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This instrument prepared by:  
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Walt Disney World Co.  
1375 Buena Vista Drive  
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RETURN TO:  
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**SECOND AMENDMENT TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS SECOND AMENDMENT ("**Second Amendment**") to that certain MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS as recorded in Official Records Book 1035, Page 1179, and as re-recorded in Official Records Book 1036, Page 2576, and as amended by that certain First Amendment to Master Declaration of Covenants, Conditionals and Restrictions recorded in Official Records Book 1102, Page 2571, all of the Public Records of Indian River County, Florida ("**Master Declaration**") is made this 6<sup>th</sup> day of September, 2006 ("**Effective Date**"), by and among DISNEY VACATION DEVELOPMENT, INC. ("**DVD**"), a Florida corporation, whose address is 200 Celebration Place, Celebration, Florida 34747; WALT DISNEY WORLD HOSPITALITY & RECREATION CORPORATION ("**WDWHRC**"), a Florida corporation (formerly known as Lake Buena Vista Communities, Inc., a Delaware corporation), whose address is 1375 Buena Vista Drive, Lake Buena Vista, Florida 32830; and DISNEY VACATION CLUB AT VERO BEACH CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation ("**Condominium Association**"), whose address is 200 Celebration Place, Celebration, Florida 34747.

**WITNESSETH:**

WHEREAS, Disney Development Corporation, a Florida corporation ("**DDC**"), was the declarant of the Master Declaration;

WHEREAS, pursuant to Article XI, Section 6 of the Master Declaration, DDC had the sole and exclusive right at any time to transfer and assign to any person, firm or corporation any or all rights powers, easements, privileges, authorities and reservations given to or reserved by DDC under the Master Declaration;

WHEREAS, pursuant to Article XI, Section 6 of the Master Declaration, DDC was required to evidence the transfer and assignment of its rights under the Master Declaration by a writing, including a deed of conveyance from DDC to a successor in title to all or a portion of the Master Property, recorded in the Pubic Records of Indian River County, Florida, which specifically indicates DDC's intent to transfer and assign any or all rights, powers, easements,

privileges, authorities and reservations given to or reserved by DDC under the Master Declaration;

WHEREAS, by that certain Special Warranty Deed dated as of September 30, 1994, and recorded in Official Records Book 1035, Page 1197, of the Public Records of Indian River County, Florida ("**LBVC Deed**"), DDC had granted, released and conveyed to Lake Buena Vista Communities, Inc. ("**LBVC**") all of DDC's rights, title and interest to the Master Property, including, without limitation, all of DDC's rights, powers, easements, privileges, authorities and reservations given to or reserved by DDC under the Master Declaration;

WHEREAS, the conveyance under the LBVC Deed was made subject to a reservation unto DDC, and to DDC's designated successors or assigns, of an estate for a term of years ending on January 31, 2042 ("**Term Estate**");

WHEREAS, by that certain Special Warranty Deed executed on October 11, 1994, and recorded in Official Records Book 1036, Page 2595, of the Public Records of Indian River County, Florida (the "**DVD Deed**"), DDC had granted, released and conveyed to DVD its Term Estate in the Master Property, which conveyance also included, without limitation, all of DDC's reserved rights, powers, easements, privileges, authorities and reservations under the Master Declaration during such Term Estate;

WHEREAS, on June 22, 1998, LBVC changed its name to Walt Disney World Hospitality & Recreation Corporation;

WHEREAS, as of the Effective Date, DVD is the present holder of all the rights, powers, easements, privileges, authorities and reservations given to or reserved by DDC under the Master Declaration and, for the remainder of the Term Estate, DVD, or its designated successors or assigns, will remain the holder of all the rights, powers, easements, privileges, authorities and reservations given to or reserved by DDC under the Master Declaration;

WHEREAS, unless otherwise assigned by DVD to WDWHRM prior to the expiration of the Term Estate, all of DDC's rights, powers, easements, privileges, authorities and reservations given to or reserved by DDC under the Master Declaration will automatically revert to WDWHRM upon expiration of the Term Estate;

WHEREAS, a portion of the Master Property (which portion is presently known as "Disney Vacation Club at Vero Beach, a Condominium") has been subjected to the condominium form of ownership pursuant to that certain Declaration of Condominium recorded in Official Records Book 1071, Page 2227, as amended, of the Public Records of Indian River County, Florida pursuant to Chapter 718, Florida Statutes ("**Condominium Declaration**"); and, therefore, such portion of the Master Property constitutes a "Condominium Property" as defined and referred to in the Master Declaration;

WHEREAS, pursuant to Article IX, Section 2, of the Master Declaration, DVD has the unilateral right, without the consent of any Owner (as such term is defined in the Master

Declaration), to amend, modify or grant exceptions or variances from any of the use restrictions set forth in the Master Declaration;

WHEREAS, pursuant to Article IX, Section 3, of the Master Declaration, DVD has the right to amend the Master Declaration as may be required from time to time; provided, however, that such amendment has the prior written consent of all other Owners;

WHEREAS, pursuant to Chapter 718, Florida Statutes, and the Condominium Declaration, the Condominium Association is the entity responsible to operate and manage the Condominium Property on behalf of the owners of interests in the Condominium Property;

WHEREAS, pursuant to Article I, Section 1(i) of the Master Declaration, the Condominium Association is deemed the "Owner" for purposes of the Master Declaration with respect to that portion of the Master Property constituting the Condominium Property;

WHEREAS, WDHWC presently owns the remaining portion of the Master Property that is not included with in the Condominium Property; and

WHEREAS, DVD, WDWHC and the Condominium Association, constituting all the Owners of the Master Property as of the Effective Date, desire that the Master Declaration be amended as hereinafter provided.

NOW, THEREFORE, DVD, WDWHC and the Condominium Association hereby agree as follows:

1. **Recitals and Definitions.** The above recitals are true and correct and are incorporated herein by this reference. Unless otherwise provided in this Second Amendment, terms with initial capitalization used herein shall have the same meaning as defined in the Master Declaration.

2. **Additional Definitions.** ARTICLE 1, Section 1, of the Master Declaration is hereby amended to include the following additional definitions:

(m) **Articles of Incorporation (or Articles)** shall mean and refer to the Articles of Incorporation of the Master Association, which have been or will be filed by Declarant with the Office of the Secretary of the State of Florida, a copy of the form of which is attached hereto as Exhibit "B" and incorporated herein by this reference, and as such Articles of Incorporation may be amended from time to time.

(n) **Board of Directors (or Board)** shall mean and refer to the board of directors of the Master Association, as the same may exist from time to time.

- (o) **By-Laws** shall mean and refer to the By-Laws of the Master Association, which have been or will be adopted by the Board of Directors, a copy of the form of which is attached hereto as **Exhibit "C"** and incorporated herein by this reference, and as such By-Laws may be amended from time to time.
- (p) **Common Expenses** shall mean and refer to the charges, if any, against each Community Association for the expenses incurred by the Master Association in operating, managing, maintaining, repairing, insuring, replacing and reconstructing any Master Common Element pursuant to the terms of this Master Declaration, the Articles of Incorporation or the By-Laws.
- (q) **Community** shall mean and refer to each Condominium Property, and any other separately developed and denominated residential area of the Master Property comprised of one (1) or more housing types and governed by an owners association, in which the owners thereof have common interests other than those common to the Master Association, such as a common development name, common theme and/or common areas and facilities which are not available for use by anyone other than the owners of such residential area. The plural of Community is **Communities**.
- (r) **Community Association** shall mean the condominium or owners' association that was created for the purpose of operating and managing a Community on behalf of the owners of interests in such Community. The plural of Community Association is **Community Associations**.
- (s) **Declarant** shall mean and refer to Disney Vacation Development, Inc., a Florida corporation, and its designated successors and assigns, during the Term Estate; and thereafter, Walt Disney World Hospitality & Recreation Corporation, and its designated successors and assigns. The term "Declarant" shall not include any Owner unless such Owner specifically acquires from Declarant some or all of the rights of Declarant in accordance with the provisions of Article X, Section 6 hereof.
- (t) **District I Property** shall mean and refer to that certain real property comprising a portion of the Master Property, as more particularly described on **Exhibit "A-1"** attached hereto and incorporated herein by this reference.

- (u) **District I Property Association** shall mean and refer to Disney Vacation Club at Vero Beach Condominium Association, Inc., a Florida not-for-profit corporation, and its successors, which is responsible for the operation of the Condominium Property located on the District I Property.
- (v) **District II Property** shall mean and refer to that certain real property comprising a portion of the Master Property, as more particularly described on Exhibit "A-2" attached hereto and incorporated herein by this reference.
- (w) **Emergency Access System** shall mean and refer to all specially designated Open Areas, Improvements, Infrastructure, Streets and Roadways, which may be required from time to time by any Applicable Laws for the purpose of providing access to certain portions of the Master Property for emergency fire, law enforcement or other governmental services.
- (x) **Land Development Regulations** shall mean and refer to all Applicable Laws relating to the Zoning and Land Use Designations, as they may exist from time and time, including, without limitation, the particular rules, requirements, regulations and ordinances of Indian River County relating to the Master Property's intended special "Residential Resort" exception use under Section 971.41(11) of the Indian River County Code.
- (y) **Master Association** shall mean and refer to Florida Beach Resort Master Association, Inc., a Florida corporation not-for-profit, and its successors and assigns. In no event shall the Master Association be deemed or construed as an "Owner" for purposes of this Master Declaration.
- (z) **Master Common Element** shall mean and refer to: (i) the Emergency Access System, if any; (ii) any Infrastructure, Open Areas or Improvements that are required by Applicable Law for the common use or benefit of the Master Property or certain portions thereof; and (iii) any other Infrastructure, Open Areas or Improvements that are necessary or desirable, as determined by the Master Association, for the common use or benefit of the Master Property, and that are approved by the Board of Directors and designated by the Master Association as being a Master Common Element in any amendment or supplement to this

Master Declaration recorded in the Public Records of Indian River County, Florida, in accordance with the provisions of Section 6 of Article V of this Master Declaration. The plural of Master Common Element is **Master Common Elements**.

- (aa) **Master Plan** shall mean and refer to that certain master conceptual development plan for the Master Property filed with and approved by the Board of County Commissions of Indian River County, Florida, on September 7, 1993 under File No. 93-09-10, as amended and as may be further amended from time to time.
- (bb) **Members** shall mean and refer to the persons and entities entitled to membership in the Master Association pursuant to this Master Declaration.
- (cc) **Mortgage** shall mean and refer to any first priority mortgage, deed to secure debt, deed of trust, trust deed or other similar form of security instrument from time to time encumbering fee simple title to any portion of the Master Property as first priority security for any debt, whether now existing or hereafter arising or created, which is held by a Mortgagee.
- (dd) **Mortgagee** shall mean and refer to the holder, from time to time, of any *bona fide* Mortgage, provided that such holder is not an Owner or any shareholder, member, partner or officer of an Owner.
- (ee) **Term Estate** shall mean and refer to that certain estate for a term of years ending on January 31, 2042, that was conveyed by Disney Development Company, a Florida corporation, to Disney Vacation Development, Inc., a Florida corporation, pursuant to that certain Special Warranty Deed recorded in Official Records Book 1036, Page 2595, of the Public Records of Indian River County, Florida.
- (ff) **Zoning and Land Use Designations** shall mean and refer to those certain zoning and land use designations for the Master Property as set forth on the Master Plan.

2. **Declarant.** Except with respect to the references to "Disney Development Company, Inc." and "DDC" on page 1, in Section 1(c) of Article I, in Section 1 of Article III, and on the signature page of the Master Declaration, all references in Master Declaration to

“DDC” shall be deleted in their entirety and the word “Declarant” shall be inserted in lieu and in place thereof.

3. **Construction and Development Permitted.** The last sentence of Article III, Section 2 of the Master Declaration is hereby amended by deleting the entire text thereof in its entirety, and inserting the following in lieu and in place thereof: “In this regard, an Owner shall not be required to obtain Declarant’s approval; provided, however, that all development or use of the Master Property shall be in accordance and compliance with this Master Declaration, all Applicable Laws (including, without limitation, the Land Development Regulations), the Zoning and Land Use Designations, and any other applicable covenants or restrictions of record.”

4. **Emergency Access System.** Article III of the Master Declaration is hereby amended by adding the following new Section 6:

SECTION 6. **Emergency Access System.** If required by any Applicable Law, Declarant and any Community Association or Owner, as the case may be, shall have the right to construct an Emergency Access System on any portion of the Master Property. Any such Emergency Access System shall constitute a Master Common Element subject to the provisions of Section 6 of Article 5 hereof. Nothing contained in this Master Declaration shall require Declarant or any Community Association or Owner to construct any Emergency Access System other than as may be required by any Applicable Law.

5. **General Intent.** Article V, Section 1, of the Master Declaration is hereby amended by deleting the phrase “all Applicable Laws” and inserting in lieu and in place thereof the phrase “all Applicable Laws (including, without limitation, all Land Development Regulations).”

6. **Professional Management.** Article V, Section 4, of the Master Declaration is hereby amended by deleting the phrase “DDC or such other persons or entities” and inserting in lieu and in place thereof the phrase “Declarant, the Master Association or such other persons or entities.”

7. **Master Association.** Article V of the Master Declaration is hereby amended by adding a new Section 5 as follows:

SECTION 5. **Master Association.**

(a) The Master Association shall be a not for profit, non-stock corporation organized and existing under the laws of the State of Florida. The Master Association shall have one (1) class of membership, and membership of the Master Association shall be comprised of the Declarant and all of the Community Associations. Each Member shall be entitled to one (1) vote, and all votes shall be cast in the manner provided in the By-Laws.

(b) With respect to each Community Association's membership in the Master Association, the members of each such Community Association shall be entitled to elect or appoint among themselves, respectively, one (1) representative from such Community Association to be the Member of the Master Association, and all actions taken and each vote made by such elected or appointed representative shall be deemed to have been given by and on behalf of each member of such Community Association. Each elected or appointed representative of a Community Association shall serve as the voting Member of the Master Association until his or her successor has been duly appointed or elected.

(c) The Board of Directors of the Master Association shall consist of five (5) persons who shall initially be appointed by Declarant, and the successors of whom shall be appointed or elected in the manner set forth in the By-Laws. The Board of Directors of the Master Association may exercise any and all rights or privileges given to it expressly by this Master Declaration, the Articles of Incorporation or By-Laws. The Members of the Master Association shall have the rights and duties given to them in this Master Declaration, in the Articles of Incorporation, in the By-Laws.

8. **Master Common Elements; Common Expenses and Assessments.** Article V of the Master Declaration is hereby amended by adding new Sections 6 and 7 as follows:

SECTION 6. Master Common Elements.

(a) In addition to any Emergency Access System and any other Infrastructure, Open Areas or Improvements that are required by Applicable Law for the common use or benefit of the Master Property or certain portions thereof, the Master Association may at any time designate, as a Master Common Element, any other Infrastructure, Open Area or Improvement that the Master Association determines is necessary or desirable for the common use and benefit of the Master Property; provided, however, that no such other designated Infrastructure, Open Area or Improvement shall become a Master Common Element for purposes of this Master Declaration unless: (i) the same is unanimously approved by the Board of Directors; (ii) the same is permitted under Chapter 718; and (iii) the Master Association records an amendment or supplement to this Master Declaration in the Public Records of Indian River County, Florida, memorializing the unanimous approval of the Board of Directors and identifying the nature and location of such Master Common Element. Such action may be taken by the Master Association upon the unanimous approval of the Board of Directors, without the consent of any Owner or any other person claiming an interest in the Master Property by, through or under any Owner. All Master Common



Elements shall be constructed in a good and workmanlike manner, and shall be maintained at all times in good, clean, attractive and sanitary condition, order and repair.

(b) Any Master Common Element shall be the sole and exclusive property of the Owner of the portion of the Master Property upon which such Master Common Element is located. The initial construction and cost thereof of any Master Common Element required by any Applicable Law, shall be the responsibility of the particular Owner who was responsible for the creation or designation of the Master Common Element as a result of such Owner's use or development of the Master Property or portion thereof. The Master Association shall be responsible for the initial construction and cost thereof of any Master Common Element that was required by any Applicable Law, but not as a result of any particular Owner's use or development of the Master Property or portion thereof. The Master Association shall also be responsible for the initial construction and cost thereof of any Master Common Element that was designated by the Master Association (pursuant to the provisions of Section 6(a) above) as necessary or desirable for the common use or benefit of the Master Property, but was not required by any Applicable Law. Once constructed, the responsibility and cost thereof, for operating, managing, maintaining, repairing, insuring, replacing and reconstructing any such Master Common Elements shall be the obligation of the Owner or Master Association, as the case may be, who was responsible for the initial construction of such Master Common Element; provided, however, that if any Owner fails to operate, manage, maintain, repair, replace or reconstruct any Master Common Element for which it has the responsibility to do so, then, in accordance with the Master Association rights and remedies set forth in Section 6 of Article X of this Master Declaration, the Master Association shall have the right, at the expense of such Owner, to perform such operation, management, maintenance, repair, replacement or reconstruction.

(c) All costs and expenses incurred by the Master Association in connection with the construction, operation, management, maintenance, repair, insurance, replacement and reconstruction of any Master Common Elements shall be a Common Expense, except in the case where the Master Association exercised its rights under Section 6(b) of Article V and Section 6 of Article X of this Master Declaration, and elected to operate, manage, maintain, repair, replace or reconstruct any Master Common Element on behalf of any Owner who failed to fulfill its responsibilities with respect thereto, in which case the costs and expenses incurred by the Master Association in taking such action shall not be a Common Expense, but rather shall be reimbursable to the Master Association from the Owner for which such action by the Master Association was taken.

(d) Nothing contained in this Master Declaration shall require Declarant or any Owner to construct any Master Common Element other than as may be required by any Applicable Law.

(e) The Master Association shall be entitled to keep all Master Common Elements insured against loss or damage by fire or other casualty for the full insurable value thereof, and may obtain commercial general liability insurance or other types of insurance against such other losses, hazards and casualties as the Master Association may deem desirable. The premiums for all insurance carried by the Master Association shall constitute a Common Expense.

(f) The Master Association, through its Board of Directors, may, but shall not be obligated, to adopt and enforce such rules and regulations and its deems necessary or desirable for the orderly operation, maintenance, repair and reconstruction of the Master Common Elements. Such rules and regulations shall become effective and binding after they are adopted by a majority of the Board of Directors and a copy thereof is delivered to each of the Owners. Such rules and regulations shall not materially and adversely affect the rights, privileges or benefits of Declarant or any Developer as established by this Master Declaration, or the Articles of Incorporation or By-Laws. Sanctions for violation of any rules and regulations may include reasonable monetary fines imposed by the Master Association upon the violator.

#### SECTION 7. Common Expenses and Assessments.

(a) The Board of Directors shall prepare an annual budget of the Common Expenses not later than thirty (30) days before the end of each fiscal year of the Master Association. The total anticipated Common Expenses for the budgeted fiscal year shall be set forth in the budget. Each total budgeted amount shall be divided and allocated as follows: (i) one-third (1/3) of the annual common assessment shall be imposed upon the Community Association for the District I Property; and (ii) the remaining two-thirds (2/3) of the annual common assessment shall be imposed upon the Community Association or Community Associations for the District II Property or the Owners of the District II Property, as the case may be, as follows: In the event there is only one Community Association for the District II Property, then the entire two-thirds (2/3) share of the annual common assessment for the District II Property shall be the responsibility of such Community Association. In the event there is more than one Community Association for the District II Property, then the aforementioned two-thirds (2/3) share of the annual common assessment for the District II Property shall be divided equally among the number of Community Associations for the District II Property. In the

event no Community Association has been created for the District II Property at the time of imposition of any annual common assessment, then the two-thirds (2/3) share of the annual common assessment for the District II Property shall be divided equally among the various Owners of the District II Property. The annual common assessment shall be required to be paid in monthly or quarterly installments, as directed by the Board of Directors. Each annual common assessment shall be used exclusively for paying the expenses incurred by the Master Association in exercises its rights and powers, or performing any of its duties, pursuant to the terms of this Master Declaration, the Articles of Incorporation or the By-Laws.

(b) In addition to the annual common assessments, the Master Association may also levy, in any assessment year, a special assessment that has been approved by the Board of Directors. The special assessment shall be used exclusively for the purpose of paying, in whole or in part, the cost of any unexpected repair, or any replacement or reconstruction, of any existing Master Common Element. Such special assessment shall be divided and allocated among the Community Associations (or Owners, as the case may be) in the same manner as common annual assessment are divided and allocated. Each special assessment shall be payable in monthly or quarterly installments, as directed by the Board of Directors. Notwithstanding the foregoing, no special assessment may be levied without the prior written consent of Declarant.

(c) Notwithstanding anything contained in this Section 7 to the contrary, in the event the Master Association incurs any Common Expenses for any Master Common Elements required by Applicable Law for the common use or benefit of only certain portions (but not all) of the Master Property, then the Master Association may create an assessment and levy such assessment against the particular Community Association, Community Associations (or the individual Owners within the Community in the event no Community Association was created for such Community), as the case may be, for whose benefit the Common Expenses are exclusively incurred by the Master Association. If such Common Expenses are incurred for the benefit of more than one (but not all) of the Communities, or if the benefit is for a Community for which a Community Association has not been created, then the assessment for such exclusive Common Expenses shall be equitably divided among the various Community Associations or Owners, as the case may be. Each such assessment shall be paid in monthly or quarterly installments, as directed by the Board of Directors.

(d) Each of the Community Associations (or Owners, as the case may be) are obligated to pay all the assessments imposed upon each such Community Association (or Owners, as the case may be) by the Master Association as provided in this Master Declaration. Each

assessment shall be the personal obligation of the Community Association (or Owners, as the case may be). To secure the payment of all such assessments, a lien is hereby imposed upon the assets of each Community Association (or Owners, as the case may be). Any installment of an assessment not paid within ten (10) days from the due date of such installment shall become delinquent and shall bear interest from the due date until paid at the highest lawful rate then permitted by Applicable Law. Any assessment lien may be enforced by the Master Association by suit, judgment and foreclosure in the same manner as construction liens on real property are foreclosed under Florida law (except that the duration of the lien shall not be limited as provided with respect to construction liens under Section 713.22, Florida Statutes (or its successor)). The assessment liens and the right of foreclosure and sale shall be in addition to, and not in substitution, for all other rights and remedies which the Master Association may have under Applicable Law.

(e) The Master Association shall, upon demand at any time, furnish to any Community Association (or Owners, as the case may be) liable for any assessments, a certificate in writing signed by an officer of the Master Association, setting forth whether the Community Association (or Owners, as the case may be) assessments have been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

(f) Each Community Association shall have the right to collect the assessments of the Master Association from each of its members. At the discretion of each Community Association, the assessments of the Master Association may be included and collected as a part of a lump sum charge imposed by such Community Association upon its members.

(g) The lien of the assessments provided for in this Declaration shall be subordinate to the lien of any Mortgage now or hereafter placed upon any portion of the Master Property subject to assessment; provided, however, that any Mortgagee of record, or other purchaser, that acquires title to such portion of the Master Property as a result of foreclosure of the lien of such Mortgage or as a result of a deed given in lieu of foreclosure thereof, shall not be liable for the assessments by the Master Association which became due and payable prior to the acquisition of title as a result of foreclosure or deed in lieu of foreclosure, unless such assessments are secured by a Claim of Lien recorded in Public Records of Indian River County, Florida, prior to the recording of such Mortgage. Such foreclosure sale (or deed given in lieu of foreclosure) shall not relieve the Mortgagee or other purchaser from liability of any assessments thereafter becoming due or from the lien of any such assessments.

9. Remedies. Article X of the Master Declaration is hereby amended by deleting all of the provisions of such Article X in their entirety, and inserting the following in lieu and in place thereof:

SECTION 1. Violations. Except with respect to the enforcement rights granted exclusively to WDWHRC and the Master Association as hereinafter provided in Sections 5 and 6 of this Article X, Declarant and the District I Property Association shall each have the right to enforce, by proceeding at law or in equity, whether in an action for damages, injunctive relief or both, all covenants, conditions, restrictions, reservations, easements, charges and liens now or hereafter imposed by the provisions of this Master Declaration. In addition to the enforcement provisions provided herein, and except as otherwise provided in Sections 5 and 6 of this Article X, whenever there shall have been built, or there shall exist on the Master Property, or any portion of it, any Improvement or condition which is in violation of this Master Declaration, Declarant and the District I Property Association shall each have the right, but not the obligation, to enter upon the Master Property where such violation exists and summarily to abate and remove, reconstruct or repair, or remedy the same, all at the expense of the person responsible therefore, which expense shall be due and payable by such person to Declarant or the District I Property Association, as the case may be, on demand. Such entry and abatement or removal by Declarant or the District I Property Association shall not be deemed a trespass or make Declarant or the District I Property Association liable in any way to any person, firm, corporation or other entity for any damages on account thereof. All costs incurred by Declarant or the District I Property Association in abating or removing, reconstructing, or repairing or remedying as contemplated in this Section shall become a charge and continuing lien against the non-complying party's interest, if any, in the Master Property as well as an individual and personal obligation of such non-complying party.

SECTION 2. Easement for Enforcement. In furtherance of the enforcement provisions provided for in Section 1 of this Article X, Declarant and the District I Property Association are each hereby granted an easement over the Master Property for the purpose of enforcing the provisions herein, and may go upon any portion of the Master Property to remove or remedy any violations of these provisions. In the event that Declarant or the District I Property Association, after notice to a person of any violation and such person's continued failure to cure the same, does in fact exercise its right to cure violations, all costs incident to said action by Declarant or the District I Property Association shall become a charge and continuing lien against the non-complying party's interest, if any, in the Master Property as well as an individual and personal obligation of such non-complying party.

SECTION 3. Costs of Enforcement. Should Declarant or the District I Property Association find it necessary to employ an attorney or institute legal action against any party to enforce any provisions hereof, the non-complying

party shall pay all costs in connection with such action, including court costs and reasonable attorneys' fees for pretrial, trial and appellate proceedings. All such costs shall become a charge and continuing lien against the non-complying party's interest, if any, in the Master Property, as well as an individual and personal obligation of such non-complying party.

**SECTION 4. Enforcement by District I Property Association.** To avoid any doubt, the enforcement rights and all easements and other rights appurtenant thereto granted to the District I Property Association, as set forth above in Sections 1, 2 and 3 of this Article X, shall automatically terminate upon the expiration of the Term Estate.

**SECTION 5. Enforcement by WDWHRC.** In addition to the Declarant and the District I Property Association, WDWHRC shall have the right, during the Term Estate, to enforce the covenants, conditions, restrictions, reservations, easements, charges and liens now or hereafter imposed by the provisions of Article VI of this Master Declaration. Such enforcement by WDWHRC, and all easements and other rights appurtenant thereto, shall be in the same manner reserved for enforcement thereof by Declarant and the District I Property Association as set forth above in Sections 1, 2 and 3 of this Article X.

**SECTION 6. Enforcement by Master Association.** The Master Association shall have the sole and exclusive right to enforce the covenants, conditions, restrictions, reservations, easements, charges and liens now or hereafter imposed by the following provisions of this Master Declaration: (i) Section 2 of Article III; (ii) Sections 5, 6 and 7 of Article V; and (iii) Section 9 of Article VI. The Master Association shall also have the sole and exclusive right to enforce any violation of the requirements of the Land Development Regulations. Such enforcement by the Master Association, and all easements and other rights appurtenant thereto, shall be in the same manner reserved for enforcement of the other provisions of this Master Declaration by Declarant and the District I Property Association as set forth above in Sections 1, 2 and 3 of this Article X.

10. **Exceptions.** From and after the Effective Date, the District II Property shall be exempt from the encumbrance of the covenants, conditions and restrictions contained in Sections 1, 2, 4, 7, 9, 15 and 16 of Article VI of the Master Declaration (collectively, the "Excepted Restrictions") and, consequently, Declarant hereby declares, pursuant to the provisions of Article IX, Section 2, of the Master Declaration, that such Excepted Restrictions shall no longer run with title to the District II Property or any portion thereof from and after the Effective Date.

11. **Ratification.** Except as expressly amended pursuant to this Second Amendment, all the covenants, conditions, restrictions, reservations, easements, charges and liens of the Master Declaration shall continue in full force and effect, and are hereby ratified in all respects. To the extent that any provisions of this Second Amendment are in conflict with any provisions of the Master Declaration, the provisions of this Second Amendment shall control. In addition, the provisions of this Master Declaration shall take precedence over any conflicting provisions in

the Articles of Incorporation and By-Laws, and the provisions of the Articles of the Incorporation shall take precedence over any conflicting provisions of the By-Laws.

IN WITNESS WHEREOF, DVD, WDWHRM and the Condominium Association, respectively, have caused this Second Amendment to be duly executed by their duly authorized representatives as of the Effective Date set forth above.

WITNESSES:

"DVD"

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

Maria A. Maher

By: Matthew Kelly

Print Name: Maria A. Maher

Print Name: Matthew Kelly

Suzanne M. Sheehan

As its: Vice President

Print Name: KORRAINE M. SHEEHAN

"WDWHRC"

WALT DISNEY WORLD HOSPITALITY & RECREATION CORPORATION, a Florida corporation

Maria A. Maher

By: Matthew Kelly

Print Name: Maria A. Maher

Print Name: Matthew Kelly

Suzanne M. Sheehan

As Its: Vice President

Print Name: Suzanne M. Sheehan

"Condominium Association"

DISNEY VACATION CLUB AT VERO BEACH CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation

Jennifer Opitz

By: John McGowan

Print Name: Jennifer Opitz

Print Name: John McGowan

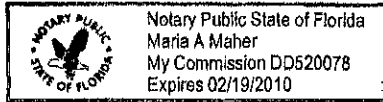
J. Neumaier

As its: Vice President

Print Name: JEROTHY NEUMAIER

STATE OF FLORIDA  
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of August, 2006, by Matthew Kelly, as the Vice President of DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, and he acknowledged that he executed the foregoing instrument on behalf of the corporation, and he is personally known to me.

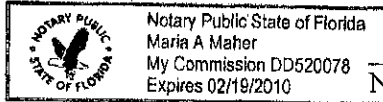


Maria A. Maher  
Notary Signature

(NOTARY SEAL)

STATE OF FLORIDA  
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of August, 2006, by Matthew Kelly, as the Vice President of WALT DISNEY WORLD HOSPITALITY & RECREATION CORPORATION, a Florida corporation, and he acknowledged that he executed the foregoing instrument on behalf of the corporation, and he is personally known to me.



Maria A. Maher  
Notary Signature

(NOTARY SEAL)

STATE OF FLORIDA  
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of August, 2006, by John McGowan, as the Vice President of DISNEY VACATION CLUB AT VERO BEACH CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, and he acknowledged that he executed the foregoing instrument on behalf of the corporation, and he is personally known to me.



Jennifer I. Opitz  
My Commission DD280717  
Expires January 12, 2008

Jennifer I. Opitz  
Notary Signature

(NOTARY SEAL)



**EXHIBIT "A-1"**

**District I Property**

All of Parcel A, FLORIDA BEACH RESORT PLANNED DEVELOPMENT, according to the plat thereof, as recorded in Plat Book 14, Page 30, of the Public Records of Indian River County, Florida,

*TOGETHER WITH:*

All of Parcel C, FLORIDA BEACH RESORT PLANNED DEVELOPMENT, according to the plat thereof, as recorded in Plat Book 14, Page 30, of the Public Records of Indian River County, Florida,

*LESS:*

The Westerly portion of Parcel C, FLORIDA BEACH RESORT PLANNED DEVELOPMENT, according to the plat thereof, as recorded in Plat Book 14, Page 30, of the Public Records of Indian River County, Florida, being more particularly described as follows:

Beginning at the Northwest corner of said Parcel C;

Thence, bearing South 89°58'57" East, along the North line of said Parcel C, a distance of 420.85 feet to a Point;

Thence, leaving said North line, bearing South 00°00'48" West, along Parcel C, a distance of 180.14 feet to a Point;

Thence, bearing South 89°58'57" East, along Parcel C, a distance of 330.00 feet to a Point;

Thence, bearing South 62°15'35" East, a distance of 271.36 feet to a Point;

Thence, bearing South 00°06'50" East, a distance of 259.26 feet to a Point;

Thence, bearing South 31°22'58" West, a distance of 188.50 feet to a Point;

Thence, bearing South 00°06'50" East, a distance of 110.19 feet to a Point;

Thence, bearing South 50°31'44" East, a distance of 90.05 feet to a Point;

Thence, bearing North 89°30'31" East, a distance of 139.09 feet to a Point;

Thence, bearing South 00°06'50" East, a distance of 351.54 feet to a Point on the South line of said Parcel C;

Thence, bearing North 89°59'25" West, along said South line, a distance of 1098.62 feet to a Point on the West line of said Parcel C;

Thence, bearing North 00°11'42" West, along said West line, a distance of 1244.47 feet to the Point of Beginning.

**EXHIBIT "A-2"**

**District II Property**

All of Parcel B, FLORIDA BEACH RESORT PLANNED DEVELOPMENT, according to the plat thereof, as recorded in Plat Book 14, Page 30, of the Public Records of Indian River County, Florida,

*TOGETHER WITH:*

The Westerly portion of Parcel C, FLORIDA BEACH RESORT PLANNED DEVELOPMENT, according to the plat thereof, as recorded in Plat Book 14, Page 30, of the Public Records of Indian River County, Florida, being more particularly described as follows:

Beginning at the Northwest corner of said Parcel C;

Thence, bearing South 89°58'57" East,, along the North line of said Parcel C, a distance of 420.85 feet to a Point;

Thence, leaving said North line, bearing South 00°00'48" West, along Parcel C, a distance of 180.14 feet to a Point;

Thence, bearing South 89°58'57" East, along Parcel C, a distance of 330.00 feet to a Point;

Thence, bearing South 62°15'35" East, a distance of 271.36 feet to a Point;

Thence, bearing South 00°06'50" East, a distance of 259.26 feet to a Point;

Thence, bearing South 31°22'58" West, a distance of 188.50 feet to a Point;

Thence, bearing South 00°06'50" East, a distance of 110.19 feet to a Point;

Thence, bearing South 50°31'44" East, a distance of 90.05 feet to a Point;

Thence, bearing North 89°30'31" East, a distance of 139.09 feet to a Point;

Thence, bearing South 00°06'50" East, a distance of 351.54 feet to a Point on the South line of said Parcel C;

Thence, bearing North 89°59'25" West, along said South line, a distance of 1098.62 feet to a Point on the West line of said Parcel C;

Thence, bearing North 00°11'42" West, along said West line, a distance of 1244.47 feet to the Point of Beginning.

**EXHIBIT "B"**

**ARTICLES OF INCORPORATION  
OF  
FLORIDA BEACH RESORT MASTER ASSOCIATION, INC.**

**(A Florida Corporation Not-For-Profit)**

The undersigned incorporator, by these Articles, for the purpose of forming a corporation not-for-profit under Chapter 617, Florida Statutes, hereby certifies as follows:

**ARTICLE I**

**Name**

The name of the corporation shall be FLORIDA BEACH RESORT MASTER ASSOCIATION, INC. (the "Association").

**ARTICLE II**

**Principal Office**

The street address of the initial principal office of the Association is 1375 Buena Vista Drive – 4<sup>th</sup> Floor North, Lake Buena Vista, Florida 32830.

**ARTICLE III**

**Purposes**

1. The primary purposes for which the Association is organized are:

(a) to be and constitute the "Master Association" to which reference is made in the Master Declaration of Covenants, Conditions and Restrictions recorded in Official Records Book 1036, Page 2576, Public Records of Indian River County, Florida, as amended, and as the same may be further amended from time to time (the "Declaration"); and

(b) to perform all obligations and duties, and to exercise all rights and powers, of the "Master Association" as specified in the Declaration and the By-Laws of the Association.

2. The general purpose for which the Association is organized is to have and exercise all of the common law and statutory rights and powers of a corporation not-for-profit

which are not in conflict with the terms of these Articles, the Declaration or the By-Laws of the Association.

3. The Association shall have no capital stock and shall make no distribution of income or profit to its members, directors or officers.

#### ARTICLE IV

##### Manner of Election

The manner in which the directors of the Association are elected or appointed shall be as set forth in the By-Laws of the Association.

#### ARTICLE V

##### Initial Directors/Officers

The names and addresses of the initial directors and officers of the Association are:

John McGowan 1375 Buena Vista Drive 4 <sup>th</sup> Floor North Lake Buena Vista, Florida 32830	Director and President
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Craig W. McLaughlin 333 Third Avenue North, Suite 400 St. Petersburg, Florida 33701	Director and Vice President
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Lawrence C. Smith 200 Celebration Place Celebration, Florida 34747	Director and Treasurer
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David A. Jenkins 333 Third Avenue North, Suite 400 St. Petersburg, Florida 33701	Director and Secretary
--	------------------------

Bruce Barkett 756 Beachland Boulevard Vero Beach, Florida 32963	Director
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**ARTICLE VI**

**Initial Registered Agent**

The name and Florida street address of the initial registered agent of the Association are:

Jeffrey Smith  
1375 Buena Vista Drive  
4<sup>th</sup> Floor North  
Lake Buena Vista, Florida 32830

**ARTICLE VII**

**Incorporator**

The name and street address of the Incorporator are:

Lorraine M. Sheehan  
1375 Buena Vista Drive  
4<sup>th</sup> Floor North  
Lake Buena Vista, Florida 32830

**ARTICLE VIII**

**Term**

The term of the Association shall continue for the duration of the Declaration. The Association shall terminate and be dissolved upon the expiration or sooner termination of the Declaration.

**ARTICLE IX**

**Amendments**

Any amendment of these Articles shall require the affirmative vote of a majority of the members of the Board of Directors of the Association then in office.

IN WITNESS WHEREOF, the Incorporator has hereunto affixed her signature this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Lorraine M. Sheehan

STATE OF FLORIDA  
COUNTY OF ORANGE

The foregoing Articles of Incorporation were acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, by the Incorporator, Lorraine M. Sheehan, who is personally known to me.

\_\_\_\_\_  
(Notary Signature)

(NOTARY SEAL)

**Acceptance of Designation as Registered Agent**

I, Jeffrey Smith, having been named as registered agent and to accept service of process for the above-stated corporation at the place designated in this Certificate, hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Dated: \_\_\_\_\_, 200\_\_

\_\_\_\_\_  
Jeffrey Smith

**EXHIBIT "C"**

**BY-LAWS  
OF  
FLORIDA BEACH RESORT MASTER ASSOCIATION, INC.**

**ARTICLE I  
NAME, PRINCIPAL OFFICE AND DEFINITIONS**

**SECTION 1. Name.** The name of the corporation shall be "Florida Beach Resort Master Association, Inc." (hereinafter referred to as the "Master Association").

**SECTION 2. Principal Office.** The principal office of the Master Association in the State of Florida shall be at 1375 Buena Vista Drive, Lake Buena Vista, Florida 32830. The Master Association may have such other offices, either within or without the State of Florida, as the Board of Directors may determine or as the affairs of the Master Association may require.

**SECTION 3. Definitions.** The words used in these By-Laws shall have the same meanings as set forth in that certain Master Declaration of Covenants, Conditions, and Restrictions recorded in Official Records Book 1036, Page 2576, Public Records of Indian River County, Florida (said Declaration, as amended, renewed, or extended from time to time, is hereinafter referred to as the "Master Declaration"), unless the context shall otherwise provide or prohibit.

**ARTICLE II  
MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES**

**SECTION 1. Membership.** The Master Association shall have one (1) class of membership, as more fully set forth in that Master Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

**SECTION 2. Place of Meetings.** Meetings of the Master Association shall be held at the principal office of the Master Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors either within the Master Property or as convenient thereto as possible and practical.

**SECTION 3. Annual Meetings.** The first meeting of the Members, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Master Association. Meetings shall be of the Members or their designated alternates. The next annual meeting shall be set by the Board of Directors so as to occur no later than ninety (90) days after the close of the Master Association's fiscal year. Subsequent regular annual meetings of the

Members shall be held within thirty (30) days of the same day of the same month of each year thereafter, at a date and time set by the Board of Directors.

**SECTION 4. Special Meetings.** The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Master Association if so directed by resolution of a majority of the Board of Directors or upon a petition signed a majority of the Members. The notice of any special meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**SECTION 5. Notice of Meetings.** Notice of any meeting may be made orally or in writing and communicated by mail, in person, by telephone, by telegraph or by any other form of electronic communication. Each notice shall state the place, day, and hour of any meeting of the Members shall be delivered to each Member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. Delivery of notice shall be effective as provided under the Applicable Laws of the State of Florida. All such notices shall be given at the Member's telephone number or sent to the Director's address as shown on the records of the Master Association.

**SECTION 6. Waiver of Notice.** Waiver of notice of any meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or designated alternate shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such special meeting, unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business of the meeting is put to a vote.

**SECTION 7. Adjournment of Meetings.** If any meetings of the Master Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by designated alternate, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings. The Members present at a duly called or held meeting at which a quorum is present shall continue to conduct business until adjournment.

**SECTION 8. Voting.** The voting rights of the Members shall be as set forth in the Master Declaration, and such voting rights provisions are specifically incorporated herein.



**SECTION 9. Proxies.** Members may vote in person or by proxy. All proxies shall be in writing by the Member or by his or her duly authorized attorney-in-fact, and shall be filed with the Secretary at or before the appointed time of each meeting to which the proxy pertains. Every proxy shall be revocable at any time at the election of the Member executing such proxy.

**SECTION 10. Majority.** As used in these By-Laws, the term "majority" shall mean those votes, individuals or other group as the context may indicate totaling more than fifty (50%) percent of the total number.

**SECTION 11. Quorum.** Except as otherwise provided in these By-Laws or in the Master Declaration, the presence in person or by proxy of the Members representing a majority of the total voting interests of the Master Association shall constitute a quorum at all meetings of the Members of the Master Association.

**SECTION 12. Conduct of Meetings.** The President shall preside over all meetings of the Members of the Master Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

**SECTION 13. Action Without A Meeting.** Any action required by any Applicable Law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Members.

**ARTICLE III**  
**BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS**

**SECTION 1. Governing Body; Composition.** The affairs of the Master Association shall be governed by a Board of Directors each of whom shall have one vote. The members of the Board of Directors may, but need not, be a Member of the Master Association. Each Member of the Board of Directors is referred to in these By-Laws as a "Director".

**SECTION 2. Number of Directors.** The number of Directors in the Master Association shall be five (5). The initial members of the Board are identified in the Articles of Incorporation, and their successors shall be elected or appointed in the manner provided in Section 4 of this Article III.

**SECTION 3. Nomination of Directors.** Nominations for election to the Board of Directors may be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Master Association with at least one (1) Members from each Community. Any Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Members to serve from the close of such annual meeting until the

close of the next annual meeting, and such appointment shall be announced at each such annual meeting. Any Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of vacancies or terms to be filled for the Directors from the District I Property and District II Property as provided in Section 4 of this Article III. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

**SECTION 4. Election and Term of Office.** At the first annual meeting of the Members, and at each annual meeting of the Members thereafter, the Directors shall be elected or appointed as provided in this Section 4. The Members from the District I Property shall be entitled to elect two (2) Directors, and the Members from the District II Property shall be entitled to elected two (2) Directors. Consequently, of the five (5) members of the Board, two (2) Directors shall be elected by the Members from the District I Property, and two (2) Directors shall be elected by the Members from the District II Property. The fifth (5<sup>th</sup>) Director shall by appointed by a majority vote of the other four (4) elected Directors. The Director receiving the most votes from the Members of the District I Property and the Director receiving the most votes by the Members of the District II Property shall initially serve for a two-year term, and the remaining three (3) Directors shall each serve for a one-year term. Thereafter, each Director's service shall be for a two-year period until a successor is duly elected or appointed and qualified, or until the Director is removed in the manner provided in these By-Laws. In the event any dispute or controversy arises with respect to the appointment of the fifth (5<sup>th</sup>) Director, or in the event a majority vote of the four elected Directors cannot be ascertained for any reason with respect to the appointment of the fifth (5<sup>th</sup>) Director, then the same shall be submitted first for resolution through non-binding arbitration pursuant to the provisions of Section 7 of Article VI of these By-Laws.

**SECTION 5. Removal of Directors and Vacancies.** Directors may be removed by a vote of a majority of the Members present at a meeting called for that purpose for cause or for no cause. Any director whose removal is sought will be given notice prior to any meeting called for that purpose. In the event of death or resignation of a Director, his or her successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the predecessor.

**SECTION 6. Voting Procedure for Directors.** At each election for one or more Directors, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Declaration. The persons receiving the largest number of votes shall be elected.

**SECTION 7. Organization Meetings.** The first meeting of the members of the Board of Directors following each annual meeting of the membership shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board of Directors.

**SECTION 8. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year. Notice of the time and place of the meeting shall be communicated to Directors not less than ten (10) days prior to the meeting;

provided, however, notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting.

**SECTION 9. Special Meetings.** Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President, or Secretary of the Master Association, or by any two (2) Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

**SECTION 10. Notice.** Notice of any regular or special meeting of the Board of Directors may be made orally or in writing and communicated by mail, in person, by telephone, by telegraph or by any other form of electronic communication. Each notice shall state the place, day, and hour of any meeting and shall be delivered to each Director not less than five (5) nor more than fifty (50) days before the date of such meeting. In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. Delivery of notice shall be effective as provided under the Applicable Laws of the State of Florida. All such notices shall be given at the Director's telephone number or sent to the Director's address as shown on the records of the Master Association. Notice of all meetings of the Board of Directors shall also be posted in a conspicuous place on the Master Property at least forty-eight (48) hours in advance of the meeting, except in an emergency. In the alternative, if notice is not posted as aforesaid, notice of each meeting of the Board of Directors must be mailed or delivered to each Member at least seven (7) days before the meeting, except in an emergency..

**SECTION 11. Waiver of Notice.** The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if: (a) a quorum is present; and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

**SECTION 12. Quorum and Adjournment.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of one or more Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**SECTION 13. Compensation.** No Director shall receive any compensation from the Master Association for acting as such unless approved by Members representing a majority of the total

voting interests of the Master Association at a regular or special meeting of the Master Association.

**SECTION 14. Conduct of Meetings.** The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. In the absence of the President, the Members of the Board of Directors who are present at the meeting, shall elect a chairperson to preside over the meeting.

**SECTION 15. Open Meetings.** Subject to the provisions of Section 16 of this Article III, all meetings of the Board of Directors shall be open to all Members, but Members other than Directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

**SECTION 16. Action Without Meeting.** Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote.

**SECTION 17. Participation Without Personal Presence.** Any Director may participate in a regular or special meeting by, or conduct the meeting of the Board of Directors through the use of, any means of communication by which all Directors participating may simultaneously hear each other during such meeting. Any Director participating in a meeting by this means is deemed to be present in person at the meeting.

**SECTION 18. Powers.** The Board of Directors shall be responsible for the affairs of the Master Association and shall have all of the powers and duties necessary for the administration of the Master Association's affairs as provided by the Articles of Incorporation, Declaration or these By-Laws; provided, however, that the Master Association shall not have the right or power to: (a) borrow money, issue notes, bond or other obligations, or secure any of its obligations by mortgage or pledge of all or any part of its property or income; (b) increase the number of Directors in excess of five (5); (c) purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own or hold, real or personal property or any interest therein, wherever situated; (d) acquire, enjoy, utilize or dispose of patents, copyrights, trademarks and any licenses or other rights or interests thereunder or therein; (e) sell, convey, mortgage, pledge, lease, exchange, transfer or otherwise dispose of all or any part of its property or assets; (f) purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of and otherwise use and deal in and with, shares and other interests in, or obligations or, other domestic or foreign corporations, whether for profit or not for profit, associations, partnerships, or individuals, or direct or indirect obligations of the United States, or of any other government, state, territory, governmental district, municipality, or of any instrumentality thereof; (g) lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds loaned or invested; (h) make donations for the public welfare or for religious, charitable, scientific,

educational, or other similar purposes; or (i) take any other action or conduct any activity that is otherwise prohibited by the Articles of Incorporation, Declaration or these By-Laws.

**SECTION 19. Management Agent.** The Board of Directors may, but shall not be obligated to, employ for the Master Association, a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall expressly authorize.

#### **ARTICLE IV OFFICERS**

**SECTION 1. Officers.** The principal officers of the Master Association shall be a President, Vice President, Secretary and Treasurer. The Board of Directors may elect such other officers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary. Each officer may, but need not, be a Director or Member.

**SECTION 2. Election, Term of Office, and Vacancies.** The officers of the Master Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 3. Removal.** Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Master Association will be served thereby.

**SECTION 4. Powers and Duties.** The President shall be the chief executive officer of the Master Association. The President shall have all the powers and duties which are usually vested in the office of President including, but not limited to, the power of appointing committees among the Members from time to time, as the President may in the President's discretion determine appropriate, to assist in the conduct of the affairs of the Master Association. The Vice-President shall, in the absence or disability of the President, exercise the powers and duties of the President. The Vice-President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. The Secretary shall keep the minutes of the proceedings of the Board and the Members in a book available for inspection at any reasonable time by the Directors or Members, or their authorized representatives. The Master Association shall retain these minutes for a period of not less than seven (7) years. The Secretary shall attend to the giving and serving of all notices required under these By-Laws or any Applicable Law of the State of Florida. The Secretary shall also have custody of the official records of the Master Association and the seal of the Master Association and shall affix the same to instruments requiring a seal when duly signed. The Treasurer shall have custody of all property of the Master Association including, but not limited to, its financial records and funds. The Treasurer shall keep the financial books of the Master Association in accordance with generally accepted accounting practices. The Secretary and Treasurer shall

perform such other duties incident to their respective offices as may be required by the Directors or the President of the Master Association.

**SECTION 5. Resignation.** Any officer may resign at any time by giving written notice to the Board of Directors, the President or Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**SECTION 6. Agreements, Checks, Etc.** All agreements of the Master Association shall be executed by the President, and all checks shall be executed by the Treasurer, or by such other person or persons as may be designated by resolution of the Board of Directors. Any other documents or instruments of the Master Association shall be executed by such person or persons as may be designated by resolution of the Board of Directors.

**SECTION 7. Compensation.** No officer shall receive any compensation from the Master Association for acting in such capacity, unless approved by the Members representing a majority of the total voting interests of the Master Association at a regular or special meeting of the Master Association.

## ARTICLE V COMMITTEES

**SECTION 1. General.** Committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall be composed as required by any Applicable Laws of the State of Florida, and shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

## ARTICLE VI MISCELLANEOUS

**SECTION 1. Fiscal Year.** The initial fiscal year of the Master Association shall be set by resolution of the Board of Directors.

**SECTION 2. Parliamentary Rules.** Except as may be modified by Board resolution establishing modified procedures, Robert's Rules of Order (current edition) shall govern the conduct of Master Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Master Declaration or these By-Laws.

**SECTION 3. Conflicts.** If there are conflicts or inconsistencies between the provisions of any Applicable Law of the State of Florida, the Articles of Incorporation, the Master Declaration, and

these By-Laws, the provisions of the Applicable Law, the Master Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

**SECTION 4. Books and Records.**

(a) Inspection by Members. The Master Declaration and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Member of the Master Association, or by his or her duly appointed representative, at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Master Association or at such other place within the Master Property as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to: (a) notice to be given to the custodian of the records; (b) hours and days of the week when such an inspection may be made; and (c) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Master Association and the physical properties owned or controlled by the Master Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Master Association.

**SECTION 5. Amendments.** These By-Laws may only be amended by the affirmative vote of a majority of the Directors then in office, except that any amendment to the provisions of Sections 2 or 18 of Article III of these By-Laws shall require an affirmative vote of all the Directors then in office. Any amendment, when adopted or made, shall become effective only after being recorded in the public records of Indian River County, Florida. Notwithstanding the foregoing, these By-Laws may be amended unilaterally by the Declarant, if necessary, to make the same consistent with the provisions of the Master Declaration, or to conform these By-Laws to meet the requirements of any Applicable Law of the State of Florida.

**SECTION 6. Severability and Conformity to Florida Law.** These By-Laws are to be governed and construed according to the Applicable Laws of the State of Florida. If it should appear that any of the provisions hereof are in conflict with the Master Declaration or any Applicable Law of the State of Florida, then such provisions of these By-Laws shall be deemed inoperative and null and void insofar as they be in conflict therewith, and shall be deemed modified to conform to the Master Declaration or such Applicable Law.

**SECTION 7. Mandatory Non-Binding Arbitration.** Any disputes arising from the operation of the Master Association must be submitted first for resolution through non-binding arbitration pursuant to the Applicable Laws of the State of Florida.

**CERTIFICATION**

I, the undersigned, do hereby certify: That I am the duly elected and acting Secretary of Florida Beach Resort Master Association, Inc., a Florida corporation not-for-profit; and that the foregoing By-Laws constitute the original By-Laws of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Master Association this \_\_\_ day of \_\_\_\_\_, 200\_\_.

(Corporate Seal)

\_\_\_\_\_  
Secretary