

BY-LAWS

OF

RESORT SIXTY-SIX OWNERS ASSOCIATION, INC.
(A Florida Corporation Not-For-Profit)

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Section 1. Identification of Association

These are the By-Laws of RESORT SIXTY-SIX OWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association"), as duly adopted by its Board of Directors. The Association is a corporation not-for-profit, organized pursuant to and under Chapter 617 of the Florida Statutes. The Association has been incorporated in connection with the creation of that certain Time Sharing Plan ("the Plan") known as RESORT SIXTY-SIX, A TIME SHARE RESORT, as evidenced by that certain Declaration of Covenants, Conditions and Restrictions recorded or to be recorded in the Public Records of Manatee County, Florida. All terms and definitions as set forth in Article I of the Plan are incorporated herein and made a part hereof.

1.1 The office of the Association shall be for the present at 6600 GULF DRIVE, HOLMES BEACH, FLORIDA 33510, and thereafter may be located at any place in Florida, designated by the Board of Directors of the Association.

1.2 The fiscal year of the Association shall be the calendar year, unless a different calendar year is adopted by the Board.

1.3 The seal of the Association shall bear the name of the Association, the word "Florida", and the words "Corporation Not-For-Profit".

Section 2. Membership in the Association, Members Meetings, Voting and Proxies

2.1 The qualification of Members, the manner of their admission to membership in the Association and the manner of the termination of such membership shall be as set forth in Article IV of the Articles.

2.2 The Members shall meet annually at the office of the Association or such other place Florida, as determined by the Board and as designated in the notice of such meeting at the time determined by the Board within ninety (90) days after each year end (calendar or fiscal year end as determined by the Board) commencing with the year 1989. Such meeting shall be known as "Annual Members Meeting". The purpose of the Annual Members Meeting shall be to hear reports of the officers and to transact any other business authorized to be transacted by the Members.

2.3 Special meetings of the Members shall be held at any place within the State of Florida, whenever called by the President, Vice President or a majority of the Board. A special meeting must be called by the President or Vice President upon receipt of a written request from one-third (1/3) of the Members

2.4 A written notice of the meeting (whether the Annual Members Meeting or a special meeting of the Members) shall be mailed to each Member entitled to vote at his last known address as it appears on the books of the Association. Such written notice of an Annual Members Meeting shall be mailed to each Member not less than fourteen (14) days nor more than forty (40) days prior to the date of the Annual Members Meeting. Written notice of a special meeting of the Members

shall be mailed not less than ten (10) days nor more than forty (40) days prior to the date of a special meeting. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by an officer of the Association. If a meeting of the Members, either a special meeting or an Annual Members Meeting, is one which, by express provision of the Act, the Plan, the Articles or these By-Laws (provided the express provision of the Plan, the Articles or these By-Laws is in accordance with the requirements of the Act) there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Section 3.4, then the aforesaid express provision shall govern. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after a meeting, which waiver shall be in writing and shall set forth a waiver of written notice of such meeting.

2.5 The Members, at the discretion of the Board, may act by written agreement in lieu of a meeting, provided written notice of the matter or matters to be agreed upon is given to the Members, at the addresses and within the time periods set forth in Section 2.4 herein or duly waived in accordance with such Section. The decision of the majority of the Members as to the matter or matters to be agreed upon (as evidenced by written response to be solicited in the notice) shall be binding on the Members, provided a quorum of the Members submits a response. The notice shall set forth a time period during which time a response must be made by a Member.

2.6 A quorum of the Members shall consist of persons entitled to cast one third (1/3) of the votes of the Members. A Member may join in the action of a meeting by signing and concurring in the minutes thereof and such a signing shall constitute the presence of such parties for the purpose of determining a quorum. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the voting rights present in person or represented by written "proxy" (as hereinafter defined) shall be required to decide the question. However, if the question is one upon which, by express provisions of the Act or the Plan, the Articles or these By-Laws (provided the express provision of the Plan, the Articles or these By-Laws is in accordance with the requirements of the Act), requires a vote of other than the majority vote of a quorum, then the such express provision shall govern and control the required vote on the decision of such question.

2.7 If any meeting of the Members cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. In the case of a meeting being postponed, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

2.8 Minutes of all meetings shall be kept in a businesslike manner and be available for inspection by the Members and Directors at all reasonable times.

2.9 Voting rights of Members shall be as stated in Section 2.11 below. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in the Member's place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein and any adjournments. A proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any proxy may be revoked prior to the time a vote is cast according to such proxy.

2.10 The following provisions shall govern the right of each Member to vote and the manner of exercising such right:

- (a) Each Owner or the Owners collectively of a Time Share

Interest of record shall be entitled to one (1) vote in the Association with respect to matters on which a vote by Owners is required or permitted to be taken under the Plan, the Articles, these By-Laws or the Act.

(b) The vote of the Owners of a Time Share Interest owned by more than one natural person or by a corporation or other legal entity shall be cast by the person named in a certificate executed by all of the Owners of the Time Share Interest, or if appropriate, by properly designated officers, partners or principals of the respective legal entity and filed with the Secretary of the Association. If such a certificate is not on file with the Secretary of the Association, the vote of such Time Share Interest shall not be considered for a quorum or for any other purpose.

(c) Notwithstanding the provisions of paragraph (b) of this Section 2.11, whenever any Time Share Interest is owned by a husband and wife, they may, but shall not be required to, designate a voting member. In the event a certificate designating a voting member is not filed by a husband and wife, the following provisions shall govern their right to vote:

(1) Where both are present at a meeting, each shall be regarded as the agent and proxy of the other for purposes of casting the vote for each Time Share Interest owned by them. In the event they are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at the meeting.

(2) Where only one (1) spouse is present at a meeting, the person present may cast the vote for the Time Share Interest without establishing the concurrence of the other spouse, absent any prior written notice to the contrary by the other spouse. In the event of prior written notice to the contrary to the Association by the other spouse, the vote of said Time Share Interest shall not be considered.

(3) Where neither spouse is present, the person designated in a proxy signed by either spouse may cast the vote for the Time Share Interest, absent any prior written notice to the contrary to the Association by the other spouse or the designation of a different proxy by the other spouse. In the event of prior written notice to the contrary to the Association or the designation of a different proxy by the other spouse, the vote of said Time Share Interest shall not be considered.

(d) In the event any Owner shall fail to pay Assessments within ten (10) days after he has been notified in writing by the Association that such Assessments are due the vote of the Time Share Interest owned by such Owner shall be terminated until such Assessment plus interest thereon and costs of collection thereof are paid to the Association.

2.11 At any time prior to a vote upon any matter at a meeting of the Members, any Member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

Section 3. Board of Directors; Directors' Meetings

3.1 The form of administration of the Association shall be by a Board of not less than three (3) Directors nor more than fifteen (15) Directors, the exact amount to be determined from time to time by the Board in accordance with the Plan, or the Articles.

3.2 The provisions of the Articles setting forth the selection, election, designation and removal of Directors are hereby incorporated herein by reference.

3.3 Subject to Section 3.5 below and to Developer's rights as set forth in the Articles and as set forth in Section 3.5(c) below, vacancies in the Board shall be filled by persons elected by the remaining Directors. Any such person shall be a Director and have all of the rights, privileges, duties and obligations as a Director elected at an Annual Members Meeting and shall serve for the term prescribed in Section 3.4 of these By-Laws.

3.4 The term of each Director's service shall extend until the next Annual Members Meeting and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

3.5 (a) A Director elected by the Members, as provided in the Articles may be removed from office upon the affirmative vote or the agreement in writing of a majority of the Members at a special meeting of the Members for any reason deemed by the Members to be in the best interests of the Association. A meeting of Members to so remove a Director elected by them shall be held, subject to the notice provisions of Section 3.4 hereof, upon the written request of ten (10%) percent of the Members. However, before any Director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is to be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

(b) Members shall elect, at a special meeting or at the Annual Members Meeting, persons to fill vacancies on the Board caused by the removal of a Director elected by Members in accordance with Section 3.5(a) above.

(c) A Director designated by Developer, as provided in the Articles, may be removed only by Developer in its sole and absolute discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the Board as to a Director designated by it and Developer shall notify the Board of the name of the respective successor Director and the commencement date for the term of such successor Director.

(d) In the event a Director not designated by Developer shall fail to pay Assessments with ten (10) days after he has been notified in writing by the Association that such Assessments are due, his Board membership shall automatically be terminated and if such Board member is an officer of the Board he shall automatically be discharged from his office. The provisions hereof shall not act to deprive Developer of its right to designate officers or Directors.

3.6 The organizational meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

3.7 Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of Directors. Special Meetings of the Board may be called at the discretion of the President or the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors.

3.8 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting. Any Director may waive notice of a meeting before, during or after a meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director.

3.9 A quorum of the Board shall consist of the Directors

entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically otherwise provided in the Plan, Articles or elsewhere herein. If at any meeting of the Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting being held because of such an adjournment, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, notice to the Directors of such adjournment shall, subject to the Act, be as determined by the Board.

3.10 The presiding officer at Board meetings shall be the President.

3.11 Directors' fees, if any, shall be determined by a majority of the Members.

3.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Directors at all reasonable times.

3.13 The Board shall have the power to appoint various executive committees of the Board. Such committee shall act as a liaison to the Board and provide the Board with such information and reports as the Board may request. Executive committees shall consist of no more than three (3) persons. Executive committees shall have and exercise such powers as the Board may delegate to such executive committee. In addition to such executive committees of the Board, the Board may organize owners' committees in the Resort Facility consisting of no more than three (3) Owners each of the Resort Facility. Such committee shall be designated as "non-official committee". Such committee shall not have any authority to act on behalf of the Board, however, the purpose of such committee(s) shall be to act as a liaison and provide the Board with such information as the Board may deem appropriate and necessary to exercise its powers.

3.14 Meetings of the Board shall be open to all Members. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting, the Member shall not be entitled to participate in any meeting of the Board, but shall only be entitled to act as an observer. In the event that a Member not serving as a Director or not otherwise invited by the Directors to participate in a meeting attempts to become more than a mere observer at such meeting or conducts himself in a manner detrimental to the carrying on of such meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish such an expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member, unless said person was specifically invited by the Directors to participate in such meeting. Meetings of the Board, at the discretion of the Board, may be closed to Members who are in violation of the provisions of Section 2.11, paragraph (d) of the By-Laws.

Section 4. Powers and Duties of the Board of Directors

All of the powers and duties of the Association, including those existing under the Act, the Plan, the Articles and these By-Laws shall be exercised by the Board, unless otherwise specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Act, the Plan and these By-Laws and shall specifically include all powers designated in the Plan, the Articles and these By-Laws, including, without limitation, the following:

4.1 Making and collecting Special Assessments and Annual Assessments against Members (collectively "Assessments") in accordance

with the Plan. These Assessments shall be collected by the Association through payments made directly to it by the Members.

4.2 Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board.

4.3 Maintaining, repairing and operating the Resort Facility.

4.4 Reconstructing improvements after casualties and losses and making further authorized improvements of the Resort Facility.

4.5 Making and amending Rules and Regulations with respect to the use of the Resort Facility.

4.6 Enforcing by legal means the provisions of the Plan, the Articles, these By-Laws and the applicable provisions of the Act.

4.7 To contract for the management and maintenance of the Resort Facility, and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules and maintenance, and repair and replacement of the Common Areas and the Units with funds that shall be made available by the Association for such purposes and other services.

4.8 Paying taxes and Assessments which are or may become liens against the Resort Facility and the Time Share Interest owned by the Association, if any, and assessing the same against Time Share Interests which are or may become subject to such liens.

4.9 Purchasing and carrying insurance for the protection of Owners and the Association against casualty and liability for the Resort Facility.

4.10 Paying costs of all power, water, sewer and other utility services rendered to the Resort Facility, and not billed to Owners.

4.11 Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration of the purposes of this Association, including the hiring of a resident manager and paying all salaries therefor.

Section 5. Officers of the Association

5.1 The officers of the Association shall be a President, who shall be a Director, one (1) or several Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by a vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of a owners association, including, but not limited to, the power to appoint such committees at such times from among the Members as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

5.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the 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. In the event there shall be more than one (1) Vice President elected by the Board, then they shall be

designated "First", "Second", etc., and shall exercise the powers and perform the duties of the Presidency in such order.

5.4 The Secretary shall cause to be kept the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary.

5.5 The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members, keep the books of the Association in accordance with good accounting practices and shall perform all of the duties incident to the office of a Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer whenever the Treasurer is absent and shall assist the Treasurer.

5.6 The compensation, if any, of all officers and other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude the contracting with a Director for the management of the Resort Facility.

Section 6. Accounting Records; Fiscal Management

6.1 The Association shall maintain accounting records in accordance with good accounting practices which shall be open to inspection by Members or their authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and signed by the Member giving such authorization and dated within sixty (60) days of the date of any such inspection.

6.2 (a) The Board shall adopt a budget of the Common Expenses for the Resort Facility for each forthcoming fiscal year, the date to be determined by the Board. Prior to the Budget Meeting, a proposed Budget shall be prepared by or on behalf of the Board for the Resort Facility, which shall include, but not necessarily be limited to, the following items of expense:

- (i) Services
- (ii) Utilities
- (iii) Administration
- (iv) Supplies and Materials
- (v) Insurance
- (vi) Repairs, Replacement and Maintenance
- (vii) Professional Fees
- (viii) Reserve Funds
- (ix) Operating Capital
- (x) Other Expenses

In addition to the foregoing items of expense, the Budget(s) may include taxes, if the Board so determines.

Copies of the proposed Budgets and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's last known address, as reflected on the books and records of the Association, not less than thirty (30) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Members.

(b) The Board may also include in such proposed Budgets, either annually or from time to time as the Board shall determine to

be necessary, a sum of money as an Assessment for the making of betterments to the Resort Facility and for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the Members by the Board as a Special Assessment. In addition, the Board shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of the Resort Facility. The reserve accounts shall include, but not be limited to, Unit furnishings, roof replacement, building painting and pavement resurfacing.

(c) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year, unless a different fiscal year is adopted by the Board; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made annually in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) Common Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such Common Expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year.

(d) The depository of funds of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

(e) An audit of the accounts of the Association shall be made annually by an auditor, accountant or Certified Public Accountant designated by the Board, and a copy of a report of such audit shall be furnished to each Director no later than the first day of April of the year following the year for which the report is made. The report shall be deemed to be furnished to the Director upon its delivery or mailing to the Director at his last known address as shown on the books and records of the Association.

(f) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in the Budget or which shall exceed budgeted items, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a Special Assessment to be levied by the Board as otherwise provided in the Plan.

6.3 The Association shall collect Annual Assessments and Special Assessments from the Owners in the manner set forth in the Plan, the Articles and these By-Laws.

Section 7. Rules and Regulations

The Board may adopt Rules and Regulations or amend or rescind existing Rules and Regulations for the operation and the use of the Resort Facility at any meeting of the Board; provided, however, that such Rules and Regulations are not inconsistent with the Plan, the Articles or these By-Laws.

Section 8. Amendment of the By-Laws

8.1 These By-Laws may be amended by the affirmative vote of not less than a majority of the Members present at an Annual Members Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with the notice of the special meeting of the Members or Annual Members Meeting. An amendment may be approved at the same meeting of the Board and/or Members at which such amendment is proposed.

8.2 An amendment may be proposed by either the Board or by the Members, and after being proposed and approved by one of such bodies, it must be approved by the other as above set forth in order to become enacted as an amendment.

8.3 Amendments to these By-Laws shall be made in accordance with the requirements of the Act.

8.4 No modification or amendment to these By-Laws shall be adopted which would affect or impair the priority of any Institutional Mortgagee the validity of the mortgage held by any such Institutional Mortgagee, or any of the rights of Developer.

RESORT SIXTY-SIX OWNERS ASSOCIATION,
INC.

BY: Richard Turner
Richard Turner, President

ATTEST: Elizabeth Smith
Elizabeth Smith, Secretary

(CORPORATE SEAL)

