

ARTICLE XIII

The street address of the initial registered office of this corporation is 1601 South Atlantic Avenue, New Smyrna Beach, Florida, and the name of the initial registered agent of this corporation at that address is Lawrence D. Wilcox.

IN WITNESS WHEREOF, the subscribers hereto have set their hands and seals this 27th day of June, 1984.

Lawrence D. Wilcox (SEAL)  
LAWRENCE D. WILCOX, Subscriber

Joanne M. Moskale (SEAL)  
JOANNE M. MOSKAL, Subscriber

Ronald L. Luke (SEAL)  
RONALD L. LUKE, Subscriber

STATE OF FLORIDA  
COUNTY OF VOLUSIA

Before me, the undersigned authority, personally appeared LAWRENCE D. WILCOX, JOANNE M. MOSKAL and RONALD L. LUKE, as subscribers, who after being by me first duly sworn, acknowledged that they executed the foregoing Articles of Incorporation of ISLANDER BEACH CLUB CONDOMINIUM ASSOCIATION OF VOLUSIA COUNTY, INC., a Florida corporation not for profit, for the purposes therein expressed.

Witness my hand and official seal at the State and County aforesaid this 27th day of JUNE, 1984.

NOTARY PUBLIC, State of Florida at Large  
My Commission Expires September 28, 1987  
Bonded by FIDELITY INSURANCE AGENCY, INC.

Margaret P. Davis  
Notary Public  
State of Florida at Large

My commission expires:

ACCEPTANCE BY REGISTERED AGENT

The Undersigned, having been named to accept service of process for the above stated corporation, at the place designated in the foregoing Articles of Incorporation, hereby accepts to act in this capacity and agrees to comply with the provisions of Section 48.091, Florida Statutes, and all other provisions thereof, relative to keeping open said office.

Lawrence D. Wilcox  
LAWRENCE D. WILCOX

## RENEWABLE MANAGEMENT AGREEMENT

EXHIBIT F  
TO  
DECLARATION OF CONDOMINIUM

RENEWABLE MANAGEMENT AGREEMENT  
BETWEEN  
ISLANDER BEACH CLUB CONDOMINIUM ASSOCIATION  
OF VOLUSIA COUNTY, INC.  
AND  
C. I. RESORTS MANAGEMENT CORP.

THIS AGREEMENT, made and entered into this 13th day of February, 1984, by and between C. I. RESORTS MANAGEMENT CORP., a Florida corporation (hereinafter called the "Management Firm"), and ISLANDER BEACH CLUB CONDOMINIUM ASSOCIATION OF VOLUSIA COUNTY, INC., a Florida corporation not-for-profit (hereinafter called the "Association"), which said terms shall be deemed to extend to and include the legal representatives, successors and assigns of the parties hereto.

WITNESSETH:

WHEREAS, the Association desires to enter into a Management Agreement for the management of the Islander Beach Club Resorts, a timeshare condominium, and

WHEREAS, the Management Firm desires to furnish such management services upon the terms and conditions contained herein,

THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which are hereby acknowledged, it is agreed as follows;

1. The terms used in this Management Agreement shall be defined as said terms are defined and used in the Florida Statutes Chapters 718 or 721 or the Declaration of Condominium of Islander Beach Club Resorts, a condominium.
2. The Association does hereby employ the Management Firm as the exclusive manager of the condominium property and the management firm hereby accepts such employment, notwithstanding that the Association and management firm are both controlled by the Developing Interest as provided in Article XVI of the Declaration of Condominium.
3. The term of this Agreement shall commence as of the date of execution hereof and shall terminate, unless otherwise terminated earlier pursuant to the provisions hereinafter set forth, upon three (3) years from the date of execution hereof. Thereafter, it shall be automatically renewed for successive three (3) year periods, or this Management Agreement may be terminated by the Owners voting to discharge the Management Firm, by a vote conducted by the Board of Owners' Association, which vote shall require 66% of the Owners voting, which shall be at least 50% of all votes allocated to Owners, which vote shall be to discharge the Management Firm. In the event the Management Firm is discharged, the Board of Directors of the Owners' Association shall be responsible for obtaining another management entity. Additionally, this Management Agreement may be terminated by the Management Firm upon written notification to the Association, which written notice shall be submitted a minimum of thirty (30) days prior to expiration of any renewable term.
4. The Management Firm shall perform by way of illustration and all persons necessary to be employed in order to properly maintain and operate the condominium, and cause to be discharged all persons unnecessary or undesirable.

(a) Cause to be hired, paid and supervised, a manager and all persons necessary to be employed in order to properly maintain and operate the condominium, and cause to be discharged all persons unnecessary or undesirable.

EXHIBIT 1F TO DECLARATION OF CONDOMINIUM

(b) To maintain and repair the condominium property and the Common Elements to the extent that the Association is required to maintain and repair same, as provided in the Declaration.

(c) Take such action as may be necessary to comply with all laws, statutes, ordinances and rules of all appropriate governmental authorities, and the rules and regulations of the National Board of Fire Underwriters, or in the event it shall terminate its present functions, those of any other body exercising similar functions.

(d) To review for the Board of Directors contracts for garbage and trash removal, vermin and pest extermination, and other services.

(e) To purchase equipment, tools, vehicles, appliances, goods, supplies and materials as shall be reasonably necessary to perform its duties, including the maintenance, upkeep, repair, replacement, refurbishing and preservation of the condominium.

(f) To assist the Board of Directors in causing to be placed or kept in force all insurance required or permitted in the Declaration of Condominium.

(g) To assist the Board of Directors in maintaining the Association's financial record books, accounts and other records as provided by the Association's Bylaws and pursuant to the Condominium Act; issue Certificate of account to members, their mortgagees and lienors without liability for errors unless as a result of gross negligence. Such records shall be kept at the condominium premises, 1601 South Atlantic Avenue, New Smyrna Beach, Florida, and shall be available for inspection by the Board of Directors, the Unit Owners or their authorized representatives at all reasonable times.

(h) Maintain records sufficient to describe its services hereunder and such financial books and records sufficient in accordance with prevailing accounting standards to identify the source of all funds collected by it in its capacity as Management Firm, and the disbursement thereof. Such records shall be kept at the condominium premises, 1601 South Atlantic Avenue, New Smyrna Beach, Florida, and shall be available for inspection by the Board of Directors, the Unit Owners or their authorized representatives at reasonable times.

(i) The Management Firm shall prepare proposed annual budgets for the Board of Directors during the term of the Management Agreement. Upon said budgets being approved by the Association, the Management Firm shall collect each Unit Owner's monthly share thereof. The assessments as to each member of the Association shall be made payable to the Management Firm. The Management Firm shall provide to all unit owners an itemized annual budget which includes all receipts and expenditures.

(j) Have responsibility for maintaining and replacing the personal property within Units committed to Interval Ownership, and in such capacity to:

(1) To assist the Association in determining the maintenance fee, proration of taxes, and other common expenses applicable to those Condominium Units committed to Interval Ownership, as defined in and provided for in the Declaration of Condominium. All replacements shall be such as to maintain the standard of quality of the furniture, other personal property and decor as originally contained in such Unit at the time it is committed to Interval Ownership.

(2) It is understood by both parties that a portion of the maintenance fee will be set aside as a reserve for future replacements and repairs, unless waived by the Association.

(k) Deposit all funds collected from the Association's members, or otherwise accruing to the Association, in a special bank account or accounts of the Management Firm in banks and/or savings and loan associations in the State of Florida, with suitable designation indicating their source, separate from or commingled with similar funds collected by the Management Firm on behalf of other condominiums or entities which the Management Firm manages.

(l) Cause a representative of the Management Firm to attend meetings of the Unit Owners and of the Board of Directors; however, it is understood and agreed that the Minutes of all the Association's meetings, whether of Unit Owners or of the Board of Directors, shall be taken by the Association's Secretary, and possession of the Minutes Book shall be in the custody of said Secretary, who shall always be responsible for preparing and furnishing notices of all meetings to the required parties.

(m) Enforce rules and regulations promulgated, adopted and amended by the Association for the use and occupancy of the condominium's Common Elements, Limited Common Elements and Units therein.

(n) The Management Firm shall cause such alterations and/or additions to the Common Elements or Limited Common Elements of the condominium property, to be made as authorized by the Board of Directors and its members where required pursuant to and in accordance with said condominium's Declaration of Condominium. As to the foregoing, the Management Firm shall be paid for the cost of its personnel and overhead, materials and equipment in regard thereto, and any and all contractors, subcontractors or materialmen as required therefor.

(o) Retain and employ such professionals and such other experts whose services may be reasonably required to effectively perform its duties hereunder.

(p) If maintenance of the condominium or any portion thereof, including any Unit, Units and/or Common Elements, is required due to loss by Act of God or other cause, which is other than normal wear and tear, and which loss is less than "major damage", as defined in the Declaration to which this Agreement is applicable, then in such event, the Management Firm, upon approval of the Association, shall determine, assess, charge and levy the costs of repairing and restoring such loss among the Unit Owners pursuant to the Declaration of Condominium to which this Agreement is applicable, notwithstanding the fact that said loss or damage was, or was not, covered by insurance, and said total assessment shall be equal to the cost of said repair which shall include the costs of the Management Firm's personnel and overhead, materials and equipment, and any and all other contractors, subcontractors, or materialmen as are required. Should the loss be covered by insurance, the proceeds thereof shall be applied as a credit against the total costs of said repair and restoration in such proportions as hereinbefore set forth in this paragraph. It shall be presumed that the first monies disbursed in payment of costs of repair and restoration shall be from insurance proceeds, where such are received, and then from assessments collected, and should there be a surplus of such funds, the said surplus shall be distributed to or on behalf of the Unit Owners, as provided in the aforesaid Declaration of Condominium.

q. Additionally, the managing entity shall make available for inspection by the Division any books and records of the time sharing plan upon proper request of the Division. The management firm shall provide to the Bureau of Florida Land Sales, Condominiums and Mobile Homes, Bureau of Timeshare, a list of the names and addresses of all purchasers and owners of the time share units in the time share plan beginning January 1, 1985. Should a purchaser desire such a list they may make a request to the Division of Florida Land Sales, Condominiums and Mobile Homes and pay the appropriate copying costs. The correct address of the Division at this time is Bureau of Timeshare, Division of Florida Land Sales, Condominiums and Mobile Homes, 725 South Bronough Street, Tallahassee, Florida 32301.

r. The management firm shall arrange for an annual independent audit of all books and financial records of the time share plan by a certified public accountant using generally accepted auditing standards as defined by the rules of the Board of Accountancy of the Department of Professional Regulation. A copy of the audit shall be forwarded to the Board of Directors and officers of the Condominium Association.

The cost for the above services shall be on an as incurred basis and are contemplated in the annual association budget. Reference should be made to the budget for their estimated cost.

The above services and other contemplated services shall be performed as often as is required to adequately operate and preserve the condominium property. At all times the management company shall employ at least one person to perform all contracted services.

Notwithstanding anything to the contrary contained herein, the Association and its Officers shall retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules and regulations and execution of contracts on behalf of the Association.

5. (a) The parties understand and agree that the Management Firm shall provide only executive supervisory services and that all labor, services and materials which are provided for in the condominium will be at the expense of the Association, including, without limitation, utilities, legal, auditing, accounting, insurance premiums, garbage collection services, salaries for management and secretarial services, reserve for repair and replacement, lawn maintenance, exterior building maintenance, interior building maintenance (excluding the interior of individual Units), exterminating in the common areas, sewage maintenance, lawn materials, equipment, supplies and janitorial materials.

(b) At the beginning of the Association's fiscal year, each year, the Association shall direct the Management Firm, in writing, as to:

- (1) The specific services, obligations and/or responsibilities to be performed.
  - (2) The specific sum of money allocated and budgeted for each such service, obligation and/or responsibility to be performed by the Management Firm.
  - (3) The time schedule on which each specific service, obligation and/or responsibility is to be performed and the frequency with which it is to be performed by the Management Firm.
- (c) In the event the Management Firm fails to perform the service, obligation and/or responsibility to be performed by the Management Firm, or in the event the Management Firm fails to provide said service, obligation and/or responsibility at the time set forth above, then the Association shall be authorized to procure such service, obligation and/or responsibility from another party or parties and to collect any fees or charges paid for such service, obligation and/or responsibility from the Management Firm, provided, however, that said fees have theretofore been paid to the Management Firm for said service, obligation and/or responsibility which was not performed in accordance with the schedule adopted by the Association.

(d) At the beginning of the Association's fiscal year, each year, the Association shall also be responsible for directing the Management Firm to the minimum number of personnel which are to be employed by the Management Firm.

6. The Management Firm shall apply assessments collected to those items specified in the budget. The Management Firm, at the Association's request, shall file a lien against a Unit Owner's Condominium Parcel should he fail to pay the assessments or maintenance fees as required in the Declaration and take such other action as provided in said document. In the event a Unit is committed to Interval Ownership, any lien against an Owner of Unit Weeks in such Unit shall be limited to the Unit Weeks so owned by the defaulting Owner and shall, in no event, be filed so as to encumber the Unit Weeks owned by any other Owner of such Unit.

7. The Association shall aid and assist the Management Firm in any reasonable manner requested by the Management Firm as to the collection of assessments and the Association shall further aid and assist in any reasonable manner so as to simplify the method of collecting the assessments due from Unit Owners.

8. It is specifically understood that the Management Firm does not undertake to pay common expenses from its own funds and shall only be required to perform its services and make disbursements to the extent that payments received from assessments or other revenue, if any, are sufficient to pay the costs and expenses of such services and the amounts of such disbursements. If it shall appear to the Management Firm that the assessments and other revenue, if any, of the Association and its members are insufficient, the Management Firm shall forthwith determine such additional assessments as are required and advise the said Association.

9. It is specifically understood and agreed that the Management Firm shall perform all of the services required of it hereunder at no cost and expense whatsoever to itself, but solely at the cost and expense of the Association. As compensation, the Management Firm shall receive a net fee of \$ 24.43 per Unit Week, such amount to be designated the "Management Fee". In the event a Unit is not committed to Interval Ownership, the Management Fee shall be 10% of the common expense assessment. The Management Fee shall be taken into consideration in setting the common expense and maintenance fee assessments. The Management Firm's fee from each Condominium Unit or Unit Week shall commence as of the first day of the month following the date of a Deed from the Developer to the initial purchaser or on the first day of the month following the date of execution of a binding purchase contract for the purchase of a Condominium Unit or Unit Week. During the period of time that the Developer is the Owner of a Condominium Unit or Unit Week in a Unit committed to Interval Ownership, it shall not be required to pay the Management Fee provided in this Agreement.

10. The Management Firm shall not be liable to the Association and its members for any loss or damage not caused by the Management Firm's own negligence or willful misconduct, and said Association and its members will and do hereby indemnify and save harmless the Management Firm from any such liability for damages, costs and expenses arising from injury to any person or property in, about and in connection with the condominium from any cause whatsoever, unless such injury shall be caused by said Management Firm's own negligence or willful misconduct.

11. The Management Firm, upon authorization of the Association, shall assess a Unit Owner for those items of special assessments as set forth in the Declaration of Condominium - i.e., maintenance, repairs or replacements caused by the negligence or misuse by a Unit Owner, his family, servants, guests or invitees, or lessees; or failure of a Unit Owner to maintain those portions of his Unit and Limited Common Elements assigned to his Unit, as he is required to repair and maintain; or violation of the provisions of the Declaration which require the removal of same by the Management Firm and/or which increase the costs of maintenance and/or repair upon the Management Firm, or increase insurance rates and premiums, etc.

12. Should any dispute arise as to the rights of any of the parties under this Agreement, and should the dispute not be amicably settled and resolved, then either party shall have the right to submit the matter in controversy for arbitration to the Senior Judge of the Circuit Court in and for Volusia County and the decision of said Judge shall be final. The Court shall have the right to assess costs and reasonable attorneys' fees in such amount and against such party as it deems just and proper.

13. No waiver of a breach of any of the covenants contained herein shall be construed to be a waiver of any succeeding breach of the same covenant.

14. Time is of the essence in this Agreement.

15. No modification, release or discharge or waiver of any provision hereof shall be of any force, effect or value, unless in writing, signed by the parties to this Agreement.

16. This instrument, together with the Declaration, constitutes the entire agreement between the parties hereto, as of the date of execution and neither party has been induced by the other by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the instruments referred to herein, which are not expressly contained therein.

17. The invalidity in whole or in part of any covenant, promise or undertaking or of any section, sentence, phrase or word or of any provision of this Agreement shall not affect the validity of the remaining portions hereof. The provisions of this Agreement shall be paramount to the Condominium Act where permissive variances shall prevail and are incorporated herein.

18. The words and phrases used in this Agreement shall be as defined in the Declaration, Bylaws and/or the Condominium Act.

19. When either party hereto, and the Association's members, desire to or are required to give notice in accordance with the terms of this Agreement, such notice shall be given to the Association, its members and the Management Firm as provided in the Declaration.

20. If the Association or its members shall interfere with the Management Firm in the performance of its duties, or if the Association shall fail to promptly do any of the acts required of it hereunder, then the Management Firm may declare this Agreement in default upon giving fifteen (15) days written notice to the Association of the default and unless such default is cured within fifteen (15) days from receipt of the notice, this Agreement shall be terminated automatically, at the option of the Management Firm. Upon default, the Management Firm may, in addition to any other remedy available, bring an action against the Association or its members for damages and/or specific performance and/or such other rights and remedies as it may have. The prevailing party shall be entitled to reasonable attorneys' fees and costs. All of such rights upon default shall be cumulative and the exercise of one or more remedies shall not be deemed to exclude or constitute a waiver of any other or additional remedy.

21. Failure of the Management Firm to substantially perform its duties and obligations for a continuous period of forty-five (45) days after written notice of default from the Association specifying the default complained of shall be grounds for cancellation of this Agreement by the Association.

22. The management firm, at the direction of the Board of Directors of the Condominium Association, may proceed with all remedies as provided by Florida law to enforce the rules and regulations of the Condominium Association.

23. The management firm, at the direction of the Board of Directors of the Condominium Association, may proceed with all remedies as provided by Florida law to enforce the collection of assessments.

24. Use of the common recreational facilities shall be open to all owners of Condominium Parcels and Unit Weeks in such parcels at any time during the year. However, this usage is subject to abatement or control through the condominium rules and regulations. The Lessee of a Unit committed to Interval Ownership shall be entitled to the use of the facilities and said Lessee's rights thereto shall be the same as if the Lessee were the Unit Owner.

25. Formulate and proclaimate procedures which owner shall follow in possessing and vacating the condominium units. Provide administrative and such other services as are necessary to or convenient for the implementation of the "Flexible Use Periods" and Bonus Time Program as set forth in Article V of the Declaration of Condominium. Refer to Exhibit A and B concerning Flexible Time Reservation request forms and Flexible Time Reservation confirmation.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands and seals and have caused these presents to be signed respectively by their proper Officer(s), and their respective Corporate Seals have been duly affixed this 28th day of JUNE, 1984.

Signed, sealed and delivered in the presence of:

James M. Macaul

James M. Macaul

James M. Macaul

James M. Macaul

C.I. RESORTS MANAGEMENT CORP.

By: J.D. Wilcox (SEAL)  
L.D. WILCOX, President

ISLANDER BEACH CLUB CONDOMINIUM  
ASSOCIATION OF VOLUSIA COUNTY, INC.

By: J.D. Wilcox (SEAL)  
L.D. WILCOX, President

STATE OF FLORIDA  
COUNTY OF VOLUSIA

BEFORE ME, the undersigned authority, personally appeared L. D. WILCOX, to me well known to be the person described in and who executed the foregoing instrument as President of C. I. RESORTS MANAGEMENT CORP., a Florida corporation, and he acknowledged that he executed such instrument as President and that the seal affixed thereto is the Corporate Seal of the corporation and that it was affixed to this instrument by due and regular corporate authority and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal at the County and State aforesaid, this 25th day of JUNE, 1984.

Margaret P. Roman  
Notary Public  
State of Florida at Large

My commission expires:

STATE OF FLORIDA  
COUNTY OF VOLUSIA

NOTARY PUBLIC, State of Florida at Large  
My Commission Expires September 29, 1987  
BANKER BY INSURANCE AGENCY, INC.

BEFORE ME, the undersigned authority, personally appeared L. D. WILCOX, to me well known to be the person described in and who executed the foregoing instrument as President of ISLANDER BEACH CLUB CONDOMINIUM ASSOCIATION OF VOLUSIA COUNTY, INC., a Florida corporation, not-for-profit, and he acknowledged that he executed such instrument as President and that the seal affixed thereto is the Corporate Seal of the corporation and that it was affixed to this instrument by due and regular corporate authority and that said instrument is the free act and deed of said corporation.

WITNESS my hand and official seal at the County and State aforesaid, this 25th day of JUNE, 1984.

Margaret P. Roman  
Notary Public  
State of Florida at Large

My commission expires:

NOTARY PUBLIC, State of Florida at Large  
My Commission Expires September 29, 1987  
BANKER BY INSURANCE AGENCY, INC.

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ESTIMATED OPERATING BUDGET

EXHIBIT 2  
To Prospectus

ISLANDER BEACH CLUB CONDOMINIUM ASSOCIATION  
OF VOLUSTA COUNTY, INC.  
ESTIMATED OPERATING BUDGET BEGINNING JANUARY 1, 1987  
AND ENDING DECEMBER 31, 1987  
FOR PHASES I-VI CONSISTING OF 2,805 TIMESHARE WEEKS

	ANNUAL AMOUNTS		
	TIMESHARE WEEKLY ASSESSMENT	PHASE I-VI TOTALS	PROJECTED PROJECT TOTALS
<b>OPERATING EXPENSES:</b>			
General and Administrative:			
Professional management fees	\$ 24.43	\$ 68,526	\$ 142,036
Personnel	22.08	61,935	128,373
Insurance	7.73	21,683	44,942
Office expenses	3.09	8,667	17,965
Computer services	1.03	2,889	5,989
Professional fees	1.03	2,889	5,989
Florida Division fees	1.00	2,805	5,814
Miscellaneous administrative	.72	2,020	4,186
	<u>61.11</u>	<u>171,414</u>	<u>355,294</u>
General Property Services:			
Housekeeping personnel	22.35	62,692	129,943
Maintenance personnel	8.59	24,095	49,942
Security/other personnel	7.12	19,971	41,396
Electricity	21.40	60,027	124,420
Other utilities	8.53	23,927	49,593
Operating supplies	14.61	40,981	84,942
Repair and maintenance	5.34	14,979	31,047
	<u>87.94</u>	<u>246,672</u>	<u>511,283</u>
Operating contingency	2.50	7,012	14,535
Total operating expenses	<u>151.55</u>	<u>425,098</u>	<u>881,112</u>
<b>REPLACEMENT RESERVES:</b>			
Condominium Interiors			
Furnishings, fixtures, appliances, etc.	<u>26.36</u>	<u>73,940</u>	<u>153,275</u>
Common Area Property:			
Elevator/laundry equipment	1.61	4,516	9,388
Parking lot	.81	2,272	4,692
Roofing	.74	2,076	4,296
Pool/jacuzzi	.69	1,935	4,038
Exterior painting	.61	1,711	3,500
Lobby/offices	1.50	4,208	8,721
Other exterior/signage	.13	365	755
	<u>6.09</u>	<u>17,083</u>	<u>35,390</u>
Total reserves	<u>32.45</u>	<u>91,023</u>	<u>188,665</u>
Estimated operating budget before Real Estate Taxes	\$ <u>184.00</u>	\$ <u>516,121</u>	\$ <u>1,069,777</u>

IMPORTANT INFORMATION CONCERNING THE BUDGET

- The Developer remains in control of the Board of Administration for the time this budget is guaranteed and until take over of the Association by the new Developer unit owners. THIS BUDGET IS GUARANTEED FOR ONE YEAR, through December 31, 1987, as ratified by majority of non-developer unit owners vote to do so, December 8, 1986, as per 718.116(8) (a) 2 Florida Statutes.
- The Developer will pay all expenses incurred in excess of the amounts collected from purchasers or unit owners other than the Developer as the Developer may be excused from payment of specific assessments during this guarantee period.
- Owners will be assessed separately each year for real estate taxes billed to the Condominium Association and/or management entity. The Developer can not guarantee any level of ad valorem property tax as it has no control over the governmental agencies that determine that tax, hence the tax burden to unit owners may be subject to increase and additional assessment may be necessary from year to year.
- The budget is based on 51 weeks in each whole time condominium unit, hence the balance of days in any given whole time condominium are not specifically assessed by this budget, but paid by all timeshare unit owners through indirect assessment on any equal basis. Essentially, this cost is a common expense as it takes into consideration the maintenance period in each unit that is intended to be committed to the timeshare plan.
- The Developer controlled Islander Beach Club Condominium Association may waive the reserve requirement for deferred replacement of essential components, the useful life of which is less than the overall structure. However, at this time, the Association has not waived this reserve requirement.
- All figures on the budget are estimated and rounded off to the nearest number.
- The estimated annual operating budget of the timeshare plan potentially collectible from unit owners through assessments \$516,121.
- Reserves are computed using the following data:

REPLACEMENT RESERVES:	ORIGINAL	REPLACEMENT	REMAINING	CURRENT
	AVERAGE LIFE	COST	LIFE	ANNUAL RESERVE
Condominium Interiors:				
Furnishing, fixtures, appliances, etc.	8	\$ 1,088,620	7	\$ 153,275
Common Area Property:				
Elevator/laundry equipment	20	180,000	19	9,388
Parking lot	10	43,350	9	4,692
Roofing	15	65,000	15	4,296
Pool/jacuzzi	15	57,600	14	4,038
Exterior painting	12	42,000	12	3,500
Lobby/offices	10	87,210	10	8,721
Other exterior/signage	30	22,880	29	755
Total		\$ <u>1,586,660</u>		\$ <u>188,665</u>

Note: The reserves for furniture and fixtures include provisions for the heating and air, electrical, and plumbing replacement.

- Current reserve balances are as follows:

	RESERVES TO DATE
Condominium Interiors:	
Furnishing, fixtures, appliances, etc.	\$ 15,694
Common Area Property:	
Elevator/laundry equipment	1,614
Parking lot	1,114
Roofing	557
Pool/jacuzzi	1,057
Exterior painting	-0-
Lobby/offices	-0-
Other exterior/signage	985
Total reserves	\$ <u>21,021</u>

STATEMENT OF EXISTING CONDITION OF BUILDING AND

STATEMENT OF INSPECTION FOR TERMITE DAMAGE

AND TREATMENT OF EXISTING IMPROVEMENTS

Exhibit 3

To Prospectus

ROBERT G. HOWARD

ARCHITECT

January 16, 1984

ARCHITECTS INSPECTION REPORT

Islander Beach Resort - A Condominium  
1601 South Atlantic Avenue  
New Smyrna Beach, Florida 32069

An inspection of the Islander Beach Resort was performed by this firm during the month of January, 1984. The prior use of this facility was a motel. The project was completed and occupied in 1973.

The building construction is reinforced poured-in-place concrete columns, each bearing on a reinforced concrete caisson, poured-in-place beams, floor slabs and roof slabs. Exterior panels are concrete block. Exterior wall finishes are stucco and rock. Dividing walls between units are metal studs with imperial plaster base finish.

The building consists of seven floors served by two elevators. In addition to the units, there are common rooms and restrooms on the ground floor, and on the exterior, one swimming pool with sun deck, a play area, a putting green and a paved parking area.

The inspection was directed to the architectural, mechanical and electrical elements of the facility. Overall, for a facility of ten years of age, it is in good condition and has received above average maintenance. The following is a summary addressing specific elements of the project.

1055 N. DIXIE FREEWAY P.O. BOX 280

NEW SMYRNA BEACH, FLORIDA 32069

SDA 427-5401

ARCHITECTS INSPECTION REPORT  
Islander Beach Resort - A Condominium  
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- A. STRUCTURAL - The structural condition of this building is good and appears to be soundly constructed. Some minor on-going maintenance of the concrete block panels can be expected. The expected life of a structure of this type is approximately forty (40) to fifty (50) years.
- B. ROOF - The roof consists of a built-up tar and gravel application showing signs of minor repairs and patching. The remaining life of the roof is approximately eight (8) years, which during this time, continued maintenance can be expected.
- C. ELEVATORS - Both elevators appear to be in good condition and safe and sound in operation.
- D. PLUMBING - The fixtures, supply system, and waste system appear to be in good order and functioning properly.
- E. HEATING AND COOLING SYSTEMS - The heating and cooling systems appear to be in good order and functioning properly. The individual room thru-wall package units appear to be in good condition.
- F. ELECTRICAL SYSTEMS - Electrical distribution and utilization apparatus appear safe and to be operating satisfactorily. The equipment is of quality material and installation appears satisfactory. Fixtures, life safety systems, etc., likewise appear to operate satisfactorily. Overall, the electrical system seems safe and sound for its intended purpose.
- G. SWIMMING POOL - The pool and its pumping and filtering equipment appear in good order.

ARCHITECTS INSPECTION REPORT  
Islander Beach Resort - A Condominium  
Page #3

- H. PARKING AND PAVEMENT AREAS - Paved areas are of asphalt and appear to be in relatively good condition. Site lighting appears to be adequate. Electrical service entrance also appears satisfactory.
- I. SITE DRAINAGE - Site drainage consists of natural flow of surface water to landscaped border buffers utilizing the natural contours of the site, some ponding occurs to the sides of the drive-thru canopy.
- J. SEAWALL - The seawall appears in good order with no noticeable structural defects.

Overall, the project's condition is average to above average.

This report is based upon the examination of available construction documents and an on-site inspection of the facility. This report indicates the current condition of the project but must not be considered all inclusive or a guarantee of any or all of the referenced items.

  
Robert G. Howard  
Architect  
Florida Registration #4737

PROJECT: ISLANDER BEACH RESORT  
1601 SOUTH ATLANTIC AVENUE  
NEW SMYRNA BEACH, FLORIDA

COMPONENT	COMPONENT AGE	ESTIMATED REMAINING LIFE	ESTIMATED CURRENT REPLACEMENT COST OF COMPONENT	
			TOTAL AMOUNT	PER UNIT AMOUNT (Based on each unit prop. share of the common expense)
1. ROOF	10 years	5 years	\$18,625.	\$149
2. ELEVATORS	10 years	30 years	\$160,000.	\$1,280
3. HEATING AND COOLING SYSTEMS	10 years	3 years	\$112,500.	Each unit served by individual system, not a common expense
4. PLUMBING: (a) FIXTURES (b) PIPING, ETC.	10 years	30 years	\$8,800. \$207,718.	Each unit served by individual system, not a common expense \$1,661
5. ELECTRICAL SYSTEM (Building)	10 years	30 years	\$152,375.	\$1,219
6. SWIMMING POOL	10 years	15 years	\$57,600.	\$460
7. PARKING AND PAVEMENT AREAS	10 years	10 years	\$43,350.	\$346
8. SITE DRAINAGE	10 years	-	-	No replacement required
9. SEAWALL	10 years	30 years	\$22,880.	\$183

WOOD-DESTROYING ORGANISMS  
Section 482.226, Florida Statutes

Licensee name WALKER CHEM. & EXTERN. CO., INC. License number 1432  
 Licensee address 530 Ridgewood Ave., Holly Hill, Fla. 32017  
 Inspector Douglas S. Watson. Inspection date 2/2/84 FIA/VA Case No. \_\_\_\_\_  
 Requested by Jim O'Leary 1601 S. Atlantic Ave., New Smyrna Beach, Fla. 32069  
 (name) (address)  
 Property inspected Islander Beach Lodge, 1601 S. Atlantic Ave., New Smyrna Beach, Fla.  
 (address)  
 Specific structures inspected Islander Beach Lodge.  
 Structures on property NOT inspected None.  
 Areas of structure(s) NOT inspected None.  
 Reason NOT inspecting n/a

SCOPE OF INSPECTION

"Wood-destroying organism" means arthropod or plant life which damages a structure, namely termites, powder-post beetles, wood-boring beetles, wood-boring wasps, carpenter bees, and wood-decaying fungi.

THIS REPORT IS MADE ON THE BASIS OF WHAT WAS VISIBLE AND ACCESSIBLE AT THE TIME OF THE INSPECTION and is not an opinion covering areas such as, but not necessarily limited to, those that are enclosed or inaccessible, areas concealed by wall coverings, floor coverings, furniture, equipment, stored articles, or any portion of the structure in which inspection would necessitate removing or defacing any part of the structure.

THIS IS NOT A STRUCTURAL DAMAGE REPORT. A wood-destroying organisms inspector is not ordinarily a construction or building trade expert and therefore is not expected to possess any special qualifications which would enable him to attest to the structural soundness of the property. IF VISIBLE DAMAGE OR OTHER EVIDENCE IS NOTED IN THIS REPORT (ITEM NUMBER (3) OF THIS REPORT), FURTHER INVESTIGATION BY QUALIFIED EXPERTS OF THE BUILDING TRADE SHOULD BE MADE TO DETERMINE THE STRUCTURAL SOUNDNESS OF THE PROPERTY.

THIS REPORT SHALL NOT BE CONSTRUED TO CONSTITUTE A GUARANTEE OF THE ABSENCE OF WOOD-DESTROYING ORGANISMS OR DAMAGE OR OTHER EVIDENCE UNLESS THIS REPORT SPECIFICALLY STATES HEREIN THE EXTENT OF SUCH GUARANTEE.

REPORT OF FINDINGS

- (1) Visible evidence of wood-destroying organisms observed: No ☒ Yes ☐  
 Locations: \_\_\_\_\_ (Common name of organisms)  
 (2) Live wood-destroying organisms observed: No ☒ Yes ☐  
 Locations: \_\_\_\_\_ (Common name of organisms)  
 (3) Visible damage observed No ☒ Yes ☐  
 Locations: \_\_\_\_\_ (Common name of organisms causing damage)  
 (4) Visible evidence of previous treatment was observed: No ☐ Yes ☒  
 Explain: Drill holes. Treated 1/31/77 for Subterranean termites.  
 (5) This company has treated the structure(s) at time of inspection: No ☒ Yes ☐ If YES: A copy of the contract is attached.  
 (Organisms treated) (Pesticide used)  
 (6) This company has treated the structure(s) No ☐ Yes ☒ If YES: Date of treatment: 1/31/77  
Subterranean Termites. Aldrin 0.5%  
 (Common name of organisms) (Common name of pesticide)  
 (7) A notice of this inspection ☒ and/or treatment ☐ has been affixed to the structure(s)  
Laundry room - main office.  
 (Location of notice(s))

COMMENTS:

Neither the licensee nor the inspector has any financial interest in the property inspected or is associated in any way in the transaction with any party to the transaction other than for inspection purposes.

SEND REPORT TO PERSON WHO REQUESTED THIS INSPECTION AND TO:

## FORMS OF CONTRACT FOR SALE AND PURCHASE

Exhibit 4  
To Prospectus

ISLANDER BEACH CLUB RESORTS  
1601 South Atlantic Avenue  
New Smyrna Beach, Florida 32069

## PURCHASE AGREEMENT

DEVELOPER/SELLER: Islander Resort, Date When Signed By 19  
a Joint Venture All Parties  
1601 S. Atlantic Ave.  
New Smyrna Beach, FL 32069  
(904) 423-1294

PURCHASER  
Husband (As it will appear on Deed) Soc. Sec. No. \_\_\_\_\_  
Wife \_\_\_\_\_ Soc. Sec. No. \_\_\_\_\_  
Address \_\_\_\_\_ Phones: Res \_\_\_\_\_ Bus: \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

The above designated Seller agrees to sell, and the Purchaser agrees to purchase, the following described Condominium Unit Week(s) in Islander Beach Club Resorts, a condominium, according to the Declaration of Condominium thereof, to be recorded in the Public Records of Volusia County, Florida, a copy of which Declaration of Condominium is supplied with and made a part of this Agreement, upon the following terms and conditions.

1601 So. Atlantic Avenue, New Smyrna Beach, FL, Phase \_\_\_\_\_

ESTIMATED DATE OF COMPLETION IS \_\_\_\_\_  
ESTIMATED DATE OF CLOSING IS \_\_\_\_\_  
Occupancy of this apartment may commence: \_\_\_\_\_

## PURCHASE TERMS

1. Purchase Price of Unit Week(s).....\$ \_\_\_\_\_
2. Closing Costs: Recording Fees( ), State Documentary Stamps( ), Intangible Taxes ( ), Title Insurance ( ).....\$ \_\_\_\_\_
3. Total Purchase Price (U.S. Funds) (Lines 1 and 2).....\$ \_\_\_\_\_
4. Deposit (U.S. Funds).....\$ \_\_\_\_\_
5. Balance Required on or before \_\_\_\_\_ (Date).....\$ \_\_\_\_\_
6. Requested Mortgage \$ \_\_\_\_\_ at \_\_\_\_\_ % Interest (APR) for \_\_\_\_\_ months to Islander Resort, a Joint Venture, with monthly payments of .....\$ \_\_\_\_\_ Includes Credit Life Insurance where applicable.

NOTICE OF PROPOSED CREDIT LIFE INSURANCE  
THE SIGNER(S) OF THIS CONTRACT HEREBY TAKE(S) NOTICE THAT GROUP CREDIT LIFE INSURANCE COVERAGE WILL BE APPLICABLE TO THIS CONTRACT IF SO MARKED ON THE CONTRACT AND THE LIFE INSURANCE COVERAGE WILL BE WRITTEN BY THE INSURANCE COMPANY NAMED. THIS INSURANCE SUBJECT TO ACCEPTANCE BY THE INSURED COVERS ONLY THE PERSON SIGNING THE REQUEST FOR THE INSURANCE. THE AMOUNT OF CHARGE IS INDICATED FOR THE CREDIT LIFE INSURANCE TO BE PURCHASED. THE TERM OF INSURANCE WILL COMMENCE AS OF THE DATE THE INDEBTEDNESS IS SUBJECT TO ACCEPTANCE BY THE INSURER AND WITHIN THIRTY (30) DAYS, THERE WILL BE DELIVERED TO THE INSURED DEBTOR A CERTIFICATE OF INSURANCE MORE FULLY DESCRIBING THE INSURANCE, IN THE EVENT OF PREPAYMENT OF THE INDEBTEDNESS, A REFUND OF INSURANCE CHARGED WILL BE MADE WHERE DUE.

NAME OF INSURANCE COMPANY \_\_\_\_\_  
ADDRESS: \_\_\_\_\_

THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE SIDE WHEREOF WHICH BY REFERENCE ARE MADE A PART HEREOF, IF A MORTGAGE IS REQUESTED BY PURCHASER THIS AGREEMENT IS SUBJECT TO PURCHASER BEING APPROVED FOR SUCH MORTGAGE LOAN.

FOR THE PURPOSE OF AD VALOREM ASSESSMENT, TAXATION AND SPECIAL ASSESSMENTS, THE MANAGING ENTITY WILL BE CONSIDERED THE TAXPAYER AS AGENT PURSUANT TO SECTION 192.037, FLORIDA STATUTES.

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 ISLANDER RESORT, A JOINT VENTURE, 1601 SO. ATLANTIC AVENUE, NEW SMYRNA BEACH, FL 32069. 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 THE DEED OR OTHER DOCUMENTS, BEFORE EXPIRATION OF YOUR 10-DAY CANCELLATION PERIOD IS PROHIBITED.

PURCHASER: _____ (SEAL)	SELLER: _____ (SEAL)
_____ (SEAL)	By _____ (SEAL)
	Authorized Agent
DATE _____	Attest: _____ (SEAL)
_____ (SEAL)	Islander Resort,
_____ (SEAL)	a Joint Venture
	Acceptance Date _____
DATE _____	

1. DEPOSITS  
The initial or subsequent payments made pursuant to this Agreement by Purchaser to Seller shall, prior to the closing of title, be held in escrow in either an interest bearing or non-interest bearing account with First National Bank of Florida, 111 North Causeway, New Smyrna Beach, FL 32069. These funds may be used prior to closing only for refund to Purchaser. Purchaser shall obtain a receipt for his deposit.

2. UNIT WEEK  
Unit Week No. 1 is the seven (7) days commencing on the first Saturday in each year. Unit Week No. 2 is the seven (7) days succeeding. Additional Weeks up to and including Unit Week No. 52 are computed in a like manner. Unit Week 52 contains the seven (7) days succeeding the end of Unit Week No. 51 without regard to the month or year. Unit Week No. 53 contains any excess days not otherwise assigned. Unit Weeks run from noon on the first Saturday of the Unit Weeks purchased to noon on the last Saturday of said Unit Weeks. Ownership of Unit Week(s) includes a percentage interest in the underlying real property. Fee Simple interest ownership will be conveyed from the Seller/Owner of the fee in Perpetuity. There is no time or limit of years for the time-share plan. The unit week purchased shall be for a specified week and so designated on the Deed of Conveyance. However, those unit weeks designated to be in a floating time system by the Declaration of Condominium or any amendments thereto, shall be bound to all rules, regulations, and floating time agreements that may be applicable to the floating time system.

### 3. MAINTENANCE FEE & MANAGEMENT FEE

Purchaser understands and agrees that in accordance with the Declaration of Condominium, Purchaser will be responsible for the above described Unit Week Owner's share of common expenses, assessments, maintenance fee, and any and all other expenses incurred in the operation of said Condominium. The annual maintenance fee is \$\_\_\_\_\_ per Unit Week at the time of purchase, which includes a management fee paid to the managing entity. Reference should be made to the Association budget for that portion attributable for the management fee. Those amounts are subject to increase or decrease in the future.

### 4. PURCHASER'S ACKNOWLEDGEMENTS

Purchaser acknowledges by execution of this Agreement that prior to the execution of this Agreement, Purchaser received and read a copy of the Developer's Public Offering Statement, together with Exhibits attached thereto, which include the Bylaws and Articles of Incorporation of the Condominium Association and the Management Agreement. Purchaser also acknowledges that he has received and read a copy of the initial Rules and Regulations of the Condominium, a copy of the Floor Plan and the Condominium Unit being sold hereunder and the estimated Operating Budget for the Condominium. Purchaser further acknowledges, represents and warrants that the purchase of the Condominium is made for Purchaser's personal use and that Purchaser will not use the unit as his principal residence. Purchaser further acknowledges that the unit being sold hereunder has been previously occupied as a motel and that additional information regarding the structural history of the building or unit, has been provided by the Seller in the Public Offering Statement.

### 5. MODIFICATIONS AND CHANGES

The Declaration of Condominium will be recorded prior to closing. Purchaser hereby authorizes Seller, as Seller deems necessary, to record among the public records of Volusia County, Florida, such documents and instruments as are

required to be filed under the laws of the State of Florida, in order to create and maintain the Condominium. Seller reserves the right to make changes in any such condominium documents as Seller, governmental authorities having jurisdiction over the property of title insurance companies require or deem necessary, providing the changes do not materially alter the boundaries of the Unit, change the size of the Common Elements to the prejudice of Purchaser, decrease Purchaser's share in the common surplus or increase Purchaser's share in the common expenses or otherwise materially affect the rights of Purchaser, or the value of the Unit. Purchaser acknowledges that dimensions are approximate.

#### 6. CLOSING AND TITLE

Purchaser and Seller, at the execution hereof, have executed all necessary documents to effectuate a closing of this transaction, including a Warranty Deed, note and mortgage, if applicable. Upon expiration of Purchaser's rights of rescission and upon approval of financing. If requested, this transaction shall be closed by the Closing Agent by recording the necessary documents and issuing title insurance insuring Purchaser as owner of the Unit Weeks purchased under a plan of Interval Ownership as defined in the Declaration of Condominium free and clear of all encumbrances, except: conditions, restrictions, limitations, zoning and easements of record at the time of closing, survey exceptions, and terms and conditions of the Declaration of Condominium and taxes for the then current and subsequent years. All representations, duties and obligations of the Purchaser and the terms and conditions of this Agreement shall survive the closing.

#### 7. REFUND PRIVILEGE

In the event Purchaser cancels the contract during the 10-day cancellation period, Developer will refund to the Purchaser the total amount of all payments made by the Purchaser under the contract reduced by the proportion of any contract benefits the Purchaser has actually received under the contract prior to the effective date of the cancellation. The refund shall be made within 20 days of demand therefore by the purchaser or within 5 days after receipt of funds from the Purchaser's cleared check, whichever is later.

#### 8. FURNISHINGS

Although all models are for display purposes only, the above described unit shall have furniture, appliances, equipment and all accent furnishings of equal quality to those shown or used in the models.

#### 9. TITLE INSURANCE

Upon closing, Seller may cause to issue to Purchaser an owner's title insurance policy insuring Purchaser's title for the Unit Week(s) purchased, subject only to the conditions of the title set forth herein. If after use of reasonable diligence to make the title insurable, Seller is unable to do so, Seller shall refund to the Purchaser all monies paid under this Agreement and shall thereupon be released from any and all obligations hereunder.

#### 10. CLOSING COSTS

Purchaser will be responsible for all closing costs described hereinabove.

#### 11. BINDING EFFECT

This Agreement is binding upon the parties hereto and their heirs, legal representatives, successors and assigns. This Agreement may only be amended and modified by an instrument in writing between the parties. This Agreement shall be construed under the laws of the State of Florida and shall not be recorded in the Office of the Clerk in any Circuit of the State of Florida and the recording of same by the Purchaser shall be considered a breach of this Agreement and shall terminate this Agreement at Seller's option.

#### 12. PURCHASER'S DEFAULT

Time is of the essence except where otherwise specifically provided herein. After expiration of the 10-day rescission period, failure to close, or make payments within the time provided above, or to comply with the provisions of this Agreement, other than cancellation within the 10-day time period, shall be considered a breach of this Agreement, and all sums paid hereunder may be retained by the Seller as liquidated and agreed damages and not as a penalty, and the parties hereto may thereafter be relieved from all obligations hereunder. Purchaser shall be liable for Seller's reasonable attorney's fees and costs incurred by it by virtue of any litigation as to the parties rights under the Agreement if the Seller is the prevailing party. Purchaser covenants to defend and indemnify Seller against all claims of real estate brokers and/or salesmen due to acts of Purchaser's representatives other than brokers or salesmen employed by Seller.

#### 13. TRADING NETWORK

Seller has executed an agreement with Resort Condominium International, 9333 North Meridian Street, Indianapolis, Indiana 46280 (317) 846-4724, such agreement allowing for a reciprocal exchange program for member-owners at Islander Beach Club Resorts, a condominium, Seller makes no representations as to Resort Condominium International and all representations set forth within the brochures and literature of Resort Condominium International, are representations of that organization. Purchaser's participation in any exchange program is a voluntary participation by the purchaser.

#### 14. TAXATION

The Purchaser shall be responsible for all ad valorem taxation, special taxations and any other taxes that become due on the Unit Week(s) purchased. By Florida law the managing entity of the time share plan will be the Purchaser's (tax payer) representative for Florida taxation, although the Purchaser (tax payer) shall have the right of inquiry for any tax assessment.

15. Islander Resort, a Joint Venture, is the fee simple absolute owner of the accommodations and facilities of the time-share plan. Subject to a first mortgage held by \_\_\_\_\_, Provision has been made for partial release of this mortgage with respect to the Unit Week(s) purchased herein. Purchaser shall receive fee simple title free and clear of any mortgage, save and except any purchase money mortgage executed by Purchaser.

## ESCROW AGREEMENT

Exhibit 5  
To Prospectus

ESCROW AGREEMENT

THIS FIRST AMENDED ESCROW AGREEMENT, made and entered into by and between ISLANDER RESORT, a Florida General Partnership, and N.S. REALTY INVESTMENTS OF FLORIDA, INC. (managing venture partner) and FIRST NATIONAL BANK OF FLORIDA - VOLUSIA COUNTY, whose address is 200 East Granada Boulevard, Ormond Beach, Florida 32074, hereinafter referred to as "Escrow Agent" this \_\_\_\_\_ day of \_\_\_\_\_, 1985.

R E C I T A L S:

1. The Seller is engaged in selling time-share interests on a fee simple ownership basis, pursuant to a time-share plan as defined in Chapter 721, Florida Statutes, in that certain condominium known as Islander Beach Club Resort, situated at 1601 S. Atlantic Avenue, New Smyrna Beach, FL 32069, hereinafter referred to as the "Condominium." (See attached legal description, which may be modified as declared as this is a phase condominium.)
2. The Seller wishes to enter into this Agreement with the Escrow Agent pursuant to the requirements of Section 721.08 of said Chapter 721 for the purpose of utilizing the Escrow Agent as the depository agent for the purpose of serving as the Escrow Agent for the holding of deposits.
3. The Escrow Agent hereby agrees to act in such capacity in connection with the sale of time-share interests in the Condominium.

NOW THEREFORE, in consideration of the terms, conditions, covenants, and promises herewith entered into between the parties it is agreed that:

1. The Seller will deposit with the Escrow Agent all funds or other property constituting deposits and downpayments received from or on behalf of purchasers of time-share periods under the Seller's time-share plan (the "Escrowed Funds"); provided, however, that the Seller will not receive from its purchasers, nor will the Escrow Agent be obligated to accept, tangible personal property or real property as Escrowed Funds without the prior consent of the Escrow Agent. In the event that a purchaser's check, draft, or other instrument evidencing the deposit shall not be paid by reason of stop payment order, insufficient funds, or any other reason, the Escrow Agent shall return such item to the Seller by assignment or endorsement without any recourse, representatives or warranties whatsoever) and the Escrow Agent shall have no further obligation as to such items. The Escrow Agent will hold the Escrowed Funds and disburse the same only on the conditions and in the manner as set forth in this Agreement.
2. In the event that a purchaser gives a valid notice of cancellation of the sale pursuant to Section 721.10 of the Florida Statutes, or is otherwise entitled to cancel the sale, the Escrowed Funds, or the proceeds thereof, shall be returned to the purchaser no later than 20 days after receipt by the Seller of the notice of cancellation, or within 5 days after receipt of funds from the purchaser's cleared check, whichever is later. However, if the purchaser has received benefits under the contract prior to the effective date of the cancellation, the Escrowed Funds to be returned to the purchaser may be reduced by the proportion of contract benefits actually received, in which event the Escrow Agent will, upon written instructions from the

EA-1

Seller, distribute such reduced amount to the purchaser and distribute the amount representing such benefits to the Seller.

3. In the event that, following the expiration of the 10-day cancellation period established by Section 721.10 of the Florida Statutes, the purchaser defaults in the performance of his obligations under the contract to purchase, the Seller shall provide an affidavit to the Escrow Agent requesting release of the Escrowed Funds and shall provide a copy of such affidavit to the purchaser who has defaulted. The Seller's affidavit shall include:
  - A. The Seller's statement that the purchaser has defaulted and that the Seller has not;
  - B. A brief explanation of the nature of the default and the date of its occurrence;
  - C. A statement that pursuant to the terms of the contract the Seller is entitled to the Escrowed Funds; and
  - D. A statement that the Seller has not received from the purchaser any written notice of a dispute between the purchaser and the Seller or a claim by the purchaser to the Escrowed Funds.
4. In the event that no cancellation by, or default of, the purchaser has occurred, the Escrow Agent will release the Escrowed Funds to the Seller upon the presentation of a written affidavit by the Seller that all of the following conditions have been met, as defined by Chapter 721 of the Florida Statutes:
  - A. Expiration of the cancellation period.
  - B. Completion of construction.
  - C. Closing of the transaction.
5. The Escrow Agent shall maintain separate books and records for the Seller's time-share plan in accordance with good accounting practices. The Escrowed Funds and account shall be maintained by the Escrow Agent at all times in such a manner as to be under the direct supervision and control of the Escrow Agent. A fiduciary relationship shall exist between the Escrow Agent and the purchaser. The Escrow Agent shall retain all affidavits received from the Seller or any purchaser for a period of five (5) years. The Escrow Agent shall provide each purchaser with a receipt for all Escrowed Funds paid to the Seller.
  - A. Investment of Escrowed Funds. Escrow Agent may invest such escrowed funds in securities of the United States government, or any agency thereof, or in savings of time deposits in institutions insured by an agency of the United States government. The right to receive the interest generated by any such investment shall be paid to the party to whom the escrowed funds of property are paid, unless and otherwise specified by contract.
6. Should the Escrow Agent receive conflicting demands for the Escrowed Funds, the Escrow Agent shall immediately either, with the consent of all parties, submit the matter to arbitration or, by interpleader or otherwise, seek an adjudication of the matter by court. The Escrow Agent shall be indemnified by the Seller for all costs, including reasonable attorneys' fees, in connection with the aforesaid interpleader action, and shall be

fully protected in suspending all or a part of its activities under this Agreement until a Final Judgment in the interpleader action is received.

7. The Seller warrants that it will at all times maintain an up-to-date filing of its Public Offering Statement with the Division of Florida Land Sales, Condominiums and Mobile Homes of the State of Florida and that it will give a copy of the same to each purchaser upon entering into a sales contract.
8. The duties of the Escrow Agent hereunder shall be entirely administrative and not discretionary. The Escrow Agent shall be obligated to act only in accordance with written instructions received by it as provided in this Agreement and is authorized hereby to comply with any orders, judgments, or decrees of any court with or without jurisdiction and shall not be liable as a result of its compliance with the same.
9. The Escrow Agent may rely absolutely upon the genuineness and authorization of the signature and purported signature of any party upon any instruction, notice, release, request, or other document delivered to it pursuant to this Agreement.
10. The Seller hereby agrees to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits, or proceedings at law or in equity, or any other expenses, fees, or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement and, in connection therewith, to indemnify the Escrow Agent against any and all expenses, including attorneys' fees and costs of defending any such action, suit or proceeding or resisting any such claim.
11. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or error of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence. The Escrow Agent shall be indemnified by the Seller for all costs involved in consulting with counsel of its own choice and shall be fully protected in suspending all or a part of its activities under this Agreement until opinion of its counsel is obtained.
12. The Seller shall pay the Escrow Agent's charges for acting as such, and the Escrow Agent hereby waives any claims which it may have to receive compensation from the funds on deposit with the exception of undistributed income due to the Seller. The fee per contract is \$5.00.
13. This Agreement may be terminated by the Seller upon the appointment of a successor escrow agent in compliance with Chapter 721 of the Florida Statutes or upon the termination of the Seller's sales activities under its time-share plan.
14. The Escrow Agent may resign upon thirty (30) day's written notice to the Seller. If a successor escrow agent is not appointed within this thirty (30) day period, the Escrow Agent may petition a court of competent jurisdiction to name a successor.
15. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if sent by registered or certified mail, return receipt requested, to the respective addresses set forth hereinabove.

16. The rights created by this Agreement shall inure to the benefits of, and the obligations created hereby shall be binding upon, the successors and assigns of the parties to this Agreement.
17. This Agreement shall be construed and enforced according to the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have hereunto executed this Agreement the day and year first above written.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

SELLER:

N.S. REALTY INVESTMENTS OF  
FLORIDA, INC., managing venture  
partner in behalf of ISLANDER  
RESORT, a Florida General  
Partnership

\_\_\_\_\_  
(As to Seller)

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

ESCROW AGENT:

FIRST NATIONAL BANK OF FLORIDA-  
VOLUSIA COUNTY

\_\_\_\_\_  
(As to Escrow Agent)

By: \_\_\_\_\_  
Mark Benner  
Area Senior Vice President

RULES AND REGULATIONS

Exhibit 6  
To Prospectus

FIRST AMENDED  
RULES AND REGULATIONS  
OF  
ISLANDER BEACH CLUB RESORT, A PHASE CONDOMINIUM

The Rules and Regulations hereinafter enumerated as to the condominium property, the Common Elements, the Limited Common Elements and the Condominium Units for all phases of Islander Beach Club Resort, a Phase condominium, shall be deemed in effect until amended by the Board of Directors of the Association, and shall apply to and be binding upon all Unit Owners. The Unit Owners shall, at all times, obey said Rules and Regulations and shall use their best efforts to see that they are faithfully observed by their families, guests, invitees, servants, lessees, and persons over whom they exercise control and supervision. Said initial Rules and Regulations are as follows:

1. The sidewalks, if any, walkways, entrances, and all of the Limited Common Elements and Common Elements must not be obstructed or encumbered or used for any purpose (excluding patios, decks and balconies) other than ingress and egress to and from the premises; nor shall any carriages, velocipedes, bicycles, wagons, shopping carts, chairs, benches, tables or any other object of a similar type and nature be left therein or thereon.

2. The personal property of all Unit Owners shall be stored within their Condominium Units.

3. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies and entry ways, nor shall any linens, cloths, clothing, curtains, rugs, mops, or laundry of any kind, or other articles be shaken or hung from any of the windows, doors, patios, decks, balconies, or entry ways, or exposed on any part of the Limited Common Elements or Common Elements; and the Limited Common Elements and Common Elements shall be kept free and clear of refuse, debris and other unsightly material.

4. No Unit Owner shall allow anything whatsoever to fall from the windows, patios, decks, balconies, entry ways or doors of the premises, nor shall he sweep or throw from his unit any

dirt or other substance outside of his unit or on the Limited Common Elements or Common Elements of the condominium.

5. Refuse and bagged garbage shall be deposited only in the area provided therefor.

6. No Unit Owner shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the condominium property, except in areas designated for same.

7. Employees of the Association or Management Firm shall not be sent off the condominium premises by any Unit Owner at any time for any purpose. No Unit Owner or resident shall direct, supervise, or in any manner attempt to assert any control over the employees of the Management Firm or the Association.

8. No Unit Owner shall make or permit any disturbing noises by himself, his family, servants, employees, agents, visitors and licensees, nor do or permit anything by such persons that will interfere with the rights, comforts or convenience of the Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or suffer to be operated, a phonograph, television, radio or sound amplifier in his unit, in such a manner as to disturb or annoy other occupants of the condominium. All parties shall lower the volume as to the foregoing from 11:00 p.m. to 8:00 a.m. each day.

9. No radio or television installation, or other wiring, shall be made without the written consent of the Board of Directors.

10. No sign, advertisement, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed in, on or upon any part of the condominium units, Limited Common Elements or condominium property by any Unit Owner or occupant without written permission of the Association.

11. Complaints regarding the service of the condominium shall be made in writing to the Management Firm, as long as the Management Agreement remains in effect, and thereafter, to the Board of Directors.

12. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any unit or Limited Common Element except such as are required for normal household use.
13. Payments of maintenance fees shall be made at the office of the Management Firm, as designated in the Management Agreement. Payments made in the form of checks shall be made to the order of such party as the Management Firm shall designate. Maintenance fees are due and payable on January 1st of each year.
14. Rules and Regulations as to the use of the pool and facilities shall be posted and each Unit Owner, etc., shall observe all Rules and Regulations relating thereto.
15. All owners of Unit Weeks in Condominium Units committed to Interval Ownership shall vacate their units no later than 10:00 a.m. on the last day of their ownership period. No such owner shall take possession of his unit earlier than 4:00 p.m. on the day on which his ownership period commences.
16. No Condominium Unit shall be occupied by more than six (6) people at one time without the written approval of the Management Firm.
17. No dogs or cats may be kept by a Unit Owner on the Condominium property, or in any Condominium Unit.
18. There shall be a per diem charge of 15¢ of the regular maintenance fee to Flexible Use Period owners for each day of the "Bonus Use" (as defined in Article V, Declaration of Condominium) or a portion thereof. For purposes of this per diem charge a day shall be considered to commence at the check-in time of 4:00 p.m. and terminate at the check-out time of 10:00 a.m. on the next calendar day.
19. Use Periods. The Unit Weeks in every condominium unit are hereby segregated in the following two different use periods:
  - (a) Guaranteed Use Periods. Unit Weeks 6 and 7.
  - (b) Flexible Use Periods: Unit Weeks 1 thru 5 inclusive and 8 thru 52 inclusive including 53rd week.
  - (c) PURCHASERS OF FLEXIBLE USE PERIODS SHOULD CAREFULLY NOTE THE DATES AND "FIRST COME-FIRST SERVE" PRIORITY BASIS FOR HONORING RESERVATION REQUESTS DESCRIBED IN THE FLEXIBLE USE PLAN RULES AND REGULATIONS WITHIN THE SEASON PURCHASED. PURCHASERS WHO DO NOT MAKE THEIR RESERVATIONS IN A TIMELY MANNER WILL BE OBLIGATED TO TAKE WHATEVER REMAINING FLEXIBLE USE PERIODS ARE AVAILABLE. IF THE AVAILABLE FLEXIBLE USE PERIODS ARE NOT CONVENIENT TO THE PURCHASER'S PLAN OR SCHEDULE, THE PURCHASER MAY LOSE HIS USE OF THE PROJECT FOR THAT YEAR. IN SUCH EVENT, THE DEVELOPER AND/OR ITS ASSIGNS ARE NOT OBLIGATED TO MAKE ALTERNATIVE ARRANGEMENTS OR TO EXCUSE PAYMENT OF APPROPRIATE MAINTENANCE FEES OR TO REFUND ANY OF THE PURCHASER'S PAYMENTS.

## RECEIPT FOR CONDOMINIUM DOCUMENTS

Exhibit 7  
To Prospectus

## RECEIPT FOR TIME-SHARE DOCUMENTS

THE UNDERSIGNED acknowledge(s) that the items listed below have been received and, as to plan and specifications, such plans and specifications have been made available for inspection.

NAME OF THE TIME-SHARE PLAN: The ISLANDER BEACH CLUB  
RESORTS, Phase \_\_\_\_\_

ADDRESS OF TIME-SHARE PLAN: 1601 South Atlantic Avenue  
New Smyrna Beach, FL 32069  
(904) 423-1294

<u>DOCUMENT</u>	<u>RECEIVED</u>
OFFERING STATEMENT TEXT.....	X
DECLARATION OF CONDOMINIUM.....	X
ARTICLES OF INCORPORATION.....	X
BY-LAWS.....	X
MANAGEMENT CONTRACT.....	X
ESTIMATED OPERATING BUDGET.....	X
AGREEMENT FOR PURCHASE AND SALE.....	X
RULES AND REGULATIONS.....	X
COVENANTS AND RESTRICTIONS.....	X
CONVERSION INSPECTION REPORT (Section 718.616, F.S.).....	X
CONVERSION TERMITE INSPECTION REPORT (Section 718.616(2)(e), F.S.).....	X
PLOT PLAN.....	X
FLOOR PLAN.....	X
EXECUTED ESCROW AGREEMENT.....	X
EXCHANGE DISCLOSURE DOCUMENTS.....	X
RECEIPT FOR TIME SHARE DOCUMENTS.....	X
PLANS AND SPECIFICATIONS (MADE AVAILABLE).....	X
TIME-SHARE PERIOD SCHEDULE FOR TIME-SHARE PLAN.....	X
FLEXIBLE USE AGREEMENT.....	X

FORM OF WARRANTY DEED

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 THE ISLANDER RESORTS, A JOINT VENTURE, AT 1601 SOUTH ATLANTIC AVENUE, NEW SMYRNA BEACH, FL 32069. 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 THE DEED OR OTHER DOCUMENT, BEFORE EXPIRATION OF YOUR 10 DAY CANCELLATION PERIOD, IS PROHIBITED.

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_.

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Purchaser

Exhibit 8  
To Prospectus

(Statutory Form-Section 689.02 F.S.)  
This instrument was prepared by:

ISLANDER RESORT, a Joint Venture  
1601 South Atlantic Avenue  
New Smyrna Beach, Florida 32069

## Warranty Deed

This Indenture, made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,

BETWEEN ISLANDER RESORT, A Joint Venture, d/b/a ISLANDER BEACH CLUB RESORTS;  
PHASE \_\_\_\_\_, of the County of Volusia, State of Florida, grantor\*, and \_\_\_\_\_

whose post office address is \_\_\_\_\_, grantee\*,

*Witnesseth:* That said grantor, for and in consideration of the sum of \$10.00, Ten and No/100 Dollars, and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said grantee, and grantee's heirs and assigns, forever, the following described land, situate, lying and being in Volusia County, Florida, to-wit:

In Unit \_\_\_\_\_, Unit Week (s) No (s). \_\_\_\_\_  
In Unit \_\_\_\_\_, Unit Week (s) No (s). \_\_\_\_\_  
of Islander Beach Club Resorts, Phase \_\_\_\_\_, a condominium, according to the declaration of Condominium thereof recorded in Official Records Book 2603, Page 0404, and as amended in Official Records Book in the Public Records of Volusia County, Florida.

Subject to taxes for the current year and all subsequent years.

Subject to conditions, easements and restrictions of record, if any, the mention of which shall not-reimpose same.

Subject to Declaration of Condominium of Islander Beach Club Resorts, Phase \_\_\_\_\_, a Condominium and Exhibits attached thereto and any Amendments thereof.

and said grantor does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

\*"Grantor" and "grantee" are used for singular or plural, as context requires.

*In Witness Whereof,* Grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

\_\_\_\_\_  
ISLANDER RESORT, a Joint Venture (SEAL)  
\_\_\_\_\_  
By: \_\_\_\_\_ (SEAL)  
\_\_\_\_\_  
Island Beach, Inc. President of (SEAL)  
\_\_\_\_\_  
its managing joint venturer (SEAL)

STATE OF FLORIDA  
COUNTY OF VOLUSIA

*I Heroby Certify* that on this day before me, an officer duly qualified to take acknowledgements, personally appeared \_\_\_\_\_, President of Island Beach Inc., the managing joint venturer of Islander Resort, A Florida Joint Venture, on behalf of Islander Resort, to me known to be the person described in and who executed the foregoing instrument and acknowledged before me that he executed the same.

*Witness* my hand and official seal in the County and State last aforesaid this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission Expires:

\_\_\_\_\_  
Notary Public, State of Florida at Large

Return to: Transamerica Title Insurance Co., Inc.  
2000 Highway 1, Suite 200  
San Jose, CA 95128

AMENDMENTS TO DECLARATION OF CONDOMINIUM

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF  
ISLANDER BEACH CLUB RESORTS, PHASE I, A CONDOMINIUM  
FOR THE PURPOSE OF ADDING PHASES V AND VI AND UPDATING DOCUMENTS

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF  
ISLANDER BEACH CLUB RESORTS, PHASE I, A CONDOMINIUM  
FOR THE PURPOSE OF ADDING PHASES V AND VI AND UPDATING DOCUMENTS

This Amendment, made and entered into this \_\_\_\_ day of July, 1986, by the Developer, ISLANDER RESORT, a Joint Venture via ISLAND BEACH, INC., a Washington Corporation, the managing joint venturer, herein referred to as the "Developer."

W I T N E S S E T H:

WHEREAS, Developer has executed and caused to be recorded in the public records of Volusia County, Florida, the Declaration of Condominium of ISLANDER BEACH CLUB RESORT, PHASE I, a Condominium, being dated September 5, 1984, and recorded in Official Records Book 2603 Page 404/502 (hereinafter referred to as the "Declaration"); and

WHEREAS, pursuant to Article XXIII of the said Declaration, and in accordance with Section 718.403, Florida Statutes, Developer has the right to add additional Phases to the Condominium; and

WHEREAS, Developer desires to execute this Amendment for the purpose of adding Phases V and VI to the Condominium consisting of nine (9) whole-time units respectively for a total of eighteen (18) whole time units, so that the Phase Condominium, as amended, will consist of fifty-five (55) whole time units. In the event each whole time unit in Phases V and VI are committed to timeshare estates, each whole time unit will contain 52 time share weeks resulting in 468 timeshare unit weeks respectively in Phase V and Phase VI therein resulting in a total of 936 time share weeks in Phase V and Phase VI and a total of 2860 time share unit weeks in the phase condominium. A 53rd week may be created every six (6) years in each whole time unit committed to time share estates based on the Georgian calendar and will be considered part of the time share plan.

WHEREAS, pursuant to Article XI of the said Declaration, the Developer has the right to amend the Declaration of Condominium to carry out the necessary purpose of the condominium; and

WHEREAS, the Developer has determined that it is in the best interest of the project to modify the flexible use plan to more specifically regulate the administration of flexible use periods to give time share unit owners the best possible opportunity to use desirable weeks;

NOW, THEREFORE, for and in consideration of the covenants herein contained and contained in the said Declaration of Condominium, the Developer hereby executes this Amendment for the purpose of declaring that ISLANDER BEACH CLUB RESORTS, PHASES V, a Condominium, and ISLANDER BEACH CLUB RESORTS, PHASE VI, a Condominium as described in Article XXIII of the said Declaration, be and is hereby made a part of the phase development of ISLANDER BEACH CLUB RESORTS, a Phase Condominium, subject to and in accordance with the terms of the said Declaration. Attached hereto is the Certification of Daniel W. Cory, a registered Florida surveyor, certifying the substantial construction of improvements, legal description of Phase V (North half of 6th floor) and Phase VI (North half of 7th floor) and the location and identification of units and common elements, and survey of improvements in which the units are located, and the plot plan and Joinder of Mortgagees consenting to the execution of Phase V and Phase VI to the Declaration of Condominium of ISLANDER BEACH CLUB RESORTS, a Phase Condominium, and the percent of fractional interest of each whole time unit and each time share unit week in the appurtenant common elements, common expense, and common surplus.

Further, that the index to the Declaration of Condominium, Phase I, be amended to reflect the submission statement is located on Page 2 and to add the Exhibit 1-G, Flexible Use Agreement and related Exhibits attached thereto and that Article V of the Declaration of Condominium, Phase I be amended to clarify that the flexible use plan shall be segregated on a prime and preferred seasonal basis and to modify Exhibit 1-G to the Declaration of Condominium Phase I reflecting the Flexible Use Agreement and Rules and Regulations; and further amending Exhibit 1-F to Declaration of Condominium, the Management Agreement, to delete the flexible time reservation and confirmation sheets. (See attached amended sections and articles referenced above.)

IN WITNESS WHEREOF, the Developer has caused this Amendment to be executed in its name by its officer duly authorized on the day and year first above written.

Signed, sealed and delivered  
in the presence of:

ISLANDER RESORT, A JOINT VENTURE  
by its Managing Venturer

ISLAND BEACH, INC.

By: \_\_\_\_\_  
Its Vice President

STATE OF FLORIDA )

COUNTY OF VOLUSIA )

The foregoing instrument was acknowledged before me this  
day of \_\_\_\_\_, 1986, by \_\_\_\_\_,  
Vice President of ISLAND BEACH, INC., managing venturer partner of  
ISLANDER RESORTS, a joint venture, on behalf of the joint venture and  
as a free and voluntary act as authorized by the joint venture.

\_\_\_\_\_  
Notary Public  
State of Florida at Large

My Commission expires:

CERTIFICATE OF SURVEYOR

I, DANIEL W. CORY, of New Smyrna Beach, Florida, certify as follows:

1. I am a surveyor authorized to practice in the State of Florida, my surveyor's registration number is 2027.

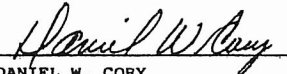
2. This Certificate is made as to ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, which consists of only the North half of the Sixth (6th) floor of the ISLANDER BEACH CLUB RESORTS, located at 1601 South Atlantic Avenue, New Smyrna Beach, Florida and being a portion of the following legal description:

Lots 1 through 10, inclusive, Block 7, F. C. Austin's Subdivision according to the map or plat thereof recorded in Map Book 1, page 127 of the Public Records of Volusia County, Florida together with that part of Hill Street which lies Southerly of the North line of Lot 10, extended Easterly to where it intersects with the North line of Lot 1 and which lies Northerly of the South line of Lot 7, extended Easterly to a point where it intersects with the South line of Lot 6, all being in block 7, Coronado Beach Subdivision as per map recorded in Map Book 5, page 83 of the Public Records of Volusia County, Florida, (F. C. Austin's Subdivision according to map recorded in Map Book 1, page 127, Public Records of Volusia County, Florida), including shore, littoral, riparian rights and accretions.

3. The undersigned has examined the survey, graphic descriptions and particularly the plot plan comprising Exhibit A to the Declaration of Condominium of ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, showing the location of the building.

4. The construction of the condominium is substantially complete; the survey and plot plan included in said Exhibit A to the Declaration of Condominium are accurate representations of the location and dimensions of the improvements, so that together with the wording of the Declaration, the identification, location and dimensions of the common elements and of each unit can be determined from said materials.

DATED: July 19, 1986

  
DANIEL W. CORY  
FLA. REG. SURVEYOR 2027


JOINDER BY MORTGAGEE TO THE  
DECLARATION OF CONDOMINIUM FOR  
ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM

STAED AND ASSOCIATES, a Florida general partnership (hereinafter referred to as "Mortgagee"), the owner and holder of a Mortgage (the "Mortgage"), recorded in Official Record Book 2550 page 1669, Public Records of Volusia County, Florida, including the parcel particularly described on Exhibit A to the Declaration of Condominium of ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, hereby joins in the making of said Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, and agrees that the lien of the Mortgage shall with respect to the parcel described on said Exhibit A, be upon all of the Units of ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, together with all of the appurtenances thereto, including but not limited to, the Common and Limited Common Elements.

The execution hereof by Mortgagee is for the sole purpose of consenting to the making of the Declaration of Condominium, as such consent is required by Florida Statutes, Chapter 718, and nothing contained herein shall be construed as subordinating the Mortgage to any lien rights or other provisions of the Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, or the Exhibits thereto, nor shall the execution hereof affect the lien or priority of the Mortgage.

IN WITNESS WHEREOF, STAED AND ASSOCIATES has caused this instrument to be executed this 10<sup>th</sup> day of June, 1986.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:



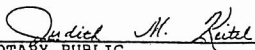
STAED AND ASSOCIATES

By:

  
THOMAS STAED

STATE OF FLORIDA )  
COUNTY OF VOLUSIA )

The foregoing joinder by Mortgagee to the Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, was acknowledged before me this 10<sup>th</sup> day of June, 1986, by Thomas W. Staed, authorized representative of STAED AND ASSOCIATES.

  
NOTARY PUBLIC  
STATE OF FLORIDA AT LARGE

My Commission expires:

Notary Public, State of Florida at Large  
My Commission expires August 1, 1988

JOINDER BY MORTGAGEE TO THE  
DECLARATION OF CONDOMINIUM FOR  
ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM

INTERWEST SAVINGS BANK (hereinafter referred to as "Mortgagee"), the owner and holder of a Mortgage (the "Mortgage") recorded in Official Record Book 2814 page 379, dated April 30, 1986, Public Records of Volusia County, Florida, including the parcel particularly described on Exhibit A to the Declaration of Condominium of ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, hereby joins in the making of said Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, and agrees that the lien of the Mortgage shall with respect to the parcel described on said Exhibit A, be upon all of the Units of ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, together with all of the appurtenances thereto, including but not limited to, the Common and Limited Common Elements.

The execution hereof by Mortgagee is for the sole purpose of consenting to the making of the Declaration of Condominium, as such consent is required by Florida Statutes, Chapter 718, and nothing contained herein shall be construed as subordinating the Mortgage to any lien rights or other provisions of the Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, or the Exhibits thereto, nor shall the execution hereof affect the lien or priority of the Mortgage.

IN WITNESS WHEREOF, INTERWEST SAVINGS BANK has caused this instrument to be executed this 28 day of March, 1986.

SIGNED, SEALED AND DELIVERED  
IN THE PRESENCE OF:

INTERWEST SAVINGS BANK

By: [Signature]  
Vice President

STATE OF Florida )  
COUNTY OF Volusia )

The foregoing joinder by Mortgagee to the Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, was acknowledged before me this 28 day of March, 1986, by [Signature], authorized representative of INTERWEST SAVINGS BANK.

[Signature]  
NOTARY PUBLIC

My Commission expires:

NOTARY PUBLIC STATE OF FLORIDA  
MY COMMISSION EXPIRES MAY 20, 1989  
BOND NO. 1000 GENERAL JAC. 1000.

EXHIBIT A

601  
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PERCENTAGE OF OWNERSHIP  
FOR  
ISLANDER BEACH CLUB RESORTS, PHASE V

EACH UNIT WITHIN ISLANDER BEACH CLUB RESORTS, PHASE V, A CONDOMINIUM, SHALL HAVE A 1/46TH INTEREST IN AND TO THE TOTAL FRACTIONAL SHARE OF THE COMMON ELEMENTS AND COMMON SURPLUS, HENCE EACH UNIT WITHIN ISLANDER BEACH CLUB RESORTS, PHASE V, SHALL BE RESPONSIBLE FOR 1/46TH OF THE COMMON EXPENSES. IN THE EVENT, HOWEVER, THAT FUTURE PHASES ARE ADDED THE PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS, SURPLUS, AND COMMON EXPENSES OF EACH UNIT IN ISLANDER BEACH CLUB RESORTS, PHASE V, WILL DECREASE PER THE TOTAL NUMBER OF UNITS COMMITTED TO PHASE DEVELOPMENT AS FROM TIME TO TIME MAY BE ADDED.

Exhibit I-B  
to  
Declaration Of Condominium

PERCENTAGE INTEREST IN UNITS  
COMMITTED TO INTERVAL OWNERSHIP

Each Condominium Unit is identified by numbers and is delineated on the Survey Exhibits collectively identified as Exhibit No. A. For Units committed to Interval Ownership, each Owner thereof shall have a percentage interest therein with respect to the other owners of Unit Weeks in the same Unit as follows:

<u>Week Numbers Owned</u>	<u>Percentage Share for Each Unit Week Owned</u>
1 - 52	1.92307
53	0.00036

EXHIBIT 1-C  
TO  
DECLARATION OF CONDOMINIUM