTEEN—**BINDING EFFECT** The covenant and conditions herein contained shall apply to and bind the heirs, legal representatives and assigns of the parties hereto, and all covenants are to be construed as conditions of tis lease. This lease is not effective until accepted by the Lessor.

WITNESS:

LESSEE/S:

Print Name

Signature

Signature

Print Name

Signature

Signature

LESSOR BEACH ISLAND RESORT LESSEES ASSOCIATION. INC.,
A Florida not-for-profit corporation

BY: _____

ATTEST: _____, Secretary

_____, President

STATE OF _____, **COUNTY OF** _____

I HEREBY CERTIFY that on this day before me an officer duly authorized in the County and State aforesaid to take acknowledgements,

_____ personally appeared to me well known to be the person(s) described and who executed the foregoing instrument, and acknowledged before me that he /she/they executed the same for the uses and purposes therein expressed.

WITNESS my hand and office seal in the County and State last aforesaid this _____ of _____ 20_____

STATE OF FLORIDA
Notary Public
COUNTY OF BREVARD

My Commission Expires: _____

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the County and State aforesaid to take acknowledgements, personally appeared

_____ and _____ to me well known to be the President and Secretary, respectfully \, for Beach Island Resort Lessees Association, Inc. who executed the foregoing instrument, and acknowledged before me that they executed the same for the uses and purposes therein expressed.

WITNESS my hand and official seal in the County and State last aforesaid this this _____, day of _____, 20_____

Notary Public

My Commission Expires _____

INSTALLMENT NOTE

_____ Cocoa Beach, Florida _____, 20 _____

FOR THE VALUE RECEIVED, the undersigned jointly and severally, promise to pay to the order of BEACH ISLAND RESORT LESSEES ASSOC., INC. the sum of _____ together with interest thereon as hereinafter stated in monthly installments of \$_____, The first monthly installment shall be due and payable on the _ day of _____ 20_____. And subsequent installments shall be due and payable on the same day of each and every calendar month thereafter until the principal and interest are fully paid at the office of BEACH ISLAND RESORT LESSEES ASSOC., INC. 1125 S. ATLANTIC AVENUE COCOA BEACH, FLORIDA 32931 or other place as shall be designated by the holder of this note in writing.

All installments or payments shall first be applied to accrued interest and the balance thereof to the principal. Borrower shall have the right to prepay this loan partially or in full at any time without penalty.

This obligation shall bear interest at the rate of % per annum until fully paid.

Default in the payment of any installment due hereunder continued for more than thirty (30) days following the due date of such installment shall entitle the holder hereof, at its option, to declare the whole or the indebtedness evidenced hereby immediately due and payable. While in default, this note shall bear interest at the rate of eighteen percent (18%) per annum, in lieu of the rate hereinabove specified, and said interest shall be accrued and computed in the manner prescribed above. Failure of the holder to exercise or enforce the provisions of this paragraph at any time shall not constitute a waiver of the holder's right to do so at any other time.

Any installment not paid within ten (10) days of its due date shall be penalized at the sum of five percent (5%) of said installment, but in no event less than Five Dollars (\$5.00), as a late charge.

All makers and endorsers, now or hereinafter becoming parties hereto, jointly and severally waive demand notice of non-payment and protest, and agree that if this note becomes in default and is placed in the hands of an attorney for collections to pay reasonable attorney's fees and all other costs for making such collection.

This note is secured by Security Agreement in Purchasers Vacation Lease. The makers and endorsers hereof jointly and severally consent to any extension or modification of this note without notice, and agree to remain liable hereunder, notwithstanding such extension or modification until the debt evidenced hereby is fully paid.

TIME SHARE PERIOD(S) Unit(s) _____ Week(s) _____

Purchaser

Purchaser

ADDENDUM

CHANGES/AMENDMENTS

SECTION I. Instructions:

Any Changes/Amendments made to the Beach Island Resort Declaration of Covenants, Conditions and Restrictions, or By-Laws must be approved by a majority of Association owners and then entered into the Brevard County Records, as set forth in Article XIII, Section 2, of this document.

When the Beach Island Resort Board of Directors receives confirmation, in writing, from the Brevard County Clerk of Courts, that the approved change has been entered into the County Records, all Board Members are then required to sign a notarized "confirmation of amendment". Only then will the Change/Amendment become effective.

When the foregoing steps have been accomplished, the approved Change/Amendment will be entered into the Declaration of Covenants, Conditions and Restrictions, or By-Laws. This will be accomplished as follows:

- a) Each approved Change/Amendment will be recorded (using a pen and ink entry, or typed) in Section 2 (Pg. 2) of this Addendum, in the format provided. Entries are to be in chronological order.
- b) The approved Change/Amendment itself will be attached to Section 3 in chronological order.
- c) Go to those portions of *text!* Articles within the Beach Island Resort Declaration of Covenants, Conditions and Restrictions, or By-Laws, which have been changed/amended. With ruler and pen, line out any text that has been deleted by the approved change/amendment. With pen and ink, adjacent to the approved text change/amendment entry location, enter annotation: "See Addendum for Changes/ Amendments" and date the Change/Amendment was approved.

ADDENDUM
CHANGES/AMENDMENTS

SECTION 2: Entry Log List.

Record all approved changes/amendments to the Beach Island Resort Declaration of Covenants, Conditions and Restrictions below in chronological order as indicated (typed or neat pen and ink entries are acceptable).

DATE APPROVED	SUBJECT	ARTICLE/SECTION ETC.
2/28/09	Amend Declaration of Covenants	Article XIII, Section 2
9/19/09	Amend Declaration of Covenants	Article XIII, Section 13
9/19/09	Amend By-Laws	Article IV, Section 1
7/08/12	Amend Declaration of Covenants	Article V, Section 3 - 4

ADDENDUM
CHANGES AMENDMENTS

SECTION 3: Attachments.

Attach to this page all approved changes/amendments, as entered in the Brevard County Records. Attach in chronological order.

90.

Prepared by and Return to:
Russell E. Klemm, Esq. Clayton & McCulloh
1065 Maitland Center Commons Blvd.
Maitland, FL 32751
(407) 875-2655 Telephone

FILED 2009 FEB 28 11:03 47 AM Court Clerk of
COUNTY BREVARD
PAGE 3

**CERTIFICATE OF AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS OF BEACH ISLAND RESORT LESSEES
ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS:

That on this 28th day of February, 2009, the undersigned, on behalf of **BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.** (hereinafter the "Association"), pursuant to Florida Statutes and the **DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS**, recorded in Official Records Book 3163, Page 2445, *et seq.*, of the Public Records of Brevard County, Florida, as may be amended and supplemented from time to time (hereinafter referred to as the "Declaration"), hereby certifies that an Amendment to the Declaration, which Amendment is attached hereto and by reference made a part hereof, was duly adopted on the 28th day of February, 2009. Said Amendment was approved pursuant to Article XIII of the Declaration at a Special Meeting of the Members of the Association and by an instrument executed by lessees holding not less than fifty-one percent or the unit weeks.

With the exception of the above described Amendment, all other terms and conditions of the Declaration shall remain in full force and effect.

11.

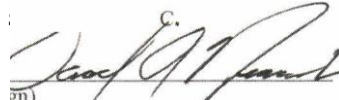
IN WITNESS HEREOF, BEACH ISLAND LESSEES ASSOCIATION, INC., has caused this AMENDMENT TO DECLARATION to be executed in its name, this ~ day of Feb-u.afIJ 200~.

Signed, sealed and delivered

BEACH ISLAND RESORT LESSEES

in th:~SjC~::~:

~
£. {-L)/t Y 10" (fifN bele 7
(PriIJ!} '1 n
C:f ffr/) ~ ~k..>1 /



(Sign)
DAVID A. NEWCOMB
(Print)

(Sin

(Sign) ~::~:" ~
~y n ! hQ rnpWn
(Print)

President, Beach Island Resort Lessees
Association, Inc.

/I tr)~!I)f~;:st: ~ y)J~

(Sign) /
C:.. tr) /Njy.f= IIEENJ)6e.50
~.AI JJ-h

(Sign) '1 . I ~ .. f
f" :U i?;>ER...r L , JD WI vj ~

(Print)

(Sigll) u n ~ n um Jf!:>0 h
(Print)

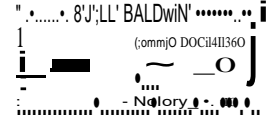
Secretary, Beach Island Resort Lessees
Association, Inc ..

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this ~ day of Feb'''(O)(1~L , 200~, by U:l.vi 0 A. ~Mb
as President of BEACH ISLAND RESORT LESSEES "<SSOCIA TION, INC., a Florida corporation, on behalf of the corporation,
[X"] who is personally known to me or [] who produced _____ as identification.

NOTARY PUBLIC

~&..td.u.Jw..'
State of Florida, At Large
My Commission Expires:

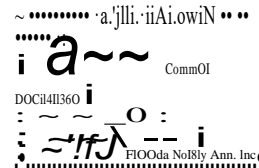


STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this ~ day of &br Va. n..., 200_# __, by ~t L...bhnst>t:L...
as Secretary of BEACH ISLAND RESORT LESSEES ASSOCIATION, INC • a Florida corporation, on behalf of the corporation,
[k] who is personally known to me or [] who produced _____ as identification.

NOTARY PUBLIC

~W
State f Florida. At Large
My Commission Expires:



**AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS &
RESTRICTIONS FOR BEACH ISLAND RESORT LESSEES ASSOCIATION,
INC.**

The following Amendment is made to Article XIII, Section 2 of the Declaration of Covenants, Conditions & Restriction, Beach Island Resort, as the same have been previously amended from time to time and as are recorded in the Public Records of Brevard County, Book Number 3163, Pages 241 5, et sq. (additions are indicated by underlining, deletions are indicated by ~~strike through~~ and omitted, but unaltered provisions are indicated by ellipses).

ARTICLE XIII

GENERAL PROVISIONS

Section 2. Amendments. This Declaration may be amended at any time by the affirmative vote of a majority of lessees who are voting in person or by proxy at a meeting of the unit lessees at which a quorum has been obtained (e.g... once a quorum of this unit lessees attending in person or by proxy has been obtained at a meeting of the unit lessees/members of the Association, a majority of those unit lessees/members attending the meeting, in person or by proxy may amend this Declaration). Alternatively, this Declaration may be amended by an instrument signed by not less than a majority of the lessees, an instrument executed by lessees holding not less than fifty one (51 %) present votes of the Association, provided, however, that all lien holders of records have been notified by certified mail of such amendment by the Board and an Affidavit certifying to such mailing is made a part of such recorded amendment. Any amendment must be recorded prior to becoming affective. ~~Declarant reserves the right for so long as it holds title to any lot or Unit Week subject to this Declaration and without the vote or approval of the members of the Association, to amend this Declaration in any manner as the Declarant may determine.~~

Notwithstanding the provisions of the foregoing paragraph, if by law, any different consent or agreement is required by action, then any instrument changing, modifying or rescinding any provision of the Declaration with respect to such action shall be effective if taken and made as required by law,

No provision in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of any law.

Prepared by and Return to:
Russell E. Klemm, Esq.
Clayton & McCulloh
1065 Maitland Center Commons Blvd.
Maitland, FL 32751
(407) 875-2655 Telephone

**CERTIFICATE OF AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS &
RESTRICTIONS OF BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS:

That on this 19th day of September, 2009, the undersigned, on behalf of **BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.** (hereinafter the "Association"), pursuant to Florida Statutes and the **DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS**, recorded in Official Records Book 3163, Page 2445, *et seq.*, of the Public Records of Brevard County, Florida, as may be amended and supplemented from time to time, and specifically as amended by the Amendment to Declaration of Covenants, Conditions & Restrictions of Beach Island Resort Lessees Association, Inc., as recorded in Official Records Book 5919, at Page 9938, *et seq.* of the Public Records of Brevard County, Florida (hereinafter referred to as the "Declaration"). hereby certifies that an Amendment to the Declaration, which Amendment is attached hereto and by reference made a part hereof, was duly adopted on the 19th day of September, 2009. Said Amendment was approved pursuant to Article XIII of the Declaration by an instrument signed by not less than a majority of the lessees.

With the exception of the above-described Amendment, all other terms and conditions of the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, BEACH ISLAND LESSEES ASSOCIATION, has caused this AMENDMENT TO DECLARATION to be executed in its name, this 12th day of August, 2001.

STATE OF FLORIDA COUNTY OF BREVARD

BEACH ISLAND RESORT LESSEES ASSOCIATION.

By: (Signature) /fLJ_{:}:L (Print)

Signed, sealed and delivered in the presence of:

(Signature) Ann Thompson (Print) Ann Thompson

(Signature) B. Jill Baldwin (Print) B. Jill Baldwin

(Signature) Ann Thompson (Print) Ann Thompson

(Signature) B. Jill Baldwin (Print) B. Jill Baldwin

(Signature) J. A. Newcomb

President, Beach Island Resort Lessees Association, Inc.

(Signature) Secretary, Beach Island Resort Lessees Association, Inc.

(Print) Secretary, Beach Island Resort Lessees Association, Inc.

Attest:

The foregoing instrument was acknowledged before me this 12th day of August, 2001, by J. A. Newcomb as President of BEACH ISLAND RESORT LESSEES ASSOCIATION, INC., a Florida corporation, who is personally known to me or who produced as identification,

NOTARY PUBLIC

My Commission Expires: 11/12/01

STATE OF FLORIDA COUNTY OF BREVARD

Notary Public, State of Florida, My Commission Expires: 11/12/01

Florida Notary Association, Inc.

The foregoing Instrument was acknowledged before me this 12th day of August, 2001, by B. Jill Baldwin as Secretary of BEACH ISLAND RESORT LESSEES ASSOCIATION, INC., a Florida corporation, on behalf of the corporation, who is personally known to me or who produced as identification,

NOTARY PUBLIC

My Commission Expires: 11/12/01

6N.1010

ire :

Florida Notary Association, Inc.

Florida Notary Association, Inc.

Florida Notary Association, Inc.

**AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS FOR BEACH ISLAND
RESORT LESSEES ASSOCIATION INC.**

The following Amendment is made to Article XIII. Section 13 of the Declaration of Covenants, Conditions & Restriction, Beach Island Resort. as recorded in the Public Records of Brevard County, Official Records Book 3163, Page 2415, et sq, and as the same have been previously amended from time to time (additions are indicated by underlining, deletions are indicated by ~~strike through~~, and omitted, but unaltered provisions are indicated by ellipses),

ARTICLE XIII

GENERAL PROVISIONS

Section 13, Termination. The timeshare condominium regime may be caused to be terminated by a plan of termination adopted at any time by the affirmative vote or two-thirds (2/3) of the Lessees. Alternatively, this timeshare condominium regime may be caused to be terminated by a plan of termination adopted by an instrument signed by not less than two-thirds (2/3) of the Lessees. The Association shall otherwise comply with the provisions of Florida Statute 8718.177 or as otherwise required by Florida Law, in said termination.

Prepared by and Return to:
Russell E. Klemm, Esq.,
Clayton & McCulloh
1065 Maitland Center Commons Blvd.
Maitland, FL 32751
(407) 875-2655 Telephone

**CERTIFICATE OF AMENDMENT TO BY-LAWS OF BEACH ISLAND RESORT LESSEES
ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS:

That on this 19th day of September, 2009 the undersigned, on behalf of **BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.** (hereinafter the "Association"), pursuant to Florida Statutes and the **BY-LAWS OF BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.**, recorded in Official Records Book 5932, Page 827. *et seq.*, of the Public Records of Brevard County, Florida, as may be amended and supplemented from time to time (hereinafter referred to as the "Bylaws"), hereby certifies that an Amendment to the Bylaws, which Amendment is attached hereto and by reference made a part hereof, was duly adopted on the 16th day of August, 2009. Said Amendment was approved pursuant to Article IX of the Bylaws, after providing a statement of the proposed amendment in the notice of meeting, by the affirmative vote of the voting members casting a majority of the votes present at the meeting.

With the exception of the above-described Amendment, all other terms and conditions of the By-Laws shall remain in full force and effect.

13.
IN WITNESS WHEREOF, BEACH ISLAND LESSEES ASSOCIATION, INC., has caused this AGREEMENT TO BE EXECUTED IN ITS NAME, THIS 11th day of April, 2001.

Signed, sealed and delivered
in the presence of:

Ann Thompson
(Sign)

Ann Thompson
(Print)

B. Jill Baldwin
(Sign)

B. Jill Baldwin
(Print)

Ann Thompson
(Sign)

Ann Thompson
(Print)

B. Jill Baldwin
(Sign)

B. Jill Baldwin
(Print)

LESSEES
ASSOCIATION, INC.
David A. Newcomb
(Sign)

David A. Newcomb
(Print)

BEACH ISLAND
RESORT
ASSOCIATION

Attest: Sandra Byrd
(Sign)

Sandra Byrd
(Print)

Secretary, Beach Island Resort Lessees
Association, Inc.

By:
President, Beach Island Resort Lessees
Association, Inc.

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 11th day of April, 2001, by David A. Newcomb, as President of BEACH ISLAND RESORT LESSEES ASSOCIATION, INC., a Florida corporation, on behalf of the corporation, who is personally known to me or who produced identification.

NOTARY PUBLIC
80
B. J. Baldwin
State of Florida, At Large
My Commission Expires: [unclear]
Expire 5/2010
Florida Commission Expires: [unclear]

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me this 11th day of April, 2001, by Sandra Byrd, as Secretary of BEACH ISLAND RESORT LESSEES ASSOCIATION, INC., a Florida corporation, on behalf of the corporation, who is personally known to me or who produced identification.

NOTARY PUBLIC
[Signature]
State of Florida, At Large
My Commission Expires: [unclear]

.....JILI:BALO;ilN'.j
Comm# 000645360
E'lileStIM010 :
Hondodthru!
" Florida NolatyJSSII" Inc

**AMENDMENT TO BY-LAWS OF BEACH ISLAND
RESORT LESSEES ASSOCIATION, INC.**

The following Amendment is made to Article IV, Section One of the By-Laws of Beach Island Resort Lessees Association, Inc" as the same have been amended from line 10 time and as are otherwise recorded in the Public Records of Brevard County, Florida (additions are indicated by underlining, deletions are indicated by ~~5tliketlllvllol;l~~ and omitted, but unaltered provisions are indicated by ellipses),

ARTICLE IV

UNIT LESSEES

Section One, Annual Meetings, Annual Meetings of the Unit Lessees shall be held at such time and place as shall be determined by the Governing Board at such time and place as shall be determined by the Governing Board, provided, however, that the Governing Board shall give notice to the membership as otherwise required under the Declaration of Covenants, Conditions and Restrictions, these By-laws and by Florida Statutes on the third Sunday of August of each succeeding year At each such subsequent meeting, the unit lessees shall elect a number of members to the Governing Board sufficient to fill all vacancies and to replace or re-elect members whose terms have expired, Unit lessees may also transact such other business of the Association as may properly come before the meeting.

Prepared by and Return to:
Beach Island Resort Lessees Association, Inc.
1125 S. Atlantic Avenue
Cocoa Beach, FL 32931
(321) 784-5720 Telephone

**CERTIFICATE OF AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS OF BEACH
ISLAND RESORT LESSEES ASSOCIATION, INC.**

KNOWN ALL MEN BY THESE PRESENTS:

That on this 8th day of July 2012, the undersigned, on behalf of
BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.
(hereinafter the "Association"), pursuant to Florida Statutes and the
DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS,
recorded in Official Records Book 3163, Page 2415, *et seq.*, of the Public
Records of Brevard County, Florida, as may be amended and
supplemented from time to time, and specifically as amended by the
Amendment to Declaration of Covenants, Conditions & Restrictions of
Beach Island Resort Lessees Association, Inc., as recorded in Official
Records Book 5919, at Page 9938, *et seq.*, of the Public Records of
Brevard County (hereinafter referred to as the "Declaration"), hereby
certifies that an Amendment to the Declaration, which Amendment is
attached hereto and by reference made a part hereof, was duly adopted on
the 8th day of July, 2012. Said Amendment was approved pursuant to
Article XIII of the Declaration by an instrument signed by not less than a
majority of the lessees.

With the exception of the above-described Amendment, all other
terms and conditions of the Declaration shall remain in full force and
effect.

IN WITNESS WHEREOF, BEACH ISLAND LESSEES ASSOCIATION, INC., has caused this
ADMENDMENT TO DECLARATION to be executed in its name, this ~day of ~, 2012.

16.

Signed, sealed and delivered
in the presence of:

BEACH ISLAND RESORT LESSEES
ASSOCIATION, INC.

Jean H. Bellina
(Sign)
JEAN H. BELLINA
(Print)
Mary H. Bellina
(Sign)
MARY H. BELLINA
(Print)

By: SJ2..~
(Sign)
~~~  
(Print)

President, Beach Island Resort Lessees  
Association, Inc.  
Secretary, Beach Island Resort Lessees  
Association, Inc.

*Jean Henderson*  
(Sign)  
JEAN HENDERSON  
(Print)  
*G. Wayne Henderson*  
(Sign)  
G. WAYNE HENDERSON  
(Print)  
STATE OF FLORIDA  
COUNTY OF BREVARD

Attest: *Donald L. Mackinney*  
(Sign)  
DONALD L. MACKINNEY  
(Print)

The foregoing instrument was acknowledged before me this t;thil day of J ..l.., 2012, by SQ.MlrCl.  
Will A as President of BEACH ISLAND RESORT LESSEES ASSO \A TION, INC., a Florida  
corporaUC;:::-on behalf of the corporation, f>..] who is personally known to me or ( ) who  
produced \_\_ :;::= as identification.

NOTARY PUBLIC

l2; , ~ ~)CJd-w ~  
State of Florida, At Large

STATE OF FLORIDA COUNTY OF BREVARD

Commission Expires:

•• The fo-eYoing instrument was acknowledged before ./11). BALDWIN

*JL*

me this%"- day ofJrfu \_\_\_\_\_, 2012, by

NOTARY PUBLIC  
STA TE OF FLORIDA

( ) ONi..lO.~\_~==\_I..(~~ Secretary of BEACH  
ISL~ND RESORT LESSEES ASSOCIATION, INC., a  
Florida corpo~n behalf of the corporation, [.><;] who  
is personally known to me or [  
produced \_\_\_\_\_ as identification.

• ~00991039

] who t \_\_\_\_\_ 61512014

NOTARY PUBLIC

D~~  
State of Florida, At Large  
My Commission Expires:

**G** JILL BALDWIN  
NOTARY PUBLIC STATE  
OF FLORIDA •• Comm#  
00991039  
Expires 015/2014

**AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS  
FOR BEACH ISLAND RESORT LESSEES ASSOCIATION, INC.**

The following Amendment is made to Article V, Section 3 and 4 of the Declaration of Covenants, Conditions and Restrictions, Beach Island Resort, as the same have been amended from time to time and as are recorded in the Public Records of Brevard County, Book Number 3163, Pages 2415, et seq. (additions are indicated by underlining, deletions are indicated by ~~strikethrough~~ and omitted, but unaltered provisions are indicated by ellipses).

ARTICLE V

Section 3. Annual Assessments. The Board shall fix and determine from time to time, the sum or sums necessary and adequate for the operation, maintenance and management of the Common Area and the improvements which shall be ~~prorated equally among all of Lots in the project other than the Lots leased owned by the association~~ as set forth in Article V, Section 4.

The Annual Assessment may be increased by the Board each year by an amount not more than fifteen percent (15%) above the Annual Assessment for the previous year without a vote of the Members of the Association as set forth in Section 7.

Section 4. Maintenance Fee Assessments for Lots Committed to Vacation Leases. All Lessees of Unit Weeks in Lots Committed to Vacation Leases shall pay a "Maintenance Fee Assessment". The Maintenance Fee Assessment shall include, but is not limited to, the following:

The particular Unit Week Lessee's share of Annual Assessments as set forth in Section 3 above;

The particular Unit Week Lessee's share of Special Assessments for Capital Improvements as set forth in Section 5 below;

The particular Unit Week Lessee's share of Special Assessments for Emergency Needs as set forth in Section 6 below:

Repair and upkeep of the improvements located on the Lot Committed to Vacation Leases for normal wear and tear (example - repainting interior walls);

Repair and replacement of furniture, fixtures, appliances, carpeting and utensils;

Casualty and/or liability and fire and extended coverage for building and contents on the Lot Committed to Vacation Leases and common area;

Utilities for the improvements located on the Lot Committed to Vacation Leases;

Personal property real estate, and any other applicable taxes on the Lot Committed to Vacation Leases; and

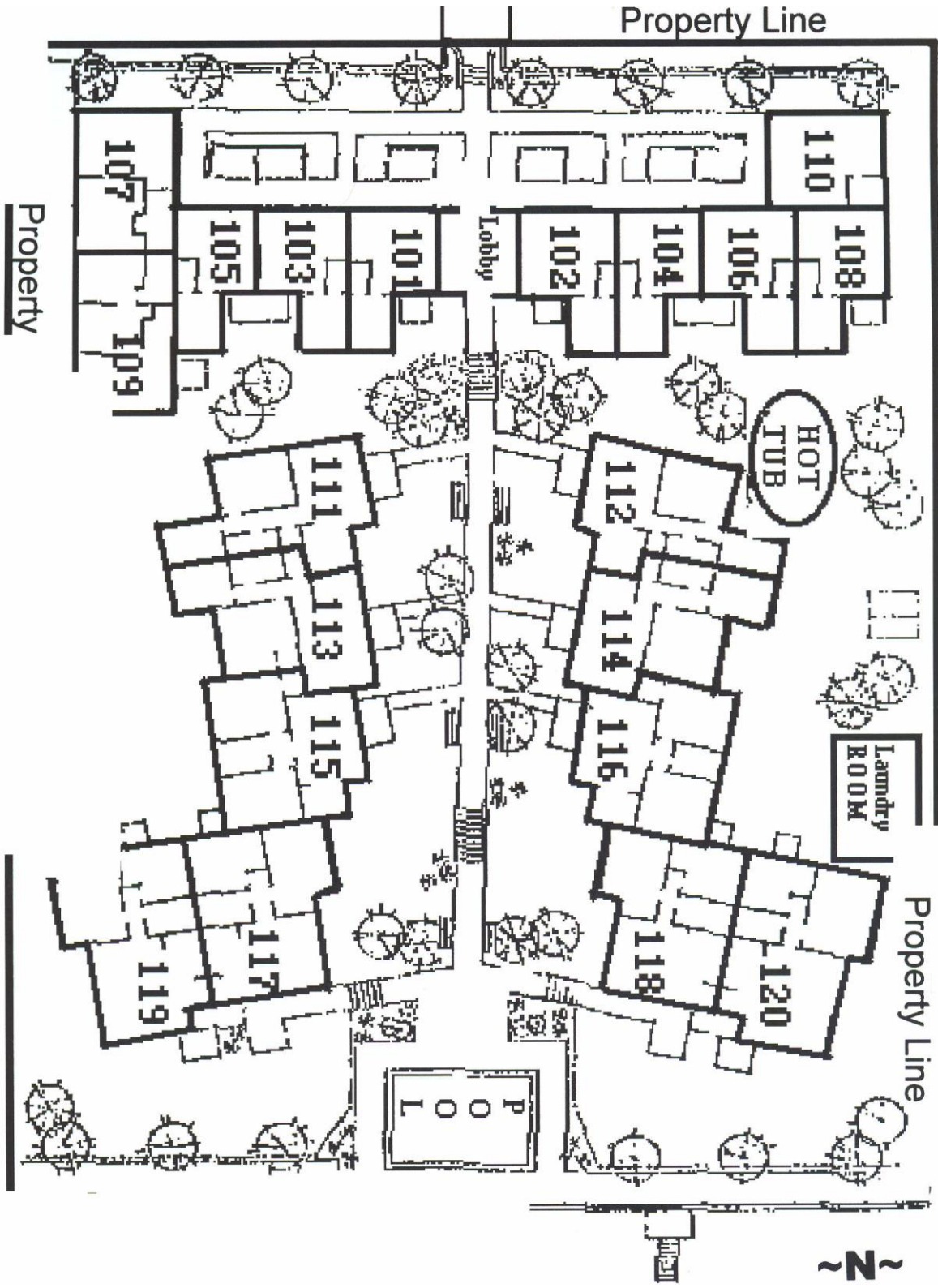
Any other expenses incurred in the normal operations and maintenance of the Lot Committed to Vacation Leases which cannot be attributed to a particular Unit Week Lessee.

The Maintenance Fee Assessment shall be pro-rated among ~~all the Lessees of Unit Weeks, based upon location, in a specific Lot Committed to Vacation Leases by applying a fraction, the numerator of which is the number of Unit Weeks owned by a specific Lessee, the denominator of which is fifty one (51), to the total of all such expenses for the Lot Committed to Vacation Leases.~~ The foregoing shall not apply to any Unit Week conveyed to or owned by the Association. The Maintenance Fee Assessment may be increased by the Board each year by an amount not more than fifteen percent (15%) above the Maintenance Fee Assessment for the previous year without a vote of the Members of the Association as set forth in Section 7.

# A1A PARKING

17.r :l CD

B



Prope