

ELEVENTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF
ISLANDER BEACH CLUB RESORTS, PHASE I, A CONDOMINIUM
FOR THE PURPOSE OF ADDING PHASE XI AND XII AND UPDATING DOCUMENTS

This Amendment, made and entered into this ____ day of _____, 198__, 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 RESORTS, 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 Phase XI and XII to the Condominium consisting of nine (9) whole-time units respectively to each phase so that the Phase Condominium, as amended, will consist of one hundred and nine (109) whole time units and in the event each whole time unit in Phase XI and XII is committed to Time-Share estates, each whole time unit will contain 52 Time-Share weeks resulting in 468 Time-Share unit weeks in Phase XI and 468 Time-Share unit weeks in Phase XII and a total of 5668 Time-Share unit weeks in the phase condominium. An additional 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 also be considered a Time-Share unit week. There are 51 Time-Share unit weeks per whole time unit in the Time-Share Plan. Estimated completed date for Phase XI and XII is June 1988; and

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, PHASE XI and XII, 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 XI and XII (south half of 6th floor and south half of 7th floor respectively) and the location and identification of units and common elements, and survey of improvements in which the units are located, and the floor plans, and Joinder of Mortgagees consenting to the execution of Phase XI and XII 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.

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 _____, 198__, 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:

TWELFTH AMENDMENT TO DECLARATION OF CONDOMINIUM OF
ISLANDER BEACH CLUB RESORTS, PHASE I, A CONDOMINIUM
FOR THE PURPOSE OF ADDING PHASE XIII AND UPDATING DOCUMENTS

This Amendment, made and entered into this ____ day of _____, 1989, 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 RESORTS, 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 Phase XIII to the Condominium consisting of five (5) whole-time units so that the Phase Condominium, as amended, will consist of one hundred fourteen (114) whole time units and in the event each whole time unit in Phase XIII is committed to Time-Share estates, each whole time unit will contain 52 Time-Share weeks resulting in 260 Time-Share unit weeks in Phase XIII and a total of 5928 Time-Share unit weeks in the phase condominium. An additional 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 also be considered a Time-Share unit week and in the plan. There are 51 Time-Share unit weeks per whole time unit in the Time-Share Plan plus the 53rd week as applicable. Estimated completed date for Phase XIII is October 31, 1989. Further, Developer is to correct Scribners error to more accurately reflect the original intent of the Declaration of Condominium and as it has been amended from time to time by the Developer as follows: Article I, Submission Statement U.2 by adding Friday as an alternate beginning date to an interval week unit as well as Saturday; Article I, submission statement U.4 and U.5 reflecting that fixed weeks do not apply to the Flexible Use Plan; amend Article V to state that fixed weeks are weeks not in the flexible use plan and delete bonus use time; reprint of Article VI to prevent overlap to page 7; reprint of page 7 to

delete last sentence of Article VI; Amend Article IX Maintenance Fee for units committed to Interval Ownership reflecting that real estate tax may be assessed separately from maintenance fees; amend Article XXII Miscellaneous Provisions at Section D reflecting real estate taxes may be billed separately and Section X clarifying developer retained property; amend Exhibit 1-A drawings to reflect clarification of developer retained property and common elements on first floor of building housing the phase condominium and restaurant parking provisions on common elements; amend Exhibit 1-F to Declaration of Condominium adding current Management Agreement; amending Exhibit 1-G to Declaration of Condominium as to Flexible Use Plan Rules at e-1 reflecting that all weeks hence forth are to be flexible weeks including unit weeks 6 and 7.

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, PHASE XIII, 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 XIII (north half of 1st floor respectively) and the location and identification of units and common elements, and survey of improvements in which the units are located, and the floor plans, and Joinder of Mortgagees consenting to the execution of Phase XIII to the Declaration of Condominium of ISLANDER BEACH CLUB RESORTS, a Phase Condominium, if applicable, and the percent of fractional interest of each whole time unit and each time share unit week in the appurtenant interest as to the common elements, common expense, and common surplus. Further, Developer is to correct Scribners error to more accurately reflect the original intent of the Declaration of Condominium and as it has been amended from time to time by the Developer as follows: Article I, Submission Statement U.2 by adding Friday as an alternate beginning date to an interval week unit as well as Saturday; Article I, Submission Statement U.4 and U.5 reflecting that fixed weeks do not apply to the Flexible Use Plan; amend Article V to state that fixed weeks are weeks not in the flexible use plan and delete bonus use time; reprint of Article VI to prevent overlap to page 7; reprint of page 7 to delete last sentence of Article VI; amend Article IX Maintenance Fee for units committed to Interval Ownership reflecting that real estate tax may be assessed separately from maintenance fees; amend Article XXII Miscellaneous Provisions at Section D reflecting real estate taxes may be billed separately and Section X

clarifying developer retained property; amend Exhibit 1-A drawings to reflect clarification of developer retained property and common elements on first floor of building housing the phase condominium and restaurant parking provisions on common elements; amend Exhibit 1-F to Declaration of Condominium adding current Management Agreement; amending Exhibit 1-G to Declaration of Condominium as to Flexible Use Plan Rules at e-1 reflecting that all weeks hence forth are to be Flexible weeks including unit weeks 6 and 7.

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 _____, 198__, 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:

AMENDMENTS TO
DECLARATION TEXT

of common expenses which, from time to time, are assessed against the Unit Owners.

J. CONDOMINIUM PARCEL or PARCEL means a Unit, together with the undivided share in the Common Elements which are appurtenant to the Unit.

K. CONDOMINIUM UNIT or UNIT is a unit as defined in the Condominium Act, referring therein to each of the separate and identified units delineated in the survey attached to the Declaration of Condominium as Exhibit A, and when the context permits, the Condominium Parcel includes such Unit, including its share of the Common Elements appurtenant thereto.

L. UNIT OWNER means the owner of a condominium parcel.

M. DEVELOPER means ISLANDER RESORT, a Florida Joint Venture, its successors and assigns.

N. INSTITUTIONAL MORTGAGEE means a Bank, Savings and Loan Association, Insurance Company or Union Pension Fund authorized to do business in the United States, an agency of the United States Government, a real estate or mortgage investment trust or a lender generally recognized in the community as an institutional type lender. INSTITUTIONAL MORTGAGEE shall also include the Developer and its assigns.

O. OCCUPANT means the person or persons, other than the Unit Owner, in possession of a Unit.

P. CONDOMINIUM DOCUMENTS mean this Declaration, the By-Laws and all Exhibits annexed hereto, as the same may be amended from time to time.

Q. BOARD OF ADMINISTRATION or BOARD OF DIRECTORS means the representative body responsible for administration of the Association.

R. MANAGEMENT AGREEMENT means and refers to that certain Management Agreement attached to this Declaration and made a part hereof, which provides for management of the condominium property.

S. MANAGEMENT FIRM means and refers to the entity identified as the Management Firm in the Management Agreement attached to this Declaration and made a part hereof.

T. Unless the context otherwise requires, all other terms used in this Declaration shall be assumed to have the meaning attributed to said term by Florida Statutes Chapters 718 and 721 as of the date of this Declaration, and as may be amended from time to time.

U. The following definitions shall refer only to those Units committed to and sold under a plan of "Interval Ownership";

1. "Interval Ownership" is a concept whereby timeshare units and the share of the common elements assigned to that Unit are conveyed to the purchaser and the purchaser receives a stated time period of ownership for each year subsequent to the date of purchase.

2. "Unit Week" or "Time Share Estate" means a period of ownership in a unit committed to Interval Ownership.

"Unit Weeks" are computed as follows:

Unit Week No. 1 is the seven (7) days commencing on the first Saturday or Friday 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 No. 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 or Friday of the period to Noon on the last Saturday or Friday of the period.

3. A "Unit Committed to Interval Ownership" or a "Time Share Unit" shall be any unit sold under a plan of Interval Ownership.

4. Guaranteed Use Periods means unit weeks not in the Flexible Use Plan.

5. Flexible Use Periods means unit weeks 1 through 7 inclusive and 8 through 52 inclusive and the 53rd week as applicable and will apply to units in the Flexible Use Plan.

II. NAME

The name by which this condominium is to be identified shall be ISLANDER BEACH CLUB RESORTS, Phase I, a condominium.

III. COMMITTING A UNIT TO INTERVAL OWNERSHIP

TIME SHARE ESTATES OR INTERVAL OWNERSHIP WILL OR MAY BE CREATED WITH RESPECT TO UNITS IN THE CONDOMINIUM. THE MINIMUM DURATION OF A TIME SHARE ESTATE OR INTERVAL OWNERSHIP WHICH MAY BE CREATED WITH RESPECT TO ANY UNIT IN THE CONDOMINIUM SHALL BE ONE WEEK (SEVEN (7) DAYS). IF A UNIT IS NOT PLACED IN INTERVAL OWNERSHIP IT SHALL BE A WHOLE TIME CONDOMINIUM UNIT.

A Unit shall become a Unit committed to Interval Ownership upon the recording of the first deed in said unit, conveying Unit Weeks, by the Developer. No Unit may be committed to Interval Ownership by any person or other entity other than the Developer. A Unit will no longer be committed to Interval Ownership any time all Unit Weeks are owned by the same legal entity. Notwithstanding the above, the Developer may assign its right to commit Units to Interval Ownership to any other entity to which it conveys substantially all Units which it owns in the condominium property.

IV. IDENTIFICATION OF UNITS

The condominium property consists essentially of all Units and other improvements as set forth in Exhibit A, attached hereto. For purposes of identification, all Units located on the condominium property have been given identifying numbers and are delineated on Exhibit A hereto. No Unit bears the same identifying number as any other Unit. The aforesaid identifying number as to the Unit is also the identifying Unit as to the condominium parcel. Exhibit A also contains a survey of the land, graphic description of the improvements, a plot plan and, together with this Declaration, they are in sufficient detail to identify the location, dimensions and size of the Common Elements and of each Unit, as evidenced by the Certificate of the Registered Land Surveyor attached hereto. The legend and notes contained with Exhibit A are incorporated herein and made a part hereof.

The aforesaid Units, building(s) and improvements were constructed substantially in accordance with the Plans and Specifications and any modification thereof on file with the Building and Zoning Department of the applicable governmental authority.

V. IDENTIFICATION AND USE OF UNITS COMMITTED TO INTERVAL OWNERSHIP

Wherever the term "Unit Owner" or "Unit Owners" is used in this Declaration, as amended, it shall be construed to include all owners of Unit Weeks within any Unit committed to Interval Ownership as one Unit Owner. The respective interests of each owner of Unit Weeks within the Unit committed to Interval Ownership with respect to each other shall be

delineated on Exhibit C attached hereto and incorporated by reference herein.

The use of time share unit weeks under the time share plan will be by guaranteed use periods or flexible use periods. These use periods designated to be guaranteed or flexible and how these periods are to be used is indicated as follows:

A. USE PERIODS. The Unit Weeks in every Condominium Unit are hereby segregated into the following two different kinds of use periods:

Guaranteed Use Periods: Unit Weeks not in Flexible Use Plan

Flexible Use Periods: Unit Weeks 1 thru 7, inclusive and 8 thru 52, inclusive, including the 53rd week.

GUARANTEED USE PERIODS: Owners purchasing Unit Weeks designated herein as Guaranteed Use Periods shall be entitled to the exclusive use, possession and occupancy of a Unit during the specific Unit Weeks identified in the Purchase Agreement.

RESERVATION OF FLEXIBLE USE PERIODS: Owners purchasing Unit Weeks designated herein as Flexible Use Periods shall only be entitled to the exclusive use, possession and occupancy of a Unit in accordance with the terms of the Declaration of Condominium and Rules and Regulations and pursuant to a reservation executed by or on behalf of the Management Firm.

PURCHASERS OF FLEXIBLE USE PERIODS SHOULD CAREFULLY NOTE THE DATES AND "FIRST COME-FIRST SERVE" BASIS FOR HONORING RESERVATION REQUESTS DESCRIBED IN THE RULES AND REGULATIONS. IF REQUESTS ARE DELAYED UNTIL ONLY TEN (10) DAYS BEFORE THE REQUESTED UNIT WEEK(S), THEY MIGHT NOT BE AVAILABLE. 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 MANAGEMENT IS NOT OBLIGATED TO MAKE ALTERNATIVE ARRANGEMENTS OR TO EXCUSE PAYMENT OF APPROPRIATE MAINTENANCE FEES OR TO REFUND ANY OF THE PURCHASER'S PAYMENTS.

Regardless of the Use Period(s) owned by any Flexible Use Period Owner, and regardless of the particular Unit with which such Use Period(s) may be associated, in the particular Unit with which such Use Period(s) may be associated, in the Purchase Agreement or otherwise, no person shall have any right whatsoever to occupy a particular Unit at any time, except pursuant to a reservation executed by or on behalf of the Management Firm. Said reservations, and other rights associated with Flexible Use Periods, shall be in accordance with the following:

(1) Each Owner of a Unit Week designated a Flexible Use Period shall be entitled to use and occupy any available Unit comparable to the Unit purchased and the common furnishings contained therein, together with the non-exclusive right to use the common facilities and recreational facilities, for one seven-day (7-day) Flexible Use Period per year, subject to any maintenance weeks as defined in Article X.

(2) Reservation requests from Flexible Use period Owners will be honored by the Management Firm in the order in which they are received. Provided, however, reservations may not be made more than three hundred sixty-five (365) days, nor less than ten (10) days, in advance of the first day of the period to be reserved.

(3) There shall be no accrual or carryover of unused time from one calendar year to the next.

(4) Reservations and cancellations, check-in and check-out times, and other ministerial functions shall be in accordance with the terms of

this Declaration or with supplemental rules and regulations adopted by the Association or the Management Firm.

(5) Any owner who is delinquent in the payment of assessments or any part thereof may be subject to all remedies available to the appropriate managing entity.

(6) Each Owner of a Unit Week designated a Flexible Use Period shall be liable for payment of all assessments and charges as provided by this Declaration, regardless of use or non-use by the Owner of any Flexible Use Period in any given year.

THE DEVELOPER RESERVES THE RIGHT TO OFFER THE PURCHASER OR UNIT OWNER OF ANY RESIDENTIAL UNIT A PROGRAM OF FLEXIBLE USE PERIODS OR A SIMILAR PROGRAM, TO EFFECTUATE A RESERVATION FLEXIBLE SYSTEM.

B. PRIME AND PREFERRED SEASONS

In implementing the flexible use plan the Developer will divide the calendar year into prime and preferred seasons. The reservation system for the (Flexible Use Plan) will rotate by priority designation within the prime and preferred seasons depending on which season the unit owner purchases. (See Rules and Regulations and Flexible Use Agreement attached to the Declaration of Condominium, Phase I as Exhibit 1-G).

C. FLEXIBLE USE PLAN

1. A Unit Week Owner will be conveyed insurable fee title to a specific Unit during a particular week of the year. However, all Unit Weeks that are Flexible Use Weeks will be dedicated to a plan (the "Flexible Use Plan") operated by the Developer and/or its assigns, as agent for all Participants in said Plan (the "Plan Participants"). Under the Plan, the Plan Participant surrenders his rights to a specific Unit Week in a specific Unit in return for the right to vary, from year to year, the week in which he occupies a similar Unit. Plan Participants must reserve the time period desired each year. Since Flexible time share periods are reserved on a first come-first served basis, a Plan Participant's chances of receiving the desired period are greatly dependent upon his timely request for reservation. Failure to do so may result in the Plan Participant being assigned a time share period which he will be unable to use for that year. If a Plan Participant does not use his assigned time share period in any one year, it is not carried over to subsequent years. A Plan Participant's failure to use his time share period in one year does not relieve him of his obligation to pay all agreed upon assessments and costs. (See "Rules and Regulation" and "Flexible Use Agreement" attached to the Declaration of Condominium, Phase I (Exhibit 1-G). Plan Participants do not have the right to request or be assigned occupancy of a specific Unit (provided, however, that the Unit assigned to each Plan Participant shall be of the same type as the Unit the Plan Participant purchased). Plan Participants must reserve a Unit Week each year for every Unit Week owned and subjected to the Flexible Use Plan.

2. Reservations under the Flexible Use Plan will be made in accordance with the rules and regulations ("Rules and Regulations") attached to the Flexible Use Agreement. Said Rules and Regulations may be amended from time to time by the Board of Directors of the Developer or by assigns. The cost of operating and administering the Flexible Use Plan shall be paid by its participants through their annual maintenance fee and if cost are not paid as required by the Developer or assigns the plan participant may lose his right to use the Flexible use system until assessed annual maintenance fees are current.

VI.
OWNERSHIP OF COMMON ELEMENTS

Each of the Unit Owners of the Condominium shall own an undivided interest in the Common Elements and Limited Common Elements, and the undivided interest is stated as a percentage of such ownership in said Common Elements and Limited Common Elements, as set forth in Exhibit B attached hereto and incorporated by reference herein.

The fee simple title to each Condominium Parcel shall include both the Condominium Unit and the respective undivided interest in the Common Elements, said undivided interest to be deemed to be automatically conveyed or encumbered with its respective Condominium Unit. Any attempt to separate the fee simple title to a Condominium Unit from the undivided interest appurtenant to each Unit shall be null and void.

VII.
VOTING RIGHTS

There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Association and such person shall be known and is hereafter referred to as the "Voting Member." If a Unit is owned by more than one person, the owners of said Unit shall designate one of them as the Voting Member. If the Unit Owner is a corporation, an officer or employee thereof shall be designated the Voting Member. The designation of the Voting Member shall be made as provided by and subject to the By-Laws of the Association.

Each Owner or group of Owners shall be entitled to one vote for each Unit owned. The vote of a Condominium Unit is not divisible.

Notwithstanding the above, each Owner of Unit Weeks in a Unit committed to Interval Ownership shall be entitled to vote at meetings of the Association and shall be entitled to one fifty-first (1/51st) vote for each Unit Week owned.

VIII.
COMMON EXPENSE AND COMMON SURPLUS

The common expenses of the Condominium, including the obligation of each Unit Owner under the Management Agreement attached to this Declaration, shall be shared by the Unit Owners, as specified and set forth in Exhibit B. Any common surplus of the Association shall be owned by each of the Unit Owners in the same percentage specified for sharing common expenses.

IX.
MAINTENANCE FEE FOR UNITS
COMMITTED TO INTERVAL OWNERSHIP

All Owners of Unit Weeks in Units committed to Interval Ownership shall pay a "maintenance fee." The maintenance fee shall include the following:

- A. The particular Unit Week Owner's share of common expenses, as set forth above.
- B. Repair and upkeep of Units for normal wear and tear (example - repainting interior walls).
- C. Repair and replacement of furniture, fixtures, appliances, carpeting and utensils.
- D. Casualty and/or liability insurance.
- E. Utilities for the subject Unit.
- F. Personal property and other applicable taxes.

- G. Any other expenses incurred in the normal operation and maintenance of the Unit which cannot be attributed to a particular Unit Week Owner.

Real estate ad valorem taxes may be billed separately by the Association to the individual unit owner.

The maintenance fee shall be prorated among all Owners of Unit Weeks in a specific Unit by applying a fraction, the numerator of which is the number of Unit Weeks owned by a specific Owner, the denominator of which is fifty-one (51), to the total of all such expenses which reflects the Developers intent to have 51 weeks in the time share plan for purposes of budget assessment and the payment of management fees. The foregoing shall not apply to any Unit Week conveyed to the Association.

X.
MAINTENANCE WEEK IN UNITS
COMMITTED TO INTERVAL OWNERSHIP

Upon conveying thirty (30) Unit Weeks in any Unit committed to Interval Ownership or six (6) months from the date of the first conveyance under Interval Ownership in any Unit committed to Interval Ownership, whichever date comes first, the Developer agrees to convey and the Association agrees to accept one unit week to be used for maintenance purposes and Unit Week No. 53 to be used for maintenance purposes or any other purpose determined by the Board of Directors. The Developer shall have the right to choose the Unit Week to be so conveyed. In the event any one person or other legal entity becomes holder of record title to all Unit Weeks in any one Unit, that person or legal entity may cause the Association to convey said Unit Weeks previously conveyed to the Association to it by notifying the Association in writing of its desire that said Unit cease being a unit committed to Interval Ownership. The Association shall execute the necessary papers to complete said conveyance no later than sixty (60) days after the foregoing notice. All expenses of said conveyance, including documentary stamps and recording fees, shall be borne by the person or other legal entity desiring such conveyance.

XI.
METHOD OF AMENDMENT TO DECLARATION

This Declaration may be amended at any regular or special meeting of the Unit Owners, called and convened in accordance with the By-Laws, by the affirmative vote of Voting Members casting not less than fifty-one (51%) percent of the total vote of the members of the Association.

All amendments shall be recorded and certified as required by the Condominium Act. No amendment shall change any Condominium Parcel or a Condominium Unit's proportionate share of common expenses or common surplus, or the voting rights appurtenant to any Unit, unless the record Owner thereof and all record Owners of mortgages or other voluntarily placed liens thereon shall join in the execution of the amendment. No amendment shall be passed which would impair or prejudice the rights and priorities of any mortgages or change the provisions of this Declaration with respect to Institutional Mortgagees of record, and the provisions of Article XV of this Declaration shall not be changed without the written approval of all Institutional Mortgagees of record, and the provisions of Article XV of this Declaration shall not be changed without the written approval of all Institutional Mortgagees of record.

No amendment shall change the rights and privileges of the Developer without the Developer's written approval.

Notwithstanding the foregoing paragraphs of this Article:

- A. The Developer reserves the right to change the interior design

the floor between the first ground floor and second ground floor located within a Condominium Unit and, where applicable, the floor between any subsequent higher floors located within a Condominium Unit, and the floor of the first ground floor within a Condominium Unit, are a part of the Common Elements to the unfinished surface of said walls and floors.

B. The Owners of the Condominium Units agree that if any portion of a Condominium Unit or Common Element or Limited Common Element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the condominium building is partially or totally destroyed and then rebuilt, the Owners of the Condominium Parcels agree that encroachments on parts of the Common Elements or Limited Common Elements or Condominium Units, as described, due to construction shall be permitted and that a valid easement for said encroachments and the maintenance thereof shall exist.

C. No Owner of a Condominium Parcel may exempt himself from liability for his contribution toward the common expenses or, in the case of an Owner of Unit Weeks in a Unit committed to Interval Ownership, the maintenance fee, by waiver of the use and enjoyment of any of the Common Elements or the recreation facilities, or by abandonment of his Condominium Unit.

D. The Owners of each and every Condominium Parcel shall return the same for the purposes of ad valorem taxes with the Tax Assessor of Volusia County, or for such other future legally authorized government officer or authority having jurisdiction. Nothing herein shall be construed, however, as giving to any Unit Owner the right of contribution or any right of adjustment against any other Unit Owner on account of any deviation by the taxing authority from the valuation herein prescribed, each Unit Owner to pay ad valorem taxes and special assessments as are separately assessed against the Condominium Unit. Ad valorem taxes on a Unit committed to Interval Ownership may be paid by the Association and said taxes may be collected as part of the maintenance fee or billed separately to unit owners.

For this purpose of ad valorem taxation, the interest of the Owner of a "Condominium Parcel" in his "Condominium Unit" and in the "Common Elements," shall be considered a Unit. The value of said Unit shall be equal to the percentage of the value of the entire condominium, including land and improvements, as has been assigned to said Unit in this Declaration. The total of all of said percentages shall equal 100% of the value of all of the land and improvements thereon.

E. All provisions of this Declaration and Exhibits attached hereto, shall be construed as covenants running with the land, and of every part thereof and interest therein, including but not limited to every Unit and the appurtenances thereto, and every Unit Owner and occupant of the property, or any part thereof, or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration and the Exhibits.

F. If any of the provisions of this Declaration, the By-Laws, the Articles of Incorporation, the Management Agreement, or of the Condominium Act, in any circumstance, is held invalid, the validity of the remainder of the Declaration, By-Laws, Articles of Incorporation, Management Agreement or the Condominium Act shall not be affected thereby.

Whenever notices are required to be sent hereunder, they may be sent to Unit Owners either personally or by mail, addressed to such Owners at their places of residence on file with the Association. Proof of such mailing or personal delivery by the Association or the Management Firm shall be given by affidavit of the person mailing or personally delivering said notices. Notices to the Association shall be

U. Owners of Units shall have as an appurtenance thereto a perpetual easement for ingress and egress to and from their units over stairs, terraces, balconies, walks and other Common Elements.

V. The Owner of a Unit shall have an easement for ingress and egress over such streets, walks and other rights-of-way serving the units within the condominium as a part of the "Common Elements" as may be necessary to provide reasonable access to said public ways and such easement shall extend to the invitees and licensees of the Unit Owner. In the event that any of said easements for ingress and egress shall be encumbered by any leasehold or lien, other than those on the condominium parcels, such leaseholds or liens shall hereby be subordinate to the use rights of any Unit Owner or Owners whose Condominium Parcel is not also encumbered by said lien or leasehold.

W. Each Owner of a Unit Week agrees that ISLANDER BEACH CLUB CONDOMINIUM ASSOCIATION OF VOLUSIA COUNTY, INC., shall be his agent for service of process and notice in all proceedings instituted by the City of New Smyrna Beach including, but not limited to, rezoning and condemnation.

X. Developer retained property on the ground floor in or contiguous to the building housing the condominium is designated in Exhibit A to the Declaration of Condominium and reflects that the south wing is developer retained and the North wing is developer retained as designated, i.e., the multi purpose room, exercise room and contiguous executive offices.

XXIII. PHASE CONDOMINIUM

ISLANDER BEACH CLUB RESORTS, Phase I, a condominium, is a phase condominium. The Developer anticipates operation, development and sale of other floors or portions of other floors of the same building as condominiums, however, it shall not be obligated to do so. If the remaining floors or portions of floors are created, developed and sold as condominiums, they may be whole unit condominium or units committed to interval ownership, however, no single floor will have a combination thereof. It is anticipated that future phases, if any, will not have any impact upon Phase I, either as to a Unit Owner's percentage share of common expenses or the amount of usage of recreational and other common facilities. Additional phases, if any, will affect a Unit Owner's voting power as more particularly set forth hereafter.

The land and building which may be subject to future phases, if any, is the property presently operated as the Islander Motor Lodge, 1601 South Atlantic Avenue, New Smyrna Beach, Florida. This consists of the South half of floor 2, all of floors 3, 4, 5, 6 and 7 and a portion of the first floor, together with the percentage share use of all common elements of ISLANDER BEACH CLUB RESORTS, including those located on the first floor. The legal description of the land and the exact location, size and elevations of these possible additional phases (floors) is set forth in Exhibit A attached hereto.

It is anticipated by the Developer that each separate floor or one-half of each floor will consist of a separate phase, however, the Developer retains the right to add one or more floors thereto within an additional single phase. Each floor will contain 9 units of approximately the same size, description, dimensions and lay-out of Units contained in Phase I, except Phase I will have 10 units. Phase XIII will have 5 Units. The maximum number of units, if all phases and floors are created, developed and sold, including Phase I, will be 114 Units.

As each phase is added, the fractional undivided share in the Common Elements will be amended so that the denominator shall be and become the total number of units in all phases added by the Developer, if and when additional phases are added as herein provided.

CERTIFICATE OF SURVEYOR
AND AMENDED DRAWINGS

Exhibit "1-A"
to the
Declaration of Condominium

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.

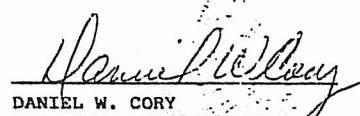
2. This Certificate is made as to ISLANDER BEACH CLUB RESORTS, PHASE XIII, A CONDOMINIUM, which consists of only the North half of the First floor of the ISLANDER BEACH CLUB RESORTS, located at 1601 South Atlantic Avenue, New Smyrna Beach, Florida and being a portion of the following legal description:

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 1-A to the Amended Declaration of Condominium of ISLANDER BEACH CLUB RESORTS, PHASE XIII, 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 1-A to the Amended 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: March 22, 1989


DANIEL W. CORY
FLA. REG. SURVEYOR 2027

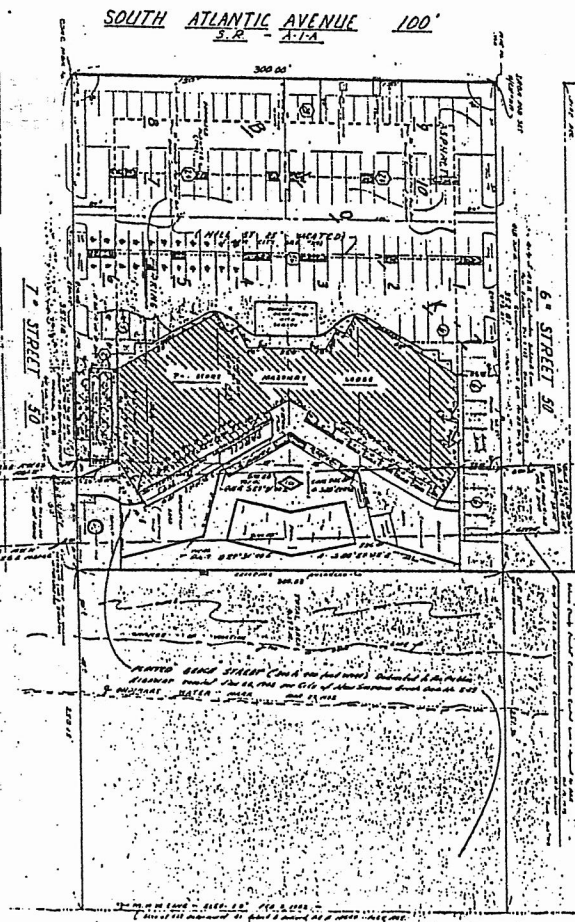
THE CITY OF ATLANTA, Georgia, is hereby certifying that the following is a true and correct copy of the original as filed in the Office of the City Clerk, Atlanta, Georgia, on the 10th day of May, 1964.

ROBERT D. HOWARD
CITY CLERK

THE CITY OF ATLANTA, Georgia, is hereby certifying that the following is a true and correct copy of the original as filed in the Office of the City Clerk, Atlanta, Georgia, on the 10th day of May, 1964.

ROBERT D. HOWARD
CITY CLERK

ROBERT D. HOWARD
CITY CLERK



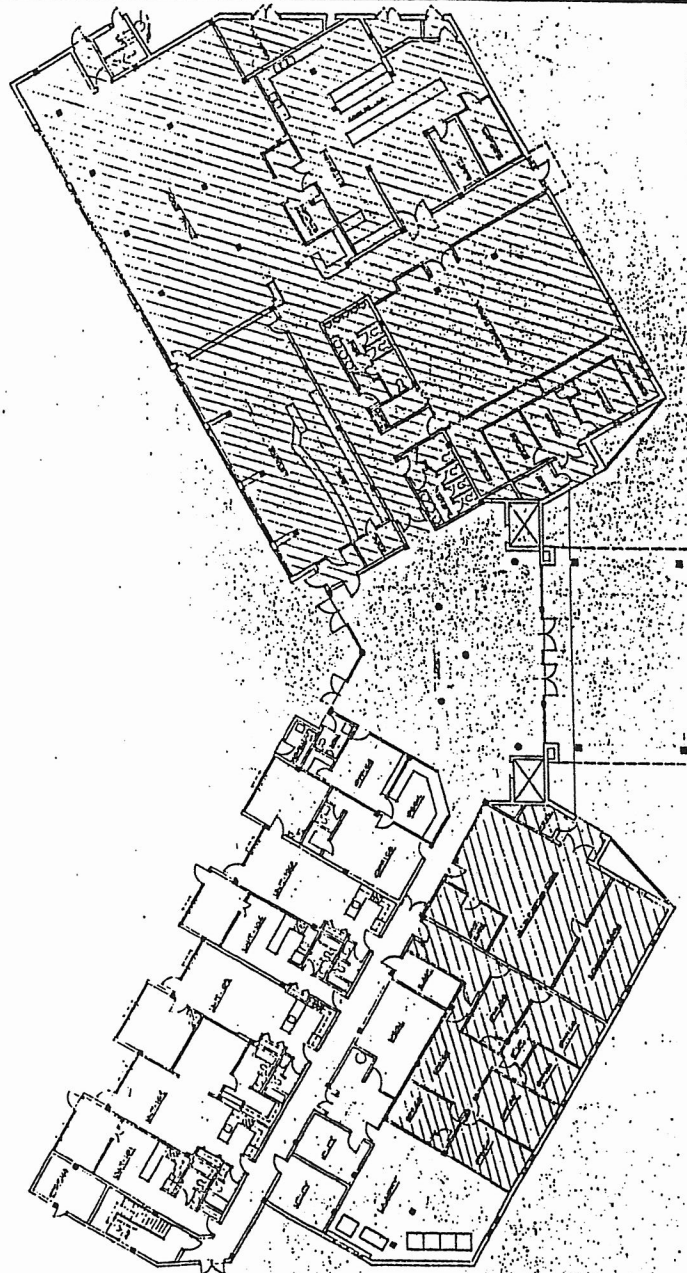
ISLANDER BEACH RESORT, A CONDOMINIUM

ATLANTIC OCEAN

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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ROBERT D. HOWARD
ARCHITECT

ISLANDER BEACH RESORT
CONDOMINIUM



ISLANDER BEACH RESORT
CONDOMINIUM

CONDOMINIUM
ARCHITECT

Exhibit "1-B"
to
Declaration Of Condominium

BOOK PAGE

3307 0388

GENERAL INVESTIGATIVE DIVISION
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535
JULIUS ROSENBERG

[illegible]

A R C H I T E C T
ROBERT G. HOWARD
1855 NORTH DIXIE FREEWAY NEW MIAMI BEACH FLORIDA 33662

PROJECT: UNIT RENOVATIONS
FOR: ELABOR BEACH RESORT
LOCATION: NO. 30TH FLEMING AVE

DATE:	DATE:
TIME:	TIME:
NAME:	NAME:
ADDRESS:	ADDRESS:
CITY:	CITY:
STATE:	STATE:
ZIP:	ZIP:
PHONE:	PHONE:
FAX:	FAX:
E-MAIL:	E-MAIL:
WEBSITE:	WEBSITE:
OTHER:	OTHER:

PERCENTAGE OF OWNERSHIP
FOR
ISLANDER BEACH CLUB RESORTS, PHASE XIII

EACH UNIT WITHIN ISLANDER BEACH CLUB RESORTS, PHASE XIII, A CONDOMINIUM, SHALL HAVE A 1/114th INTEREST IN AND TO THE TOTAL FRACTIONAL SHARE OF THE COMMON ELEMENTS AND COMMON SURPLUS, HENCE EACH UNIT WITHIN ISLANDER BEACH CLUB RESORTS, PHASE XIII, SHALL BE RESPONSIBLE FOR 1/114TH 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 XIII, 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

EXHIBIT 1-C
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

AMENDED MANAGEMENT AGREEMENT

Exhibit "1-F"
 to the
 Declaration of Condominiums

AMENDED
MANAGEMENT AGREEMENT
BETWEEN

ISLANDER BEACH CLUB CONDOMINIUM, ASSOCIATION, INC.
OF VOLUSIA COUNTY, INC.

AND
ASSOCIATED REALTY ADVISORS, INC.

THIS AGREEMENT, made and entered into this 1st day of October 1987, by and between ASSOCIATED REALTY ADVISORS, INC., a California 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 said 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 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 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 XXI 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% if 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 cause 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.

(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 all reasonable times.

(i) The Management Firm shall prepare proposed annual budgets for the Board of Directors for the term of the Management Agreement. Upon said budget's 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 to maintain and replace the personal property within units committed to interval ownership, and in such capacity to:

(1) 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) Set aside a portion of the maintenance fee 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 co-mingled 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 of the Association 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 are 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 its applicable, then in such event, the Management Firm, upon approval of the Association, shall determine, assess, change and levy the costs of repairing and restoring such loss among the Unit Owners pursuant to the Declaration 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 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 Management Firm shall make available for inspection by the Division any books and records of the timesharing plan upon proper request of the Division of Florida Land Sales, Condominiums and Mobile Homes, Bureau of Timeshare.

(r) The Management Firm shall arrange for an annual independent audit of all the books and financial records of the timeshare 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 Regulations. 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 Firm 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 contract 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, 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 Week in such Unit shall be limited to the Unit Weeks so owned by the defaulting Owners 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 said Association and its members are insufficient, the Management Firm shall forthwith determine such additional assessment 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 Weeks 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 Weeks.

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 gross 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 access costs and reasonable attorney's fees in such amount and against such party as it deems just and proper.

13. No waiver of a breach or any of the covenants contained in this Agreement 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 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 said 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 by 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 owners 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 hereunto set their hands and seals, and have caused these presents to be signed respectfully by their proper officer(s), and their respective Corporate Seals have been duly affixed, this ____ day of _____, 1988.

Signed, sealed and delivered
in the presence of:

ASSOCIATED REALTY ADVISORS, INC.

Witness _____

By: _____ (SEAL)
Thomas P. Williams, President

Witness _____

STATE OF FLORIDA

COUNTY OF

The foregoing instrument was acknowledged before me this ____ day of _____, 198__, by Thomas P. Williams, President of Associated Realty Advisors, Inc., and as a free and voluntary act.

Notary Public

My Commission Expires:

ISLANDER BEACH CLUB CONDOMINIUM
ASSOCIATION OF VOLUSIA COUNTY, INC.

Witness _____

By: _____ (SEAL)

Witness _____

STATE OF FLORIDA

COUNTY OF

The foregoing instrument was acknowledged before me this ____ day of _____, 198__, by _____, of Islander Beach Club Condominium Association of Volusia County, Inc., and as a free and voluntary act.

Notary Public

My Commission Expires

AMENDED FLEXIBLE USE AGREEMENT
AND RULES

Exhibit "1-G"
to the
Declaration of Condominiums

FLEXIBLE USE AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 1986, by and between ISLANDER RESORT, a Joint Venture or its assigns, herein referred to as "Developer" and of _____ herein referred to as "Participant."

W I T N E S S E T H

WHEREAS, the Developer or assigns pursuant to the Declaration of Condominium for ISLANDER BEACH CLUB RESORTS, a Phase Condominium ("the Declaration"), recorded in O.R. Book 2603, Page 404, of the Public Records of Volusia County, Florida, is the agent for Unit Week owners participating in the Flexible Use Plan described in the Declaration (which owners are hereinafter referred to as "Plan Participants"); and

WHEREAS, Participant is the owner of a Unit Week, more particularly described as Phase _____ Unit Week _____, Unit _____ of ISLANDER BEACH CLUB RESORTS, a Phase Condominium (hereinafter called "Property"); and

WHEREAS, Participant desires to dedicate his Property to said Flexible Use Plan.

NOW THEREFORE, the parties hereto for and in consideration of the sum of \$10.00 and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

EXHIBIT "1-G" TO
DECLARATION OF CONDOMINIUM

1. Participant hereby grants to the Developer or assigns as agent for the Plan Participants, the non-exclusive right to use and enjoy the Property (herein called "Use Right Easement") subject to the terms and provisions of the Declaration, this Agreement and the "RULES AND REGULATIONS") attached hereto and made a part hereof as Exhibit 1 and Flexible Use Period Request Form and Flexible Use Period Reservation Confirmation respectfully attached as Exhibit 2 and Exhibit 3.

2. Developer or assigns, as agent for the Plan Participants hereby grants to Participant a non-exclusive right to use and enjoy a Unit to be designated by the Developer or assigns (provided said Unit is in type similar to but not superior to the Participant's Unit described above), during the Unit Week reserved by the Participant pursuant to the Rules and Regulations.

3. Participant shall pay his portion of all costs and expenses attributable to the operation of the Flexible Use Plan, which costs and expenses shall be paid prior to participation in the plan.

4. Participant shall abide by and adhere to all requirements of the Declaration, this Agreement and the Rules and Regulations as they pertain to the operation of the Flexible Use Plan.

5. In the event the Developer or assigns determines that the reservation system as outlined in the attached Rules and Regulations is inefficient, unmanageable or is, for any reason, unfair to the Plan Participants, the Developer or its assigns, without the consent of the Plan Participants, may revise the reservation system from time to time.

6. The Developer shall have the absolute right to assign

this Agreement and the management of the Flexible Use Plan to a management company, subsequent Developer, or Islander Beach Club Condominium Association of Volusia County, Inc. ("the Association") without prior notice or approval of the Plan Participants. In the event the Developer assigns this Flexible Use Agreement and management of the plan to the Association the Association shall accept the assignment.

7. This Agreement and all rights granted hereunder shall terminate upon the happening of any of the following:

a. Ten (10) years from the date the Declaration of Condominium creating the condominium regime is recorded, or 75% of the unit owners (voting interest) vote to terminate the condominium, or if terminated by mutual written agreement between all the parties. However if at the end of ten (10) years and for every ten (10) year period thereafter 75% of the unit owners (voting interest) vote to continue the Flexible Use Plan, the plan shall continue for a period of ten (10) years;

b. Upon resolution by the Association, approved by vote of seventy-five percent (75%) of the Plan Participants, electing to terminate the Flexible Use Plan, provided, however, that so long as Islander Resort, a Joint Venture or its successors or its assigns, is the Developer under the Declaration, and owns Unit Weeks, no termination of this Agreement shall be effective unless consented to in writing by the Developer or its successors or assigns.

8. Should this Agreement be terminated, but the condominium remain valid, the Developer or assigns shall propose an alternative plan of use to the Plan Participant via the Association which must be accepted by 75% of the unit owners (voting interest). If the plan(s) is not accepted, the Developer or assigns shall have the right to seek Declaratory relief in a court of competent jurisdiction. Each

party is to pay its own respective cost.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

Signed, sealed and delivered
in the presence of:

ISLANDER RESORT, a Joint Venture

By:
By its managing joint venture
Islander Beach, Inc.

(CORPORATE SEAL)

Participant:

STATE OF FLORIDA)
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me this ____ day of _____, 1986, by _____ as _____ of Island Beach, Inc., the managing joint venture of ISLANDER RESORT, a Joint Venture, on behalf of the Joint Venture and as a free and voluntary and authorized act of the Joint Venture.

NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
My Commission Expires:

STATE OF FLORIDA)
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me
this ____ day of _____, 1986, by _____

NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
My Commission Expires:

EXHIBIT 1

TO

FLEXIBLE USE AGREEMENTRULES AND REGULATIONS

1. Islander Resort, a Joint Venture or its assigns, as Developer pursuant to the Declaration, has the responsibility for operating the Flexible Use Plan on behalf of the Developer and Plan Participant. All inquiries concerning the Flexible Use Plan and reservations shall be directed to Islander Resort, a Joint Venture, at 1601 S. Atlantic Avenue, New Smyrna Beach, Florida 32069. The terms used herein shall have the meanings set forth below:

- a. "The Owner" is one who has purchased an Islander Beach Resort Timeshare unit.
- b. "Use Period" means the time period reserved by the owner for use pursuant to these Rules and Regulations.
- c. "Use Year" means the one-year period commencing at Check-In Time on the first Saturday or Friday in January and ending at Check-Out Time on the first Saturday or Friday in January of the following year during which the time share unit week is to be used.
- d. "Preceding Calendar Year" means the one year period commencing January 1 and ending December 31 of the year preceding the use year.
- e. "Season" means either of the following two seasons designated in the Declaration.

1. "Prime Season" means Unit Weeks 1 thru 7; 8 thru 17; 24 thru 35; 50 thru 52; including the 53rd week.

2. "Preferred Season" means Unit Weeks 18 thru 23; 36 thru 49.

f. "Reservation Periods" mean either one of the three following time periods:

1. "Priority Reservation" January 1 to February 28, of the preceeding calendar year.

2. "General Reservation" March 1 to June 30 of the preceeding calendar year.

3. "Assignment Period" July 1 to December 31 period of random assignment by the Developer and/or its assigns of reserved use periods for the following use year.

g. "Priority Code" means the assigned code used to identify an owners reservation priority designation.

h. "Priority Designation" means the alternating priority code group for determining reservation period.

2. Reservation Procedure.

(a) Subject to the provisions of the following subparagraphs (b) and (c), any Plan Participant shall be entitled to make a reservation with the Developer or its assigns for such Unit Week as the Plan Participant desires within the season he has purchased. Reservations must be made by mail, on the Flexible Use Agreement Request Form. Priority reservations will be accepted commencing January 1 of the preceeding calendar year and will close .

February 28 of the preceeding calendar year. General reservations will be accepted commencing March 1 of the preceeding calendar year and will close June 30 of the preceeding calendar year. Beginning July 1 of the preceeding calendar year and continuing thru the use year, the Plan participant may reserve on an availability basis within the season purchased. Any remaining time share unit week not otherwise assigned, the Developer or assigns may randomly assign non-reserved flexible use periods for the following calendar year in accordance with the season purchased for Unit Owners who fail to reserve a flex unit period during the first six month period. Based upon priority of the Plan Participant which alternates every other year the Plan Participant within each season will have reservation requests treated on a first come first serve exclusively for the periods January 1st, through March 1st. Where time permits, the Developer or assigns may confirm a reservation in writing; however it is the responsibility of the Plan Participant to confirm his reservation since not all times requested may be available. Unless otherwise arranged with the Developer or assigns, check-in time shall be at 4:00 p.m. on Saturday of the Unit Week reserved by the Plan Participant and check-out time shall be 10:00 a.m. on the following Saturday. A Plan Participant shall be entitled to have only one (1) outstanding reservation per Unit Week owned at any one time; provided, however, that, subject to space availability, any Plan Participant may, at any time, make a reservation for a Unit Week commencing no later than twenty-four (24) hours following the date the reservation is made without prejudice to any other advance reservation outstanding for such Plan Participant. This provision is enacted to enable Plan Participants to have the benefit of advanced planning, but to permit occupancy on short term notice of Units which might otherwise remain unoccupied.

(b) **IMPORTANT!!** Reservations will be made on a first-come, first-serve basis within the season and priority designation of the Plan Participant. Plan Participant of Flexible Use Periods should carefully note the dates and "first come-first serve" priority basis

for honoring reservation requests described in the Rules and Regulations. Plan Participant(s) who do not make their reservations in a timely manner will be obligated to take whatever remaining Flexible Use Periods within a given calendar year as assigned by Developer or its assigns. If the Flexible Use Period(s) are not convenient to the Plan Participant's plan or schedule, the Purchaser may lose his use of the project for that year. In such event, the Developer or its assigns are not obligated to make alternative arrangements or to execute payment of appropriate maintenance fees or to refund any of the Plan Participant's payments.

(c) In the event the Developer or assigns determines that the foregoing reservation system is inefficient, unmanageable or is, for any reason, unfair to the Plan Participants, the Developer or its assigns, without the consent of the Plan Participants, may revise the reservation system from time to time.

3. Cancellations. A Plan Participant may cancel a reservation without penalty by giving notice at least ten (10) days prior to the first day of such Plan Participant's reserved Unit Week. However, if a Plan Participant cancels his reservation, he may find that all remaining Unit Weeks are reserved, in which case, he will lose his ability to occupy a Unit during that year. In the event a reservation is cancelled less than ten (10) days prior to the first day of such Plan Participant's Unit Week, the Plan Participant shall be deemed to have used the entire Unit Week for which the reservation was made unless any other Plan Participant uses the reserved Unit during the Unit Week.

4. Use of Reserved Unit Weeks. A Plan Participant who reserves or is assigned a Unit Week will be entitled to use, exchange, or rent the Unit Week as he chooses. Rental to a third party will be at whatever rental the Plan Participant negotiates with its tenant. The Rental Agent or Manager may act as a Rental Agent for these Units without appropriate written consent of the Plan Participant.

5. Costs and Expenses. All costs for the Flexible Use Plan and related expenses will be paid for by Plan Participants only and

considered delinquent if not paid within thirty (30) days after the mailing date of the bill. No reservation request or confirmation will be confirmed by the Developer or its assigns if at the time the reservation is requested, the Plan Participant or his Permitted User is delinquent in the payment of Assessments or any other sums payable to the Developer or its assigns. If a Plan Participant is delinquent in the payment of Assessments or other sums payable to the Developer or its assigns, the Plan Participant is subject to losing priority of reservation and being assigned any remaining non-reserved Flexible Use Period at the sole discretion of the Developer or its assigns.

6. Exchange Program. If a Plan Participant wishes to exchange the use of his Unit Week pursuant to the procedures established by a reciprocal exchange program affiliated with the Project, such Participant will be required to obtain a confirmed reservation for a Unit Week within the time period established by the exchange company for the making of such reservations. It is emphatically noted that Resort Condominium International's ("RCI's") minimum time to make a Unit Week available for trade is sixty (60) days and the reservation for an exchange unit must be made a minimum of forty-five (45) days prior to the beginning of the reserved week. The Developer or assigns reserves the right, in its absolute discretion, to assign and determine the specific Unit Week that can be reserved for use in any exchange program.