

**DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS,
A LEASEHOLD CONDOMINIUM**

This public offering statement contains important matters to be considered in acquiring an interest in a vacation ownership plan. The statements contained herein are only summary in nature. A prospective purchaser should refer to all references, exhibits hereto, contract documents, and sales materials. You should not rely upon oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations other than those contained in the contract and this public offering statement.

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I. DEFINITIONS AND ABBREVIATIONS

All terms contained in this Public Offering Statement shall have the meanings ascribed to them by Florida Statutes or the Condominium Documents. The following definitions shall prevail to the extent that they are not in conflict with the statutory or Condominium Document definitions:

Additional Ownership Interest means any Ownership Interest purchased to supplement an existing Ownership Interest. An Additional Ownership Interest will have the same Use Year as the original Ownership Interest it supplements.

Ad Valorem Real Estate Taxes means those real property taxes assessed against the Units and their respective undivided interests in the Common Elements by Orange County, Florida and RCID. The Association shall serve as the agent of the Owners of Units committed to the Vacation Ownership Plan for the purpose of collection of Ad Valorem Real Estate Taxes as provided in Section 192.037, Florida Statutes.

Annual Dues means that portion of the Estimated Budgets that has been assessed against an individual Owner's Ownership Interest together with the Owner's proportionate share of the ad valorem real estate taxes for the Ownership Interest.

Articles of Incorporation means the Articles of Incorporation of the Association, as they may be amended from time to time.

Association means DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, which is responsible for the operation of Disney's BoardWalk Villas. In the event that the Property Management Agreement terminates for any reason, the name of the Association shall, at the option of DVD or DVCMC and without any action to be taken by the Board of Directors, simultaneously and automatically be changed to BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC. In the event that the name "BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC." is unavailable for use by the Association, the Board of Directors shall be empowered to select an alternative name for the Association; provided, however, that prior to the use of any name to identify the Association, such name shall be submitted to Worldco for its consent. Worldco may consent to the use of such name in its sole, absolute and unfettered discretion and, if given, the consent shall be set forth in writing.

Association Property means all real and personal property owned by the Association, including, without limitation, all furnishings and other personal property contained within each Unit or on the Common Elements that are not the property of an individual Owner. All personal property related to the Home Resort Reservation Component and the DVC Reservation Component made available to Disney's BoardWalk Villas, including, without limitation, all computer hardware and software and intellectual property, shall not be Association Property and is and always shall be the personal property of the owner of such property.

BVTC means Buena Vista Trading Company, a Florida corporation, its successors and assigns. BVTC is an exchange company registered under Chapter 721.

Board of Directors means the board of directors of the Association.

Bylaws means the Bylaws of the Association, as they may be amended from time to time.

Chapter 718 means the provisions of Chapter 718, Florida Statutes, as the same are constituted on the date of the recording of the Declaration.

Chapter 721 means the provisions of Chapter 721, Florida Statutes, as the same are constituted on the date of the recording of the Declaration.

Club or Disney Vacation Club means the Disney Vacation Club. The Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed upon the use and enjoyment of Ownership Interests. These services presently include, among other things, the operation of a central reservation system consisting of the Home Resort Reservation Component and the DVC Reservation Component.

Club Member means the owner of record of an Ownership Interest in a DVC Resort.

Commercial Unit means a Unit reserved for commercial use pursuant to the Condominium Documents.

Common Elements shall include (i) all of those items defined in Chapter 718 as Common Elements and the items declared in the Declaration to be included within the Common Elements; (ii) all Association Property, (iii) all canals, lakes and waterways located within the Condominium Property, (iv) DVD's interest in the Ground Lease for that portion of the property described in the Ground Lease that is declared as part of this Condominium for which the Association will assume the obligations of DVD under the Ground Lease to the extent of that portion of the property described in the Ground Lease that is declared as part of the Condominium, and (v) membership in the Disney Vacation Club pursuant to the terms and conditions set forth in the Condominium Documents.

Common Expenses shall include (i) expenses for the operation, maintenance, repair, replacement, or protection of the Common Elements and Association Property, costs of carrying out the powers and duties of the Association, (ii) any past due and uncollected ad valorem taxes assessed against the Condominium pursuant to Section 192.037, Florida Statutes, (iii) any expenses incurred by the Association in the performance of its duties, and (iv) any other expense, whether or not included in the foregoing, designated as Common Expense by Chapter 721, Chapter 718, or the Condominium Documents.

Common Surplus means any excess of all receipts of the Association over the amount of Common Expenses.

Condominium Documents means the Declaration together with all exhibits attached thereto and all other documents expressly incorporated therein by reference, as the same may be amended from time to time.

Condominium Property means the lands, leaseholds, easements and personal property that are subjected to condominium ownership from time to time, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with Disney's BoardWalk Villas.

Cotenant means the owner of an Ownership Interest in a Unit and shall include all other Cotenants who own Ownership Interests in that Unit as tenants-in-common.

Disney's BoardWalk Villas means the Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, (sometimes alternatively referred to as "Disney's BoardWalk Villas" in certain materials, including, but not limited to, promotional and informational materials) located in Orange County, Florida.

Disney's BoardWalk Villas Resort Agreement means the DVC Resort Agreement for Disney's BoardWalk Villas, pursuant to which Disney's BoardWalk Villas becomes and remains a DVC Resort in accordance with the terms and conditions of the agreement.

DVC Reservation Component shall mean the exchange component of the Club central reservation system through which Vacation Homes in any DVC Resort may be reserved using DVC Vacation Points pursuant to priorities, restrictions and limitations established by BVTC from time to time and as set forth in the Disclosure Document.

DVC Resort means each resort which is entitled to access and use the DVC Reservation Component and other applicable Club services and benefits provided by BVTC by virtue of and pursuant to the terms and conditions of a DVC Resort Agreement.

DVC Resort Agreement shall mean the agreement pursuant to which a resort becomes and remains a DVC Resort in accordance with the terms and conditions of such agreement.

DVCMC means Disney Vacation Club Management Corp., a Florida corporation, its successors and assigns.

DVC Vacation Points shall mean Vacation Points utilized by Club Members to make a reservation through the central reservation system at a DVC Resort other than their Home Resort.

DVD means Disney Vacation Development, Inc., a Florida corporation, its successors and assigns.

Declaration means the Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, as it may be amended from time to time.

Estimated Budgets means the operating and capital reserves budgets that establish the estimated annual Common Expenses and reserves of Disney's BoardWalk Villas.

External Exchange Company means any company that owns, operates or owns and operates an External Exchange Program.

External Exchange Program shall mean the contractual arrangement between DVCMC, the Association or individual Club Members or an External Exchange Company or Companies under which Club Members may request and reserve, under certain conditions, the use of accommodations in resorts other than the DVC Resorts.

Ground Lease means that certain Ground Lease by and between Worldco as lessor and DVD as lessee effective the 1st day of April 1994. A short form of the Ground Lease, that certain Memorandum of Ground Lease effective the 1st day of April, 1994, is recorded in Official Records Book 5101, Page 88 of the Public Records of Orange County, Florida.

Home Resort means any DVC Resort in which an Owner owns an Ownership Interest which is symbolized by Home Resort Vacation Points.

Home Resort Reservation Component means the component of the Club central reservation system through which Vacation Homes may be reserved using Home Resort Vacation Points pursuant to the priorities, restrictions and limitations of the Vacation Ownership Plan as set forth in the Condominium Documents.

Home Resort Rules and Regulations means the rules and regulations for Disney's BoardWalk Villas which DVCMC in its sole discretion determines are necessary or desirable from time to time in order to enforce the provisions of the Membership Agreement in accordance with Florida law.

Home Resort Vacation Points means Vacation Points symbolizing an Ownership Interest at a Home Resort, which Vacation Points may be utilized to reserve Vacation Homes at that Home Resort where that Ownership Interest is held.

Master Declaration means the Master Declaration of Covenants, Conditions and Restrictions as recorded in Official Records Book 5101, Page 33, Public Records of Orange County, Florida.

Membership Agreement means the Disney Vacation Club Membership Agreement for Disney's BoardWalk Villas, as amended from time to time. The Membership Agreement provides for the operation of the Vacation Ownership Plan and the Home Resort Reservation Component.

Management Company means DVCMC or any entity engaged to manage Disney's BoardWalk Villas.

Owner means the owner of a Unit. Unless the context requires otherwise, the term Owner shall include Cotenants but shall not include owners of Ownership Interests at DVC Resorts other than Disney's BoardWalk Villas.

Ownership Interest means an undivided percentage interest in a Unit and in the Unit's undivided interest in the Common Elements and Common Surplus.

Property Management Agreement means the agreement between the Association and any Management Company pursuant to which the Association assigns its responsibilities and duties relating to the management and operation of Disney's BoardWalk Villas to the Management Company.

Purchaser means a prospective Owner, but shall not include DVD.

RCID means Reedy Creek Improvement District, a political subdivision of the State of Florida.

The TWDC Companies means TWDC and all subsidiaries of TWDC, including, but not limited to, DVD, DVCMC, Worldco and BVTC.

Unit means a condominium unit as that term is defined in Chapter 718 and in Article V of the Declaration and refers to that portion of the Condominium Property which is subject to exclusive ownership by one or more persons. Unless the context requires otherwise and except with respect to the Vacation Ownership Plan, all references to "Unit" shall include the Commercial Units.

Use Day means a twenty-four hour period (or such lesser period as may be designated by DVCMC in the Membership Agreement from time to time) in a Vacation Home subject to use reservation by Owners.

Use Year means, for each Unit, the twelve-month period beginning on the first day of the month designated by DVD in each purchase agreement selling an Ownership Interest to a Purchaser in that Unit and in each deed conveying an Ownership Interest to an Owner in that Unit. All Ownership Interests in a given Unit shall have the same Use Year. The Use Year shall continue for successive twelve-month periods for so long as the Vacation Ownership Plan continues.

Vacation Home means and refers to those portions of a Unit designed and intended for separate use and occupancy.

Vacation Ownership Plan means the arrangement pursuant to Florida law, the Declaration and the Membership Agreement whereby a Cotenant receives an Ownership Interest in a Unit under which the exclusive right of use, possession or occupancy of all Units circulates among the various Cotenants on a recurring basis during the term of the plan.

Vacation Point means the symbolic unit of measurement used to gauge the respective rights of an Owner to enjoy the benefits of the Ownership Interest within the Club.

Worldco means WALT DISNEY PARKS AND RESORTS U.S., INC., a Florida corporation (formerly known as WALT DISNEY WORLD CO., a Florida corporation), its successors or assigns, and the lessor under the Ground Lease.

II. REQUIRED DISCLOSURES

This public offering statement contains important matters to be considered in acquiring an interest in a vacation ownership plan. The statements contained herein are only summary in nature. A prospective purchaser should refer to all references, exhibits hereto, contract documents, and sales materials. You should not rely upon oral representations as being correct. Refer to this document and accompanying exhibits for correct representations. The seller is prohibited from making any representations other than those contained in the contract and this public offering statement. [Page 1 of this Public Offering Statement]

The right to reserve a timeshare period is subject to rules and regulations of the timeshare plan reservation system. [Page 1 of this Public Offering Statement]

The managing entity shall have the right to forecast anticipated reservation and use of the accommodations of the timeshare plan and is authorized to reasonably reserve, deposit, or rent the accommodations for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare plan. [Paragraphs 1.a.(3) and 5.a.(1)(b) of this Public Offering Statement]

There is a lien or lien right against each Ownership Interest to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep, or repair of the recreational or commonly used facilities. A Purchaser's failure to make these payments may result in foreclosure of the lien. [Paragraph 2. of this Public Offering Statement]

The managing entity has a lien against each Ownership interest to secure the payment of assessments, ad valorem assessments, tax assessments, and special assessments. Your failure to make any required payments may result in the judicial or trustee foreclosure of an assessment lien and the loss of your Ownership Interest. If the managing entity initiates a trustee foreclosure procedure, you shall have the option to object to the use of the trustee foreclosure procedure and the managing entity may only proceed by filing a judicial foreclosure action. [Paragraph 7.b.(2) of this Public Offering Statement.]

Recreational facilities may be expanded or added without consent of the Purchasers or the Association. [Paragraph 5.c.(5) of this Public Offering Statement]

The developer has the right to retain control of the Association after a majority of the Units have been sold. [Paragraph 5.j. of this Public Offering Statement]

The sale, lease or transfer of Ownership Interests is restricted and controlled. [Paragraph 7.d. of this Public Offering Statement]

The purchase of an Ownership Interest should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment or with an expectation that the Ownership Interest may be rented or resold. [Paragraph 7.d. of this Public Offering Statement]

Each Owner, and each Owner's successor(s) in title, has an obligation and responsibility to pay assessments for as long as he or she owns an Ownership Interest in the Resort. [Paragraph 7.d. of this Public Offering Statement]

A vacation ownership plan will be created with respect to Units in the condominium. [Article 2.3 of the Declaration of Condominium]

The developer is required to provide the managing entity of the Club a copy of the approved public offering statement text and exhibits filed with the Division and any approved amendments thereto, and any other component site documents as described in section 721.07, Florida Statutes, that are not required to be filed with the Division, to be maintained by the managing entity for inspection as part of the books and records of the plan. [Purchase Agreement]

For the purpose of ad valorem assessment, taxation and special assessments, the managing entity will be considered the taxpayer as your agent pursuant to Section 192.037, Florida Statutes. [Purchase Agreement]

Any resale of this Ownership Interest must be accompanied by certain disclosures in accordance with Section 721.065, Florida Statutes. [Purchase Agreement]

Property tax disclosure summary: Purchaser should not rely on DVD's current property taxes as the amount of property taxes that purchaser may be obligated to pay in the year subsequent to purchase. A change of ownership or property improvements triggers reassessments of the property that could result in higher property taxes. If you have any questions concerning valuation, contact the county property appraiser's office for information. [Purchase Agreement]

You may cancel the purchase contract without any penalty or obligation within 10 days after the date you sign this purchase contract or the date on which you receive the last of all documents required to be given to you pursuant to Section 721.07(6), Florida Statutes, whichever is later. If you decide to cancel this contract, you must notify the developer in writing of your intent to cancel. Your notice of cancellation shall be effective upon the date sent and shall be sent to Disney Vacation Development, Inc., Attention: Membership Administration at 1390 Celebration Blvd., Celebration, Florida 34747. Your notice of cancellation may also be sent via facsimile to 407-938-6586. Any attempt to obtain a waiver of your

cancellation rights is void and of no effect. While you may execute all closing documents in advance, the closing, as evidenced by delivery of the deed or other documents, before expiration of your 10-day cancellation period is prohibited.

[Purchase Agreement]

Please refer to the Multi-site Public Offering Statement for a summary of additional required disclosures pertaining to the Vacation Club.

IIA. DVD DISCLOSURES

Except for those warranties required by Section 718.203 Florida Statutes, none of The TWDC Companies, including, but not limited to, DVD, make any warranty of any kind, express or implied, and each of The TWDC Companies hereby disclaims any and all warranties, including, without limitation, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units or on the Condominium Property, and the Owners assume all risk and liability resulting from the use of this property.

[Paragraph 5.b.(1) of this Public Offering Statement]

Since the Ownership Interest acquired by Purchasers is an interest in real estate under Florida law, Purchasers may be entitled to deduct, for federal income tax purposes: (i) interest paid under a promissory note which is secured by a mortgage encumbering the Ownership Interest, and (ii) the Purchaser's allocable share of Ad Valorem Real Estate Taxes (paid via Annual Dues). Purchasers should understand that DVD intends to report such mortgage interest to Purchasers and to the United States Internal Revenue Service as mortgage interest paid on form 1098.

[Paragraph 7.b.(2) of this Public Offering Statement]

Purchasers should understand, however, that since there can be no assurance as to this federal income tax treatment, as well as the fact that actual tax results will depend upon a Purchaser's particular circumstances (including, but not limited to, among other factors, whether or not the Purchaser itemizes deductions on the Purchaser's federal income tax return or whether the Purchaser already owns an existing vacation home), The TWDC Companies do not make any representations as to the income tax treatment of the purchase, use or exchange of an Ownership Interest and related rights and appurtenances or as to the deductibility of related expenses such as interest, taxes and depreciation. Each Purchaser should consult his or her own tax advisor as to these issues. An Ownership Interest should not be purchased in reliance upon any anticipated tax benefits or any particular kind of tax treatment. [Paragraph 7.b.(2) of this Public Offering Statement]

The budget contained in this public offering statement has been prepared in accordance with the Florida Vacation Plan and Timesharing Act (Chapter 721, Florida Statutes), and is a good faith estimate only and represents an approximation of future expenses based on facts and circumstances existing at the time of its preparation. Actual costs of such items may exceed the estimated costs. Such changes in cost do not constitute material adverse changes. [Paragraph 6 of this Public Offering Statement]

Ownership Interests are offered for personal use and enjoyment only and should not be purchased by any prospective Purchaser for resale or as an investment opportunity or with any expectation of achieving rental income, capital appreciation, or any other financial return or valuable benefit, including any tax benefit. Owners attempting to resell or rent their Ownership Interests would have to compete, at a substantial disadvantage, with DVD in the sale or rental of its Ownership Interests. Generally, there is no established market for resale or rental of Ownership Interests, and the many restrictions upon the use of an Ownership Interest may adversely affect its marketability or rentability. [Paragraph 7.d. of this Public Offering Statement]

Ownership Interests should also not be purchased with any expectation that any Vacation Home located at Disney's BoardWalk Villas can be rented, or if it is rented, that any particular rental rate can be obtained for such rental. Owners should be aware that several resort hotels are in operation within and around Disney's BoardWalk Villas and the other DVC Resorts, including, but not limited to, hotels owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, any Owner who attempted to rent reserved Vacation Homes for his or her own account would compete with these resort hotels and DVD for renters without any assistance from The TWDC Companies, and would be at a substantial competitive disadvantage. Owners should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit therefrom. [Paragraph 7.d. of this Public Offering Statement]

If DVD determines, in its sole, absolute and unfettered discretion, that any amendments or additions to the Offering Documents ("Amendments or Additions") are Non-Material Changes, then DVD may, but is not obligated to, deliver the Amendments or Additions to Purchaser prior to or after closing, in which event the Amendments or Additions shall not entitle Purchaser to an additional 10-day cancellation period pursuant to Florida law. If, however, DVD determines, in its sole, absolute and unfettered discretion, that the Amendments or Additions constitute Material Changes, DVD shall deliver to Purchaser copies of the Amendments or Additions, in which event Purchaser shall be entitled to an additional 10-day cancellation period from the date that DVD delivers the Amendments or Additions with Material Changes to Purchaser.

Do not purchase an interest in a Disney Vacation Club Resort in reliance upon the continued existence of any other Disney Vacation Club Resort(s) beyond the express

termination dates for those resorts. Each Disney Vacation Club Resort has its own termination date.

Neither DVD nor any of the TWDC Companies have any obligation to build any additional Disney Vacation Club resorts or to add additional component sites to the Disney Vacation Club Multi-Site timeshare plan. -

Please refer to the Multi-site Public Offering Statement for a summary of additional DVD disclosures pertaining to the Vacation Club.

III. PUBLIC OFFERING STATEMENT TEXT

1. The Vacation Ownership Plan.

a. The Plan. The legal name of the condominium is Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium. Disney's BoardWalk Villas is located at 2101 N. Epcot Resorts Blvd., Lake Buena Vista, Florida 32830-1000.

(1) Ground Lease. Disney's BoardWalk Villas has been created on a Ground Lease, and the portion of DVD's interest in the Ground Lease that has been declared to the condominium form of ownership is a Common Element of Disney's BoardWalk Villas. The Memorandum of Ground Lease contains a summary of the material provisions of the Ground Lease.

(2) Ownership Interests. Ownership Interests are fee interests in real property and are defined as "time-share estates" pursuant to Section 721.05(32), Florida Statutes, and Section 721.57, Florida Statutes. Purchasers of an Ownership Interest receive an undivided percentage real property interest in a Unit as a tenant-in-common with other purchasers of undivided percentage interests in that Unit in accordance with the Declaration. Fee title to an Ownership Interest will be conveyed to the Purchaser until January 31, 2042, unless otherwise extended in accordance with the Condominium Documents, at which time the Ground Lease will expire, Disney's BoardWalk Villas will terminate and title to the Ownership Interest and the Condominium Property will vest in Worldco as the lessor. Ownership Interests in Disney's BoardWalk Villas are conveyed by virtue of the delivery of a special warranty deed.

(3) Vacation Ownership Plan and the Disney Vacation Club. Each Purchaser of an Ownership Interest shall be subject to the Vacation Ownership Plan, as set forth in the Declaration and the Membership Agreement. Notwithstanding the specific Unit in which a Purchaser acquires an Ownership Interest, the Vacation Ownership Plan requires that all Vacation Homes at Disney's BoardWalk Villas will be available for use by all Purchasers of Ownership Interests at Disney's BoardWalk Villas at all times on a first come, first served reservation basis, through the Home Resort Reservation Component and in accordance with the provisions of the Condominium Documents.

The right to reserve a timeshare period is subject to rules and regulations of the timeshare plan reservation system.

The managing entity shall have the right to forecast anticipated reservation and use of the accommodations of the timeshare plan and is authorized to reasonably reserve, deposit, or rent the accommodations for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare plan.

In addition to the Vacation Ownership Plan, membership in the Club is an appurtenance to each Ownership Interest in accordance with the terms of the Condominium Documents and the DVC Resort Agreement for Disney's BoardWalk Villas. As an appurtenance, the Club membership, as it is comprised from time to time, may not be partitioned, hypothecated, bought, sold, exchanged, rented or otherwise transferred separately from each Ownership Interest. Provided that the Owner complies with all restrictions on the transfer of an Ownership Interest, any transferee of the Owner's Ownership Interest will automatically become a member of the Club, and the transferor will cease to be a Club Member unless he or she has another Ownership Interest. See the Multi-site Public Offering Statement for details

regarding a description of the Club's central reservation system, including operation of the Home Resort Reservation Component and the DVC Reservation Component.

Owners do not acquire any legal or beneficial interest in any of The TWDC Companies or their assets, including, but not limited to, the Club, and no right or interest in the property, contract rights or business of any of The TWDC Companies. Owners will not be entitled to any share of income, gain or distribution by or of any of The TWDC Companies and will not acquire any voting rights in respect of any of The TWDC Companies.

b. Apportionment of Common Expenses and Ownership of Common Elements. Each residential Unit and each Ownership Interest has appurtenant to it a share of the Common Expenses and Common Surplus and an undivided interest in the Common Elements of Disney's BoardWalk Villas on a fractional basis as set forth in the Percentage Interest in the Common Elements. Commercial Units shall also have a share of the Common Elements and Common Expenses as set forth in the Percentage Interest in the Common Elements exhibit.

The number of Home Resort Vacation Points that will be available for use by a Purchaser in connection with the Home Resort Reservation Component of the Club's central reservation system is determined using a formula based upon the total square footage relating to the Ownership Interest acquired by the Purchaser, as more particularly described on Exhibit A of the Master Cotenancy Agreement. The total number of Home Resort Vacation Points at the Disney's BoardWalk Villas is 4,888,849. The total number of Home Resort Vacation Points will increase if additional accommodations are added by DVD to the resort pursuant to the process described in paragraph 5.b. below or decrease if accommodations are removed from the BoardWalk Resort due to condemnation as described in the Declaration. Purchasers should refer to their Purchase Agreement and deed for the amount of the undivided percentage interest that they are purchasing and the number of Home Resort Vacation Points that symbolize that Ownership Interest.

2. Club Membership and Recreational Leases. With respect to Disney's BoardWalk Villas, none of the recreational facilities or other facilities offered by DVD for use by Owners are leased or a part of a recreational club.

There is a lien or lien right against each Ownership Interest to secure the payment of assessments or other exactions coming due for the use, maintenance, upkeep, or repair of the recreational or commonly used facilities. A Purchaser's failure to make these payments may result in foreclosure of the lien.

The recreational and other commonly used facilities of the BoardWalk Villas will be used by Club Members, their guests, exchangers and renters; by renters of Vacation Homes not yet declared as part of the BoardWalk Villas; and potentially by owners of interests in property common to the BoardWalk Villas under the Master Declaration or in adjoining resort properties. A portion of the costs of maintenance, repair and replacement of such facilities will be borne by the Owners and shall be assessed to the Owners, pursuant to the terms of the Declaration and the Master Declaration. There is a lien or lien right against each Ownership Interest to secure the payment of these assessments.

3. Duration of the Vacation Ownership Plan. The term of the Vacation Ownership Plan will continue through January 31, 2042, the expiration date of the Ground Lease and Disney's BoardWalk Villas, unless the Ground Lease is sooner terminated in accordance with its terms, or unless the Vacation Ownership Plan is sooner terminated in accordance with the Condominium Documents, or unless the term is otherwise extended in accordance with the Condominium Documents.

4. Disney's BoardWalk Villas Operations; Judgments and Pending Lawsuits.

a. Disney's BoardWalk Villas Operations.

(1) DVD. The developer of Disney's BoardWalk Villas is DVD. The General Manager and Senior Vice President of DVD is Kenneth M. Potrock, who has experience in the resort and leisure industries as a result of his tenure at The TWDC Companies. DVD has developed and operated the vacation ownership plan at:

Disney Vacation Club at WALT DISNEY WORLD Resort, a leasehold condominium, since October 1991,
Disney Vacation Club at Vero Beach, a condominium, since September 1995,
Disney Vacation Club at Hilton Head Island Horizontal Property Regime since March 1996,
Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, since June 1996,
The Villas at Disney's Wilderness Lodge, a leasehold condominium, since January 2001,
Disney's Beach Club Villas, a leasehold condominium, since July 2002,
Disney's Saratoga Springs Resort, a leasehold condominium, since May 2004,
Disney's Animal Kingdom Villas, a leasehold condominium, since July 2007,
Bay Lake Tower at Disney's Contemporary Resort, a leasehold condominium, since September 2009,
The Villas at Disney's Grand Californian Hotel, a leasehold condominium, since September 2009,
Aulani, Disney Vacation Club Villas, KoOlina, Hawaii, a condominium, since September 2011, and at
The Villas at Disney's Grand Floridian Resort, a leasehold condominium, beginning October 2013.

DVD may or may not be the developer of future DVC Resorts, if any.

(2) The TWDC Companies. DVD and DVCMC are affiliates of TWDC; however, DVD and DVCMC are separate and distinct entities from TWDC, and from Worldco. Neither TWDC, Worldco, nor any other subsidiary or affiliate of TWDC has agreed or will agree to assume, guarantee or otherwise be responsible for any of the obligations, acts or omissions of DVD or DVCMC in connection with this offering or any other DVC Resort or the Club.

(3) The Association and DVCMC. Disney's BoardWalk Villas Condominium Association, Inc., a Florida not-for-profit corporation, is the entity responsible for the maintenance and operation of Disney's BoardWalk Villas. Pursuant to the Property Management Agreement the Association has delegated its management, maintenance and operation duties for Disney's BoardWalk Villas to DVCMC.

DVCMC, whose address is 1390 Celebration Blvd., Celebration, Florida 34747, is responsible for providing for the operation of the Home Resort Reservation Component and for providing for the site management of Disney's BoardWalk Villas. DVCMC has acted as the management company for:

Disney Vacation Club at WALT DISNEY WORLD Resort, a leasehold condominium, since October 1991,
Disney Vacation Club at Vero Beach, a condominium, since September 1995,
Disney Vacation Club at Hilton Head Island Horizontal Property Regime since March 1996,
Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, since June 1996,
The Villas at Disney's Wilderness Lodge, a leasehold condominium, since January 2001,
Disney's Beach Club Villas, a leasehold condominium, since July 2002,
Disney's Saratoga Springs Resort, a leasehold condominium, since May 2004,
Disney's Animal Kingdom Villas, a leasehold condominium, since July 2007,
Bay Lake Tower at Disney's Contemporary Resort, a leasehold condominium, since September 2009,

The Villas at Disney's Grand Californian Hotel, a leasehold condominium, since September 2009, Aulani, Disney Vacation Club Villas, KoOlina, Hawaii, a condominium, since September 2011, and at The Villas at Disney's Grand Floridian Resort, a leasehold condominium, beginning October 2013.

There are no service, maintenance, management or recreational contracts or leases with a term in excess of one (1) year that may be canceled by the Owners, except for the Property Management Agreement. The Property Management Agreement has an initial term of three (3) years, and shall automatically renew itself for successive three (3) year periods, unless either party gives notice of non-renewal pursuant to the terms of the Property Management Agreement, or unless sooner terminated in accordance with its provisions. DVD may not change the managing entity or its control without the approval of the Board of Directors or the Association; however, the Board of Directors and the Association is subject to the control of DVD as set forth in paragraph 5.h. of this Public Offering Statement.

As set forth in the Property Management Agreement, DVCMC will be compensated for its site management services by receiving an annual management fee equal to a percentage of the Dues Assessment Revenue plus the total Capital Reserves Budget contained in the Estimated Budgets exclusive of the management fee itself and transportation fees (if applicable). It is anticipated that, for the year of current operation at Disney's BoardWalk Villas, DVCMC will receive an annual management fee equal to twelve percent (12%) of the Estimated Budgets, which is equal to the sum of \$198,078 per month or \$2,376,933 per year. This percentage level for compensation may not be increased without the approval of the Board of Directors controlled by DVD; however, the actual compensation received by DVCMC for these services will increase as the Estimated Budgets increase.

In addition, pursuant to the Membership Agreement, the Association has assigned its rights and obligations to operate the Vacation Ownership Plan to DVCMC. Unless sooner terminated in accordance with its provisions, the Membership Agreement has a term equal to the term of the Vacation Ownership Plan. As consideration, the Association has assigned to DVCMC any and all rights of the Association to rent unreserved Vacation Homes (in accordance with the reservation priorities of the Home Resort Reservation Component) and to receive the proceeds therefrom in excess of the following: (i) the rental proceeds equaling an amount up to two and one-half percent (2 1/2%) of the Estimated Budgets shall be remitted by DVCMC to the Association; and (ii) the rental proceeds, if any, in an amount equal to BVTC's costs for providing those services as set forth in Disney's BoardWalk Villas Resort Agreement plus five percent (5%) of such costs.

b. Judgments and Pending Lawsuits. There are no judgments or pending litigation against DVD, DVCMC, BVTC, or the Association that are material to the Vacation Ownership Plan at Disney's BoardWalk Villas.

5. Description of Disney's BoardWalk Villas.

a. Resort Accommodations and Facilities. DVD has currently declared to the condominium form of ownership, Ownership Interests in Disney's BoardWalk Villas as follows:

Number of Residential Buildings:	1
Number of Vacation Homes in Each Building:	1-8
Number of Seven (7) Use Day Availability Periods in Each Vacation Home:	51
Total Number of Vacation Homes:	383
Total Number of Each Type of Vacation Home:	
Grand Villa Vacation Home (3 Bedroom/3 Bath)	7
Two-Bedroom Vacation Home – can be locked-off into One-Bedroom and Studio Vacation Homes (2 Bedroom/2 Bath)	149
One-Bedroom Vacation Home (1 Bedroom/1 Bathroom)	130
Studio Vacation Home (1 Bedroom/1 Bath)	97
Total Number of Seven (7) Use Day Availability Periods:	19,533

The Vacation Ownership Plan uses a flexible Vacation Point system. Under the Vacation Point System, the Ownership Interest purchased by an individual will vary from that purchased by another individual depending upon his or her respective vacation needs. Therefore, it is impossible to anticipate the exact number of undivided Ownership Interests that will be sold in each Unit; however, it is anticipated that individuals will generally purchase an Ownership Interest equal to the right to reserve seven (7) Use Days. In all events, DVD will not sell a number of Ownership Interests that would result in a greater than "one-to-one use right to use night requirement ratio" as that term is defined in Section 721.05(25), Florida Statutes.

(1) Restrictions on Use of Units and Vacation Homes.

(a) Disney's BoardWalk Villas Restrictions. Purchase of an Ownership Interest or use of the Vacation Homes and facilities of Disney's BoardWalk Villas for commercial purposes (excluding use by the TWDC Companies) or for any purpose other than the personal use described in this Public Offering Statement is expressly prohibited. To encourage purchase for personal use, Owners may not currently aggregate Ownership Interests so as to compile more than 4000 Home Resort Vacation Points per DVC Resort or an aggregate of 8000 Home Resort Vacation Points at all DVC Resorts, and use by corporations or other business entities is strictly limited to recreational use by their directors, officers, principals, or employees. For the purpose of determining the total number of Vacation Points compiled, no separation shall be made of Ownership Interests owned by the same person(s) with other person(s) or entity(ies) in which any such person has a partnership, membership, beneficial or ownership interest. For specific restrictions on the use of the Vacation Homes and facilities of Disney's BoardWalk Villas, Owners should refer to the Condominium Rules and Regulations promulgated by the Board of Directors. There are no restrictions upon children, but pets are prohibited at Disney's BoardWalk Villas.

(b) Use of the Central Reservation System. As previously noted, the services provided through the Club include the operation of the central reservation system which consists of the Home Resort Reservation Component for Disney's BoardWalk Villas and the DVC Reservation Component. Owners' rights to reserve Vacation Homes at Disney's BoardWalk Villas through the Home Resort Reservation Component are set forth in the Membership Agreement and the Home Resort Rules and Regulations for Disney's BoardWalk Villas. See the Multi-site Public Offering Statement for a detailed explanation of Owners' rights to reserve Vacation Homes at Disney's BoardWalk Villas through the Home Resort Reservation Component or at DVC Resorts through the DVC Reservation Component, including the beginning and ending dates for the period during which a purchaser must make a reservation and any contingencies which may result in a purchaser's loss of occupancy rights.

The managing entity shall have the right to forecast anticipated reservation and use of the accommodations of the timeshare plan and is authorized to reasonably reserve, deposit, or rent the accommodations for the purpose of facilitating the use or future use of the accommodations or other benefits made available through the timeshare plan.

(2) Lock-Out Provisions. Should an Owner fail to pay an assessment (with respect to any of Owner's Ownership Interests) as provided in the Condominium Documents, DVCMC is authorized to deny to the Owner or the authorized user, the use and enjoyment of the Vacation Homes and facilities of the Vacation Ownership Plan in accordance with the provisions of Chapter 721 and the Master Cotenancy Agreement entered into by DVCMC, the Cotenants in each Unit and the Association. In addition, DVCMC is authorized, in accordance with Section 721.13(6)(f), Florida Statutes, to rent out the Ownership Interests of delinquent Owners and apply the proceeds of such rental, less any rental commissions, cleaning charges, travel agent commissions, or any other commercially reasonable charges reasonably and usually incurred by the managing entity in securing rentals, to the delinquent Owner's account.

b. Phasing and Completion of Construction.

(1) Phasing Plan. Disney's BoardWalk Villas has been developed as a phase condominium, and additional land or Units may be added to Disney's BoardWalk Villas from time to time. The overall boundary of the property which DVD contemplates adding to Disney's BoardWalk Villas is described in the Survey, Floor and Plot Plan; however, DVD reserves the right to add additional property which may not be included within the overall boundary. DVD further reserves the right not to add any additional property or all of the property included within the overall boundary. DVD specifically reserves the right to declare one or more phases that contain only residential Units, Commercial Units or Common Elements. In addition, DVD specifically reserves the right to declare one or more phases that contain any combination of residential Units, Commercial Units and Common Elements. The Condominium Documents for a particular phase will be recorded prior to the closing of the purchase of any Ownership Interest in that phase. The Common Expense, Common Surplus and Common Element ownership reallocation caused by the addition of any of proposed phase is set forth in the Percentage Interest in the Common Elements.

DVD is under no obligation to submit phases to Disney's BoardWalk Villas in any sequence or to construct, develop or add any phase other than those phases that DVD has already declared as part of Disney's BoardWalk Villas. DVD may, from time to time, file phases for sale under Florida law without selling Ownership Interests in those phases or ultimately adding such phases to Disney's BoardWalk Villas. Pursuant to Chapter 721 and where permitted, DVD specifically reserves the right to vary DVD's phasing plans as to phase boundaries, plot plans and floor plans, Unit types, Unit sizes and Unit type mixes, numbers of Units, and recreational areas and facilities with respect to each subsequent phase. DVD also specifically reserves the right to amend the Condominium Documents, without the approval of the Owners or Purchasers, as may be necessary in DVD's sole discretion to conform to applicable government requirements, to expedite the sale of Ownership Interests, or as are permitted under Florida law and which DVD determines in its sole discretion would be beneficial to the use of the declared property to its fullest and best use and which would not prejudice or impair to any material extent the rights of the Owners or any mortgagee of record.

Except for those warranties required by section 718.203 Florida Statutes, none of The TWDC Companies, including, but not limited to, DVD, make any warranty of any kind, express or implied, and each of The TWDC Companies hereby disclaims any and all warranties, including, without limitation, implied warranties of merchantability and fitness for a particular purpose, with respect to

the construction of the Units and the Common Elements and with respect to the personal property located within the Units or on the Condominium Property, and the Owners assume all risk and liability resulting from the use of this property.

(2) Completion of Construction. The construction, equipping and finishing of all phases of Disney's BoardWalk Villas that are currently being offered for sale has been completed.

c. Recreational Facilities.

(1) Maximum Number of Vacation Ownership Periods that will Use the Accommodations and Facilities. The maximum number of vacation ownership periods that will use the accommodations and facilities of Disney's BoardWalk Villas will vary. The Vacation Ownership Plan uses a flexible Vacation Point system, under which the Ownership Interest purchased by an individual will vary from that purchased by another individual depending on his or her vacation needs. Therefore, it is impossible to anticipate the exact number of undivided Ownership Interests in a Unit that will be sold; however, it is anticipated that individuals will generally purchase an Ownership Interest equal to the right to reserve seven (7) use days.

(2) Description of Recreational and Other Commonly Used Facilities that will be Used Only by Owners. There are no recreational or other commonly used facilities that will be used only by Owners.

(3) Description of Recreational and Other Commonly Used Facilities that will not be Used Only by Owners.

The recreational and other commonly used facilities of Disney's BoardWalk Villas will be used by Owners, Club Members, their guests, exchangers and renters; by renters of Vacation Homes not yet declared as part of Disney's BoardWalk Villas pursuant to reciprocal use agreements; and by owners of interests in the property subject to the Master Declaration and their guests, invitees and licensees, pursuant to the terms of the Master Declaration. A portion of the costs of maintenance, repair and replacement of any such additional recreational facilities will be borne by the Owners and shall be assessed to the Owners, pursuant to the terms of the Declaration and the Master Declaration. The recreational and other commonly used facilities that will be made available to Owners, other Club Members, their guests, exchangers and renters are located on property adjacent to Disney's BoardWalk Villas and subject to the Master Declaration. These facilities will be made available through easements contained in the Master Declaration, which easements will be declared as part of Disney's BoardWalk Villas, and are described as follows:

(a) Feature Swimming Pool and Sun/Bathing Deck. One (1) feature swimming pool and one (1) sun/bathing deck, each located in the courtyard, will be built and made available for use. The sun/bathing deck is approximately 14,321 square feet in size and the feature swimming pool is approximately 6,066 square feet in size and ranges in depth from three (3) to five (5) feet. The feature swimming pool is heated and has a capacity of two hundred and two (202) persons.

(b) Hot Tub at Feature Swimming Pool. One (1) hot tub, located near the feature swimming pool, will be built and made available for use. The hot tub is approximately 79 square feet in size and ranges in depth from eight (8) inches to four (4) feet. The hot tub is heated and has a capacity of seven (7) persons.

(c) Children's Pool at Feature Swimming Pool. One (1) children's pool, located near the feature swimming pool, will be built and made available for use. The children's pool is approximately 283 square feet in size and ranges in depth from nine (9) inches to one (1) foot deep. The children's pool is heated and has a capacity of twenty-eight (28) persons.

(d) Additional Swimming Pool and Sun/Bathing Deck. One (1) additional swimming pool and one (1) additional sun/bathing deck, located southeast of the feature swimming pool, will be built and made available for use. The sun/bathing deck is approximately 5,600 square feet in size and the swimming pool is approximately 1,567 square feet in size and ranges in depth from three (3) to four (4) feet. The swimming pool is heated and has a capacity of fifty-two (52) persons.

(e) Additional Hot Tub. One (1) additional hot tub will be built and made available for use. The hot tub is approximately fifty (50) square feet in size and ranges in depth from eight (8) inches to three (3) feet. The additional hot tub is heated and has a capacity of five (5) persons. The additional hot tub is located adjacent to the additional pool.

(f) Tennis Courts. Two (2) tennis courts, each located in the southwest corner of Disney's BoardWalk Villas, will be built and made available for use. The tennis courts are approximately sixty (60) feet by one hundred and ten (110) feet each. The tennis courts are lighted and have a capacity of four (4) persons each.

(g) Tot Lot. One (1) tot lot, located near the community hall, will be built and made available for use. The tot lot is approximately 1500 square feet in size and has a capacity of forty-one (41) persons.

(h) Multi-Use Lawn. One (1) multi-use lawn, 6,600 square feet in size and having a capacity of 30 persons will be made available for use. The multi-use lawn is located in the northwest corner of Disney's BoardWalk Villas.

(i) Pool Slide. One (1) pool slide, located at the feature swimming pool, will be built and made available for use. The pool slide is approximately 200 feet long and has a capacity of nine (9) persons.

(4) Leases and Options to Purchase. There are no leases or options to purchase associated with the facilities available for use by Owners as described herein.

(5) Additions to Recreational Facilities.

Recreational facilities may be expanded or added without consent of the Purchasers or the Association.

DVD is not required to construct or declare as part of Disney's BoardWalk Villas any recreational or other commonly used facilities other than those facilities contained in the phases of Disney's BoardWalk Villas that have been declared to the condominium form of ownership. However, DVD has reserved the right to add recreational facilities to Disney's BoardWalk Villas without the consent of the Owners, Club Members, or the Association, provided that all costs of construction of such additional recreational facilities shall be borne exclusively by DVD.

At such time as DVD does add recreational or other commonly used facilities to Disney's BoardWalk Villas, those facilities will be included as part of the Common Elements of Disney's BoardWalk Villas. All costs of maintenance, repair and replacement of any such additional recreational facilities will be borne by the Owners and shall be assessed to the Owners as a part of their Annual Dues subject to the limitation in the increase of the Estimated Budgets under Florida law. Any increase in Annual Dues resulting from adding additional recreational facilities will be limited to an amount that will not result in an increase in the Estimated Budgets in excess of one

hundred fifteen percent (115%) of the previous year's Estimated Budgets, excluding capital reserves, except as permitted under Florida law.

d. Financial Arrangements for Promised Improvements. DVD has sufficient cash reserves or other internal financial resources so that it will not be required to borrow money from any other source in order to complete construction of all promised improvements.

e. Insurance Coverage. The Association will obtain and maintain casualty and public liability insurance as to all buildings, Units, Vacation Homes, facilities and furnishings located upon the Condominium Property in an amount as required by Florida law. The cost of such insurance is a Common Expense and will be included in the Estimated Budgets.

f. Unusual and Material Features of the Condominium Property; Description of Land that will be Available for Use by Owners, but not Owned or Leased by the Owners or the Association. Disney's BoardWalk Villas is subject to the Master Declaration of Covenants, Conditions, and Restrictions, which governs the use of the Condominium Property and the property in the surrounding area not declared as part of Disney's BoardWalk Villas. Disney's BoardWalk Villas is located within the Reedy Creek Improvement District ("RCID"), a political subdivision of the State of Florida. RCID provides substantially all of the governmental services to the WALT DISNEY WORLD Resort area and its affiliated properties, including Disney's BoardWalk Villas. Owners of real property interests within RCID, including Owners of Ownership Interests, are subject to ad valorem taxation by both RCID and Orange County, Florida. In addition, Disney's BoardWalk Villas is subject to the terms and conditions of the Ground Lease.

There is no land that will be made available for use by Owners, but not owned or leased by the Owners or the Association except as set forth in the Condominium Documents or the Master Declaration.

g. Control of the Association.

The developer has the right to retain control of the Association after a majority of the Units have been sold.

As set forth in the Declaration, DVD will control the Association through the appointment of a majority of the Board of Directors until such time as transfer of control of the Association occurs pursuant to the Condominium Documents or is required under Florida law. Unless DVD ceases to continue an on-going sales operation, the earliest that Owners would be entitled to elect a majority of the Board of Directors is three (3) years after fifty percent (50%) of the Units that will ultimately be operated by the Association have been sold; three (3) months after ninety percent (90%) have been sold; or seven (7) years after the Declaration has been recorded, whichever occurs first.

Pursuant to paragraph 4 of the Master Cotenancy Agreement, DVD is the authorized voting representative of the Owners who own Ownership Interests in each Unit at meetings of the Association and will cast all votes for such Owners at such meetings. Pursuant to paragraph 5 of the Master Cotenancy Agreement, DVD will notify the Owners in each Unit in advance of those Association meetings at which the Owners are entitled to elect directors. DVD will be authorized to cast the vote of a given Unit at Association meetings in whatever manner it deems appropriate unless it is otherwise instructed in writing in advance of such meetings by the Owners who own sixty percent (60%) of the Ownership Interests in that Unit. In this regard, DVD has agreed in the Master Cotenancy Agreement that it will not cast the Unit's vote in any of the following respects without the prior concurrence of the Owners of sixty percent (60%) of the Ownership Interests in the Unit:

(1) waiver of any material rights of the Association or of the Cotenants against DVD or any of its affiliates;

(2) waiver or reduction of required replacement reserves;

(3) any increase in the Association's annual operating budget in excess of one hundred fifteen percent (115%) of the previous year's budget, excluding capital reserves and ad valorem real estate taxes;

(4) any increase in the calculation of compensation paid to DVCMC under the Property Management Agreement;

(5) reallocation of the undivided interests in the Common Elements appurtenant to each Unit other than the reallocation that results from the addition of phases to Disney's BoardWalk Villas;

(6) amendment of the Declaration, the Articles of Incorporation or the Bylaws in any manner that is materially adverse to the Owners as a whole; or

(7) voluntary termination of Disney's BoardWalk Villas, or any proposition not to reconstruct, repair or replace any portion of any Unit or Common Element after casualty.

In addition, during any period of time in which DVD owns in excess of forty percent (40%) of the Ownership Interests in a given Unit, the Owners who own sixty percent (60%) of the Ownership Interests in that Unit, other than those Ownership Interests owned by DVD, may instruct DVD as to the manner in which the Unit's vote will be cast.

6. Estimated Budgets and Schedule of Purchasers' Expenses; Developer Guarantee .

The budget contained in this public offering statement has been prepared in accordance with the Florida Vacation Plan and Timesharing Act (Chapter 721, Florida Statutes), and is a good faith estimate only and represents an approximation of future expenses based on facts and circumstances existing at the time of its preparation. Actual costs of such items may exceed the estimated costs. Such changes in cost do not constitute material adverse changes.

a. Estimated Budgets and Schedule of Purchasers' Expenses. The Estimated Budgets are comprised of the Common Expenses and reserve requirements of Disney's BoardWalk Villas, as set forth in the Condominium Documents, and the ad valorem real estate taxes assessed against Ownership Interests. DVCMC will assess the Estimated Budgets and ad valorem real estate taxes to each Ownership Interest each year in the ratio that the number of Home Resort Vacation Points assigned to that Ownership Interest bears to the total number of Home Resort Vacation Points in Disney's BoardWalk Villas at that time.

As set forth in paragraph 4 of the Master Cotenancy Agreement, DVD as the voting representative of a Unit may not cast the Unit's vote at a meeting of the Association to increase the Estimated Budgets in excess of one hundred fifteen percent (115%) of the previous year's Estimated Budgets, excluding capital reserves, without the prior concurrence in writing of the Owners who own sixty percent (60%) of the Ownership Interests in that Unit. In the event that the requisite approval to increase the budgets beyond the fifteen percent (15%) cap is not obtained, DVCMC as the Management Company would be forced to reduce services to keep expenses within the approved budgeted amount. Owners are only responsible for the expenses and taxes assessed against them at Disney's BoardWalk Villas, and Owners are not liable for the cost of maintenance or repair of DVC Resorts other than Disney's BoardWalk Villas.

Pursuant to Disney's BoardWalk Villas Resort Agreement and the Declaration all Owners are required to pay Annual Dues which include their share of the cost and expenses of the Club attributed to Disney's BoardWalk Villas.

As set forth in the Declaration, the Association has a lien right against each Unit and each undivided Ownership Interest in each Unit to secure the payment of assessments for Common Expenses and assessed ad valorem real estate taxes, including, but not limited to, interest, costs of collection and reasonable attorneys' fees. Pursuant to the Master Cotenancy Agreement DVD also has the option but not the obligation to acquire a lien against the Ownership Interest of any Cotenant who fails to timely pay all assessments due by paying the delinquent amounts due by the Cotenant. If DVD does not exercise its option to acquire the lien, any other Cotenant may pay the delinquent amounts and acquire the lien. If no Cotenant pays the delinquent assessments of another Cotenant, the Association has the right to collect the delinquency through foreclosure of its lien against the Ownership Interest of the delinquent Cotenant.

Under Florida law, ad valorem real estate taxes are assessed against Disney's BoardWalk Villas as a whole. If one hundred percent (100%) of the taxes so assessed are not timely paid to the appropriate county tax collector, a tax lien will attach to the entire Disney's BoardWalk Villas, which lien can be sold at public auction. Consequently, a tax lien can be placed on all of Disney's BoardWalk Villas for the failure of any Cotenant to pay his or her portion of the Unit's portion of the ad valorem real estate taxes assessed against all of Disney's BoardWalk Villas.

Certain of the variable and semi-variable expenses related to the provision of hospitality services to the Disney's BoardWalk Villas as set forth in the Estimated Annual Operating Budget, including, but not limited to, expenses for housekeeping, maintenance and front desk operations, may be lower than they otherwise would be if such services were being provided by independent third parties, because such services are being provided by Walt Disney Parks and Resorts U.S., Inc. (formerly known as Walt Disney World Co.) through a property management subcontract that takes into account that the services are also being provided to adjacent accommodations that are not part of Disney's BoardWalk Villas.

b. Developer Guarantee. DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for operating and reserves expenses of \$4.9126 per Vacation Point through December 31, 2014, exclusive of ad valorem taxes which are billed separately. In consideration of this guarantee and pursuant to Florida law, DVD will be excused from the payment of its share of the Expenses which otherwise would have been assessed against its unsold Ownership Interests during the term of the guarantee. As a consequence of this exemption, during the term of this guarantee, existing Owners and current Purchasers will not be specially assessed with regard to Common Expenses, except as provided herein, if Common Expenses exceed the guarantee per Vacation Point amount and DVD will pay any difference between actual expenses and assessments collected from all Owners and income from other sources. Amounts expended for any insurance coverage required by law or the Condominium Documents to be maintained by the Association and depreciation expense related to real property shall also be excluded from the calculation of the Developer obligation except that for real property used for the production of fees, revenue or other income depreciation expense shall be excluded to the extent they exceed the net income from the production of such fees, revenue or other income. DVD will pay such expenses as needed to meet expenses as the expenses are incurred. However, any expenses incurred during the guarantee period resulting from a natural disaster or an act of God, which are not covered by insurance proceeds from the insurance maintained by the Association, will be assessed against all Owners owning Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD; provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, the Association maintains all insurance coverages required by Section 721.165, Florida Statutes. Any special assessment imposed for amounts excluded from the guarantee pursuant to this paragraph shall be paid proportionately by all Owners, including DVD with respect to the Ownership Interests owned by DVD, in accordance with the Condominium Documents. DVD reserves the right, but is under no obligation, to extend and increase the amount of this guarantee for one or more periods of one (1) year each after the expiration of this guarantee period

on December 31, 2014, as permitted by Florida law. Therefore, the 2014 annual assessment (exclusive of ad valorem real estate taxes) will be calculated by multiplying the number of Vacation Points associated with your Ownership Interest by \$4.9126 per Vacation Point.

7. Purchase of a Vacation Ownership Interest.

a. Purchasers' Right of Cancellation. Purchasers may cancel their Purchase Agreement without any penalty or obligation within ten (10) days after the date of execution of their Purchase Agreement or the date on which they receive the last of all documents required to be given to them pursuant to Section 721.07(8), Florida Statutes, whichever is later. If Purchasers decide to cancel their Purchase Agreement, then the Purchasers must notify DVD in writing of their intent to cancel. The notice of cancellation shall be sent to DVD, Attention: Membership Administration at 1390 Celebration Blvd., Celebration, Florida 34747. Any attempt to obtain a waiver of Purchasers' cancellation rights is void and of no effect. While Purchasers may execute all closing documents in advance, the closing, as evidenced by delivery of the Purchasers' deed to the appropriate recording office, before expiration of the 10 day cancellation period is prohibited. If your notice of cancellation is sent more than ten (10) days after the date you sign the Purchase Agreement, DVD shall have the right to retain the total of all funds and other property received under the Purchase Agreement. The notice of cancellation shall be considered given on the date postmarked if mailed, or the date transmitted, so long as the notice is actually received by DVD. If given by means other than by mail or telegraph, the notice of cancellation shall be considered given at the time delivered to DVD at its address stated above.

In addition, Chapter 721 provides that you have the right to cancel your Purchase Agreement until midnight of the tenth (10th) calendar day following whichever of the following occurs later: (a) the execution date; or (b) the day on which you received the last of all documents required to be provided to you pursuant to Section 721.07(6), Florida Statutes. Because DVD is providing you with all of the documents required to be delivered to you, your cancellation right will expire on midnight of the tenth (10th) calendar day following the date on which you executed your Purchase Agreement. You may receive a separate and distinct cancellation right in the event that DVD makes amendments or additions which are material changes (as explained below and in your Purchase Agreement), but you should not rely on that possibility.

Amendments, additions, or changes to the Condominium Documents may be made after closing in accordance with the terms of the Condominium Documents and Florida law. DVD may make changes to the documents comprising the offering, including the component site public offering statement, multi-site public offering statement, and the exhibits thereto, including the Condominium Documents (collectively, "Offering Documents") prior to closing. If, in DVD's sole, absolute and unfettered discretion, these changes do not materially alter or modify the offering in a manner adverse to Purchaser, they shall be considered "Non-Material Changes." Non-Material Changes may include changes set forth in the previous paragraph; an increase in the component site budget of no more than 115% of such budget for the previous year; changes to update component site or Club disclosure information as required by Florida law (including changes in the officers or directors of DVD, DVCMC or BVTC; any action taken pursuant to any reserved and previously disclosed right; completion of improvements; and transfer of control of the Association); correction of grammatical or typographical errors; formatting changes; any change to or addition of a document affecting prospective purchaser only; any substitution of an executed, filed, or recorded document for the same unexecuted, filed, or recorded copy; or any increase in insurance coverage. If, in DVD's sole, absolute and unfettered discretion, a change materially alters or modifies the offering in a manner adverse to Purchaser, it shall be considered a "Material Change."

b. Total Financial Obligation of the Purchaser.

(1) Schedule of Estimated Closing Costs. As set forth in the Purchase Agreement, Purchaser shall pay (i) a document preparation fee; (ii) the cost of recording the special warranty deed; (iii) the documentary stamp

tax due on the deed as required under Florida law; and (iv) the premium cost for an owner's policy of title insurance. If any portion of the purchase price is financed through DVD, Purchaser shall pay the documentary stamp tax due on the mortgage as required under Florida law, the intangible tax due on the promissory note secured by the mortgage as required under Florida law and the cost of recording the mortgage. DVD shall pay the premium for a mortgagee policy of title insurance if it elects to obtain a mortgagee policy.

(2) Total Obligation. A Purchaser's total financial obligation includes the purchase price paid for the Ownership Interest, county and special district ad valorem real estate taxes, External Exchange Company use fees, Annual Dues, all finance charges, and the closing costs specified above in paragraph 7.b.(1).

Since the Ownership Interest acquired by Purchasers is an interest in real estate under Florida law, Purchasers may be entitled to deduct, for federal income tax purposes: (i) interest paid under a promissory note which is secured by a mortgage encumbering the Ownership Interest, and (ii) the Purchaser's allocable share of Ad Valorem Real Estate Taxes (paid via Annual Dues). Purchasers should understand that DVD intends to report such mortgage interest to Purchasers and to the United States Internal Revenue Service as mortgage interest paid on form 1098.

Purchasers should understand, however, that since there can be no assurance as to this federal income tax treatment, as well as the fact that actual tax results will depend upon a Purchaser's particular circumstances (including, but not limited to, among other factors, whether or not the Purchaser itemizes deductions on the Purchaser's federal income tax return or whether the Purchaser already owns an existing vacation home), The TWDC Companies do not make any representations as to the income tax treatment of the purchase, use or exchange of an Ownership Interest and related rights and appurtenances or as to the deductibility of related expenses such as interest, taxes and depreciation. Each Purchaser should consult his or her own tax advisor as to these issues. An Ownership Interest should not be purchased in reliance upon any anticipated tax benefits or any particular kind of tax treatment.

The managing entity has a lien against each Ownership interest to secure the payment of assessments, ad valorem assessments, tax assessments, and special assessments. Your failure to make any required payments may result in the judicial or trustee foreclosure of an assessment lien and the loss of your Ownership Interest. If the managing entity initiates a trustee foreclosure procedure, you shall have the option to object to the use of the trustee foreclosure procedure and the managing entity may only proceed by filing a judicial foreclosure action.

(3) Charges by Other Entities. The following entities may alter the charges to which the Purchaser may be subject: the Board of Directors, any applicable governmental entities including, without limitation, the county tax assessor, DVD as the assignee of Worldco's assessment rights for shared facilities pursuant to the terms of the Master Declaration, any External Exchange Company, DVCMC, Worldco and BVTC. The owners of the Commercial Units and surrounding commercial areas may also increase or decrease the user fees for the use of any service or enterprise conducted on such Commercial Units or surrounding commercial areas.

c. Status of Title to Property Underlying Disney's BoardWalk Villas. Each Purchaser's Ownership Interest in a Unit shall be free and clear of all liens, encumbrances, defects, judgments and mortgages, except that each

such Ownership Interest shall be subject to the following matters of title: the Condominium Documents; the Master Declaration; the Master Cotenancy Agreement; membership in the Club, which is an appurtenance to each Ownership Interest pursuant to the Declaration, the Membership Agreement and Disney's BoardWalk Villas Resort Agreement; any mortgage placed upon the Purchaser's Ownership Interest in connection with purchase-money or third-party financing; taxes and assessments for the year of purchase and subsequent years; and restrictions, reservations, conditions, limitations, and easements of record prior to purchase or imposed by governmental authorities having jurisdiction or control over the subject property. In addition, Ownership Interests shall be subject to the Ground Lease.

The right to reserve a timeshare period is subject to rules and regulations of the timeshare plan reservation system.

Please refer to the Multi-site Public Offering Statement for more details.

d. Restrictions Upon the Sale, Transfer, Conveyance or Leasing of Units or Ownership Interests.

The purchase of an Ownership Interest should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment or with an expectation that the Ownership Interest may be rented or resold.

Ownership Interests are offered for personal use and enjoyment only and should not be purchased by any prospective Purchaser for resale or as an investment opportunity or with any expectation of achieving rental income, capital appreciation, or any other financial return or valuable benefit, including any tax benefit. Owners attempting to resell or rent their Ownership Interests would have to compete, at a substantial disadvantage, with DVD in the sale or rental of its Ownership Interests. Generally, there is no established market for resale or rental of Ownership Interests, and the many restrictions upon the use of an Ownership Interest may adversely affect its marketability or rentability.

Each Owner, and each Owner's successor(s) in title, has an obligation and responsibility to pay assessments for as long as he or she owns an Ownership Interest in the Resort.

Ownership Interests should also not be purchased with any expectation that any Vacation Home located at Disney's BoardWalk Villas can be rented, or if it is rented, that any particular rental rate can be obtained for such rental. Owners should be aware that several resort hotels are in operation within and around Disney's BoardWalk Villas and the other DVC Resorts, including, but not limited to, hotels owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, any Owner who attempted to rent reserved Vacation Homes for his or her own account

would compete with these resort hotels and DVD for renters without any assistance from The TWDC Companies, and would be at a substantial competitive disadvantage. Owners should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit therefrom.

The sale, lease or transfer of Ownership Interests is restricted and controlled.

No Owner may directly rent, exchange or otherwise use his or her Ownership Interest without making a prior reservation of an available Vacation Home at Disney's BoardWalk Villas on a first come, first served basis. DVD's approval of a rental by an Owner is not required after a reservation has been made in the renter's own name. However, Ownership Interests should not be purchased with any expectation that Vacation Homes may be reserved and rented to third parties. Any permitted sale between an Owner and a bona fide third party shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be paid in full as a condition of closing of the sale. Any lease or rental agreement shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be deducted from the gross rentals and paid directly to the Association. Resale of an Ownership Interest is also subject to a right of first refusal in favor of DVD as set forth in the Declaration and in the Purchase Agreement.

8. Exchange Program Opportunities. See the Multi-site Public Offering Statement Text for details regarding exchange program opportunities.

SUMMARY OF DOCUMENTS NOT DELIVERED TO DISNEY'S BOARDWALK VILLAS RESORT PURCHASERS

Unless otherwise defined herein, the terms which are used in this document are intended to have the same meanings as are set forth in the Public Offering Statement text. Below is a list of documents (and their descriptions) for Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium (the "**BoardWalk Villas Resort**") that Disney Vacation Development, Inc., a Florida corporation ("**DVD**"), is required to file with the Division of Florida Condominiums, Timeshares and Mobile Homes, but is not required to deliver to the purchasers of Ownership Interests in the BoardWalk Villas Resort. Copies of the following documents are available upon request at no cost to Purchasers:

1. Memorandum of Ground Lease. The Memorandum of Ground Lease is the document that summarizes the provisions of the Ground Lease for the BoardWalk Villas Resort between WALT DISNEY WORLD CO., a Delaware corporation qualified to do business in Florida ("**Worldco**"), as lessor, and DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("**DVD**"), as lessee (the "**Ground Lease**"). The Ground Lease provides that DVD will lease the property that is declared as part of the BoardWalk Villas Resort from Worldco until January 31, 2042, at which time the property reverts back to Worldco and the BoardWalk Villas Resort will terminate. All rent due under the Ground Lease has been pre-paid by DVD to Worldco.
2. Property Management Agreement. The Property Management Agreement is a three (3) year automatically renewable agreement between the Disney's BoardWalk Villas Condominium Association, Inc. (the "**Association**") and Disney Vacation Club Management Corp. ("**DVCMC**") pursuant to which the Association delegates its management, maintenance and operational duties (which may properly be delegated under Florida law) to DVCMC in consideration for the payment of a management fee. The services to be provided by DVCMC include: hiring, paying and supervising maintenance personnel; arranging for the maintenance and repair of the BoardWalk Villas Resort property; enforcing compliance with all laws, rules and regulations, and the BoardWalk Villas Resort documents; purchasing equipment and supplies necessary to properly maintain and operate the BoardWalk Villas Resort; ensuring that all insurance required by the BoardWalk Villas Resort documents is obtained and kept in full force and effect; maintaining the Association's financial record books, accounts and other records in accordance with the Bylaws and Florida law; collecting all maintenance assessments; providing all required annual financial reports to Owners; and arranging for an annual independent audit.
3. Survey, Floor and Plot Plans. The survey, floor and plot plans for the BoardWalk Villas Resort are graphic descriptions of the property and improvements of the BoardWalk Villas Resort which, together with the Declaration, are in sufficient detail to identify Common Elements and each Unit and their relative locations and approximate dimensions.
4. Purchaser Deposit Escrow Agreement. The Purchaser Deposit Escrow Agreement for the BoardWalk Villas Resort (the "**Purchaser Deposit Escrow Agreement**") is an agreement, required under Florida law, pursuant to which DVD has agreed to deposit all funds collected from Purchasers into an escrow account, maintained by an independent escrow agent. The funds contained in the escrow account cannot be released to either DVD or the Purchaser unless one of the following has occurred: (i) the Purchaser's rescission period has expired and the purchase and sale of the Ownership Interest has closed; (ii) the Purchaser or DVD has defaulted under the Purchase Agreement; (iii) the Purchaser has validly exercised his or her cancellation rights; or (iv) DVD has provided for an alternate assurance arrangement acceptable under Florida law. The independent escrow agent pursuant to the Purchaser Deposit Escrow Agreement is Baker & Hostetler, Counsellors at Law, with offices located in Orlando, Florida.
5. Ad Valorem Tax Escrow Agreement. The Ad Valorem Tax Escrow Agreement for the BoardWalk Villas Resort (the "**Ad Valorem Tax Escrow Agreement**") is an agreement, required under Florida law, pursuant to which the Association has agreed to deposit all funds collected from Owners for the payment of ad valorem taxes on their Ownership Interests into an escrow account, maintained by an independent escrow agent. In accordance with Florida law, the escrow agent may only pay principal from the escrow account to the county tax collector and interest from the escrow account to the Association for the benefit of the Owners after all ad valorem taxes due and owing for the BoardWalk Villas Resort have been paid. The Ad Valorem Tax Escrow Agreement will be terminated in accordance with Florida law after control of the Association has been turned over to Owners other than DVD, unless terminated sooner in accordance with its terms. The escrow agent pursuant to the Ad Valorem Tax Escrow Agreement is Baker & Hostetler, Counsellors at Law, with offices located in Orlando, Florida.
6. Percentage Interest in the Common Elements. The Percentage Interest in the Common Elements exhibit to the Declaration describes the share of Common Expenses and Common Surplus, and the undivided interest in the Common Elements that is appurtenant to each Unit and Ownership Interest in the BoardWalk Villas Resort.
7. Home Resort Rules and Regulations. Purchasers will receive a copy of this document as part of the Multisite Public Offering Statement.

This instrument prepared by
and return to:

Kurt P. Gruber, Esquire
BAKER & HOSTETLER
2300 Sun Bank Center
200 South Orange Avenue
Post Office Box 112
Orlando, Florida 32802
(407) 649-4000

Orange Co FL 5711668
08/06/96 01:13:17pm
OR Bk 5101 Pg 147
Rec 532.50

DECLARATION OF CONDOMINIUM
OF
DISNEY VACATION CLUB AT
DISNEY'S BOARDWALK VILLAS,
A LEASEHOLD CONDOMINIUM

PREAMBLE

The undersigned, DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, whose address is 200 Celebration Place, Celebration, Florida 34747 ("DVD"), being the lessee of those certain lands located and situated in Orange County, Florida, and more particularly described hereinafter, does hereby submit its interest described in Article 2.2 below together with the improvements thereon to the condominium form of ownership in accordance with the provisions of Chapter 718, Florida Statutes, as the same is constituted on the date hereof, and the following provisions:

ARTICLE I

DEFINITIONS

The terms used in this Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, and in its exhibits shall be defined in accordance with the provisions of Chapter 718 (as defined below), Chapter 721 (as defined below) and as follows unless the context otherwise requires:

1.1 Ad Valorem Real Estate Taxes means those real property taxes assessed against the Units and their respective undivided interests in the Common Elements by Orange County, Florida. The Association shall serve as the agent of the Owners of Units committed to the Vacation Ownership Plan for the purpose of collection of Ad Valorem Real Estate Taxes as provided in Section 192.037, Florida Statutes.

©Disney

1.2 Articles of Incorporation means the Articles of Incorporation of the Association, as they may be amended from time to time. A copy of the initial Articles of Incorporation are attached hereto as Exhibit "B" and incorporated herein by reference.

1.3 Association means DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, and its successors, which is responsible for the operation of the Condominium. In the event that the Property Management Agreement terminates for any reason, the name of the Association shall, at the option of DVD or DVCMC and without any action to be taken by the Board of Directors, simultaneously and automatically be changed to BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC. In the event that the name "BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC." is unavailable for use by the Association, the Board of Directors shall be empowered to select an alternative name for the Association; provided, however, that prior to the use of any name to identify the Association, such name shall be submitted to Worldco for its consent. Worldco may consent or withhold its consent to the use of such name in its sole, absolute and unfettered discretion and, if given, the consent shall be set forth in writing.

1.4 Association Property means all real and personal property owned by the Association. All personal property related to the Home Resort Reservation Component and the DVC Reservation Component made available to the Condominium, including all computer hardware and software and intellectual property, shall not be Association Property and is and always shall be the personal property of the owner of such property.

1.5 BVTC means Buena Vista Trading Company, a Florida corporation, its successors and assigns. BVTC is an exchange company registered under Chapter 721.

1.6 Board of Directors means the board of directors of the Association.

1.7 Bylaws means the Bylaws of the Association, as they may be amended from time to time. A copy of the initial Bylaws is attached hereto as Exhibit "C" and is incorporated herein by this reference.

1.8 Chapter 718 means the provisions of Chapter 718, Florida Statutes, as the same is constituted on the date of the recording of this Declaration.

1.9 Chapter 721 means the provisions of Chapter 721, Florida Statutes, as the same is constituted on the date of the recording of this Declaration.

1.10 Club or Disney Vacation Club means the Disney Vacation Club. The Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed upon the use and enjoyment of Ownership Interests. These services presently include, among other things, the operation of a central reservation system consisting of the Home Resort Reservation Component and the DVC Reservation Component.

1.11 Commercial Unit means a Unit together with an undivided share in the Common Elements, as set forth in Exhibit "D" attached hereto, intended and designed for the conduct of a business enterprise to serve its Owner, the Owner's lessees, guests, invitees, licensees and such other persons who may lawfully be entitled to come upon the Condominium Property and shall refer to all of the Commercial Units set forth in Exhibit "A." Unless the context requires otherwise and except with respect to the Vacation Ownership Plan and the Club, all references to "Unit" shall include the Commercial Units.

1.12 Commercial Unit LCE means the those Limited Common Elements, if any, identified in the survey materials attached as part of Exhibit "A" or in survey materials attached as part of any amendment to this Declaration adding a phase to the Condominium in accordance with Article XVIII, and labeled as Commercial Unit LCEs. Commercial Unit LCEs shall be governed as Limited Common Elements and all references to "Limited Common Elements shall include Commercial Unit LCEs, except where specifically noted otherwise and in accordance with Article XXII.

1.13 Common Elements shall include:

(a) All of those items defined in Chapter 718 as Common Elements and those items hereinafter declared to be included within the Common Elements.

(b) All Association Property.

(c) All canals, lakes and waterways located within the Condominium Property.

(d) DVD's interest in the Ground Lease for that portion of the property described in the Ground Lease that is declared as part of this Condominium. The Association shall assume the obligations of DVD under the Ground Lease to the extent of that portion of the property described in the Ground Lease which is declared as part of the Condominium.

1.14 Common Expenses shall include:

(a) Expenses of administration and management of the Condominium Property, and of the Association, including compensation paid by the Association to managers, accountants, attorneys, or other employees or independent contractors.

(b) Expenses of maintenance, operation, repair and replacement of the Common Elements, Limited Common Elements and Association Property.

(c) Expenses declared Common Expenses by the provisions of this Declaration, the Condominium Documents or Chapter 718.

(d) Any valid charge or assessment against the Condominium Property as a whole.

(e) All costs and expenses arising under the Master Declaration and assessed against the Condominium Property, including such costs and expenses contemplated under Article VI of the Master Declaration.

(f) All costs and expenses incurred by the Association in connection with regulatory compliance.

(g) All reserves for replacement and maintenance of the Condominium Property as required by Chapter 718.

(h) Casualty, flood and/or liability insurance on the Association Property, Common Elements and Limited Common Elements.

(i) For Units committed to the Vacation Ownership Plan, those items more specifically set forth in Article 8.1 below.

(j) All costs and expenses assessed against the Association pursuant to the Ground Lease; provided, however, that neither the Association nor the Owners are liable for payment of any rent under the Ground Lease, all rent charged thereunder being payable by DVD to Worldco.

(k) All costs relating to transportation to, from and around the WALT DISNEY WORLD Resort for the use and benefit of the Owners, which may be charged to the Association by TWDC or any affiliate or subsidiary from time to time.

(l) All costs and expenses associated with any master antenna television system or duly franchised cable television service obtained pursuant to a bulk contract by the Association or on behalf of the Association.

1.15 Common Surplus means any excess of all receipts of the Association over the amount of Common Expenses.

1.16 Condominium means Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, also referred to, from time to time, as Disney's BoardWalk Villas.

1.17 Condominium Documents means this Declaration together with all exhibits attached hereto and all other documents expressly incorporated herein by reference, as the same may be amended from time to time.

1.18 Condominium Parcel means a Unit together with the undivided share in the Common Elements and Common Surplus which are appurtenant to the Unit, and together with all other appurtenances to the Unit including membership in the Disney Vacation Club, which is an appurtenance to each Ownership Interest in accordance with the terms of this Declaration, the Membership Agreement and the DVC Resort Agreement.

1.19 Condominium Property means the lands, leaseholds, easements and personal property that are subjected to condominium ownership from time to time, whether or not contiguous, and all improvements thereon and all easements and rights appurtenant thereto intended for use in connection with this Condominium.

1.20 Condominium Rules and Regulations means the rules and regulations concerning the use of Condominium Property as may be promulgated and amended from time to time by the Association in the manner provided by its Articles of Incorporation and Bylaws. A copy of the initial Condominium Rules and Regulations are attached hereto as Exhibit "E" and incorporated herein by reference.

1.21 Cotenant means the owner of an Ownership Interest and shall include all other Cotenants who own Ownership Interests in that Unit as tenants in common.

1.22 Declaration means this Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, as it may lawfully be amended from time to time pursuant to the provisions hereof.

1.23 DVCMC means Disney Vacation Club Management Corp., a Florida corporation, its successors and assigns.

1.24 DVC Reservation Component means the exchange component of the Club central reservation system through which accommodations in any DVC Resort may be reserved using DVC Vacation Points pursuant to priorities, restrictions and limitations established by BVTC from time to time.

1.25 DVC Resort means each resort, including the Condominium, which is entitled to access and use the DVC Reservation Component and other applicable Club services and benefits provided by BVTC by virtue of and pursuant to the terms and conditions of a DVC Resort Agreement.

1.26 DVC Resort Agreement means the agreement pursuant to which a resort becomes and remains a DVC Resort in accordance with the terms and conditions of such agreement. A copy of the Condominium's initial DVC Resort Agreement is attached hereto as Exhibit "H" and incorporated herein by reference.

1.27 DVC Vacation Points means Vacation Points utilized by a Club Member to make a reservation through the DVC Reservation Component at a DVC Resort.

1.28 DVD means Disney Vacation Development, Inc., a Florida corporation, its successors and assigns.

1.29 Ground Lease means that certain ground lease by and between Worldco as lessor and DVD effective the 1st day of April, 1994; a short form of which is described in that certain Memorandum of Ground Lease effective the 1st day of April, 1994, and recorded in Official Records Book 5101, Page 83 of the Public Records of Orange County, Florida. A copy of the Memorandum of Ground Lease is attached hereto as Exhibit "I" and incorporated herein by reference.

1.30 Home Resort means any DVC Resort in which an owner owns an Ownership Interest which is symbolized by Home Resort Vacation Points.

1.31 Home Resort Priority Period means the period of time at each DVC Resort during which only owners having an Ownership Interest at that DVC Resort are entitled to request a reservation for the accommodations at that DVC Resort through that DVC Resort's Home Resort Reservation Component.

1.32 Home Resort Reservation Component means the component of the Club central reservation system through which Vacation Homes may be reserved using Home Resort Vacation Points pursuant to the priorities, restrictions and limitations of the Vacation Ownership Plan and as set forth in this Declaration and the Membership Agreement.

1.33 Home Resort Vacation Points means Vacation Points symbolizing an Ownership Interest at a Home Resort and which Vacation Points may be utilized to reserve accommodations at that Home Resort where that Ownership Interest is held.

1.34 Limited Common Elements means and includes those Common Elements which are reserved for the use of a certain Unit or Units to the exclusion of other Units. The Commercial Unit LCEs are Limited Common Elements and shall be further governed by Article XXII. Those physical areas designated as Limited Common Elements are shown and located on the attached Exhibit "A." In addition, Limited Common Elements include all furnishings and other personal property contained within each Unit committed to the Vacation Ownership Plan that are not the property of individual Owners. The Association has the right, in its sole discretion and without the approval of the Owners, to maintain, repair, alter, rearrange, improve, and replace any or all furnishings and other

personal property contained within each Unit committed to the Vacation Ownership Plan that are not the property of individual Owners from time to time.

1.35 Management Company means DVCMC or any entity engaged to manage the Condominium.

1.36 Master Declaration means the Master Declaration of Covenants, Conditions and Restrictions as recorded in Official Records Book 5101, Page 33, Public Records of Orange County, Florida.

1.37 Master Declaration Property means the lands, leaseholds, easements and all improvements thereon that are subject to Master Declaration from time to time, whether or not contiguous.

1.38 Membership Agreement means the Disney Vacation Club Membership Agreement for Disney's BoardWalk Villas, as amended from time to time. The Membership Agreement provides for the operation of the Vacation Ownership Plan and the Home Resort Reservation Component. A copy of the initial Membership Agreement is attached hereto as Exhibit "G" and incorporated herein by reference.

1.39 Mortgagee means DVD (and any successor in interest to DVD as to a purchase-money mortgage), the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any trust, savings and loan association, credit union, mortgage company, bank, insurance company, or other commercial loan company, to the extent that any of the same hold a first mortgage encumbering any Unit or any Ownership Interest.

1.40 Owner means the owner of a Unit. Unless the context requires otherwise, the term Owner shall include Cotenants but shall not include owners of Ownership Interests at DVC Resorts other than the Condominium.

1.41 Ownership Interest means the property interest in a DVC Resort. In the case of the Condominium, an Ownership Interest is an undivided percentage interest in a Unit and in the Unit's undivided interest in the Common Elements and Common Surplus.

1.42 Property Management Agreement means the agreement between the Association and any Management Company pursuant to which the Association assigns its responsibilities and duties relating to the management and operation of the Condominium to the Management Company.

1.43 The TWDC Companies means TWDC and all subsidiaries of TWDC, including DVD, DVCMC, Worldco and BVTC.

1.44 TWDC means The Walt Disney Company, a Delaware corporation, its successors and assigns.

1.45 Unit means a condominium unit as that term is defined in Chapter 718 and in Article V of this Declaration and refers to that portion of the Condominium Property which is subject to exclusive ownership by one or more persons. Unless the context requires otherwise and except with respect to the Vacation Ownership Plan, all references to "Unit" shall include the Commercial Units.

1.46 Utility Services means electric power, water, garbage and sewage disposal, telephone service, and cable television or other cable provided services, and all other public service and convenience facilities servicing the Condominium Property.

1.47 Vacation Home means and refers to those portions of a Unit designed and intended for separate use and occupancy.

1.48 Vacation Ownership Plan is the arrangement pursuant to Florida law, this Declaration and the Membership Agreement whereby an Owner receives an Ownership Interest under which the exclusive right of use, possession or occupancy of all Units in the Condominium circulates among the various Owners of Ownership Interests on a recurring basis during the term of the plan.

1.49 Vacation Point shall mean the symbolic unit of measuring the respective rights of an owner of an Ownership Interest to enjoy the benefits of the Ownership Interest within the Club.

1.50 Voting Certificate means a document which designates one of the Cotenants in a Unit, when the Unit is owned by more than one Owner, as the authorized representative to vote on behalf of the Unit and to represent the Unit in all Association matters.

1.51 Voting Representative means the Owner or Cotenant (as designated in a Voting Certificate) who is authorized to vote on behalf of the Unit and to represent the Unit in all Association matters, except as may be limited by the provisions of a Voting Certificate where applicable.

1.52 Worldco means WALT DISNEY WORLD CO., a Delaware corporation qualified to do business in Florida, its successors or assigns, and the lessee under the Ground Lease.

ARTICLE II

NAME AND LEGAL DESCRIPTION

2.1 Name. The name by which this Condominium is to be identified is DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM. In the event that the Property Management Agreement terminates for any reason, the name by which this Condominium is to be identified shall, at the option of DVD or DVCMC and without requiring any action to be taken by the Board of Directors or the Association, simultaneously and automatically be changed to BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM. In the event that the name "BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM" is unavailable for use by the Condominium, the Board of Directors shall be empowered to select an alternative name for the Condominium; provided, however that prior to the use of any name to identify the Condominium, such name shall be submitted to Worldco for its consent. Worldco may consent or withhold its consent to the use of such name in its sole, absolute and unfettered discretion and, if given, the consent shall be set forth in writing. In the event that the name of the Condominium is changed and the name of the Association is changed, as set forth in Article 1.3 above, because of the termination of the Property Management Agreement, the Board of Directors and all Owners shall be prohibited from using the name "Disney" (or any other form thereof) in any manner whatsoever and shall immediately be required to:

(a) Remove all signs containing the name "Disney" from the Condominium Property and from any offsite location to the extent the sign refers to the Condominium; and

(b) Destroy all stationery, descriptive literature or printed or written matter bearing the name "Disney" other than books and records of the Association; and

(c) Cease and desist from using the name "Disney" (or any other form thereof) orally or in writing in referring to the Association or the Condominium; and

(d) Take immediate action to effect changes to the names of the Association and the documents of the Condominium reflecting the name "Disney" to eliminate the use of such names in any manner whatsoever; and

(e) Remove any architectural or landscaping features from the Condominium Property which contain the "Disney" name or any "Disney" caricature, fanciful character, logo or other trademarked symbol registered by any of The TWDC Companies, unless otherwise approved by Worldco. In this regard, the Association shall be responsible for repairing or replacing the structure or landscaping from which any such symbol has been removed so as to ensure that the structural integrity of such structure or landscaping is not jeopardized and that the appearance of the structure or landscaping remains consistent with the surrounding area.

The provisions of this Article 2.1 may be enforced by any remedy at law or equity, including mandatory and/or prohibitory injunctions, and by accepting a deed in which this Declaration is deemed incorporated, each Owner acknowledges that in the event of non-performance of any of the above-described restrictions, remedies at law for The TWDC Companies, shall be deemed inadequate to enforce the terms of this Article 2.1.

2.2 Leasehold Interest and Legal Description. DVD is the lessee of that certain real property situated in Orange County, Florida, more particularly described in the Ground Lease. The Ground Lease will expire on January 31, 2042, unless sooner terminated in accordance with the terms thereof. The Condominium shall automatically terminate upon the expiration or sooner termination of the Ground Lease, unless the Ground Lease and the Condominium are extended in accordance with the Ground Lease and this Declaration.

This Declaration shall be subject to the terms and conditions of the Ground Lease, and the provisions of the Ground Lease shall control and supersede any inconsistent provisions contained in this Declaration. This Declaration and the Ground Lease shall be subject to the terms, conditions and restrictions of the Master Declaration, which Master Declaration places additional restrictions on the Condominium Property. The provisions of the Master Declaration shall control and supersede any inconsistent provisions contained in this Declaration and in the Ground Lease and the terms of the Ground Lease shall control and supersede any inconsistent provisions contained in this Declaration.

The property that is hereby submitted to the condominium form of ownership under this Declaration of Condominium consists of that portion of the land demised in the Ground Lease that is more particularly described as Phase 1 in Exhibit "A" attached hereto and by this reference incorporated herein, together with those easements more specifically described in Article IV herein and described on attached Exhibit "A." No other phases are being submitted to the condominium form of ownership at this time.

2.3 Vacation Ownership Plan.

A vacation ownership plan will be created with respect to Units in the Condominium.

The degree, quantity, nature and extent of the Vacation Ownership Plan that will be created are hereinafter defined and described in detail. This Condominium is also a DVC Resort as hereinafter described in detail.

ARTICLE III

EXHIBITS

The Exhibits referred to in this Declaration shall include the following:

- 3.1 Exhibit "A." A legal description of Phase 1 of the Condominium, and a survey and plot plan of the land and improvements comprising Phase 1 of the Condominium, together with a graphic description of the Units, the Vacation Homes, easements, and recreational areas and facilities located therein which, together with this Declaration, are of sufficient detail to identify the Common Elements and each Unit and their relative locations and approximate dimensions located in Phase 1 of the Condominium. As set forth in Exhibit "A," each Unit is identified by a Unit number so that no Unit bears the same designation as any other Unit. All Commercial Units located in Phase 1 of the Condominium are so designated on the attached Exhibit "A."
- 3.2 Exhibit "B." The Articles of Incorporation of the Association.
- 3.3 Exhibit "C." The Bylaws of the Association.
- 3.4 Exhibit "D." Percentage Interest in the Common Elements.
- 3.5 Exhibit "E." Condominium Rules and Regulations.
- 3.6 Exhibit "F." The Property Management Agreement.
- 3.7 Exhibit "G." The Disney Vacation Club Membership Agreement for Disney's BoardWalk Villas.
- 3.8 Exhibit "H." DVC Resort Agreement for Disney's BoardWalk Villas.
- 3.9 Exhibit "I." Memorandum of Ground Lease.

ARTICLE IV

EASEMENTS

The following easements are hereby expressly reserved or acknowledged:

- 4.1 General Easements. Non-exclusive easements over, across and under the Condominium Property are expressly provided for and reserved in favor of DVD and the Owners, and their respective lessees, guests, exchangers and invitees, as follows:

(a) Utilities. Easements are reserved over, across and under the Condominium Property as may be required for the construction or maintenance of Utility Service in order to serve the Condominium or the Master Declaration Property adequately; including easements providing for such access rights as are necessary to utilize and service any lift station or utility transformer boxes located within the Condominium Property. Specific utility easements that exist on the Condominium Property are set forth in Exhibit "A" attached hereto. All cable television and telephone lines servicing the Condominium Property, including all trunk lines but excluding the portions of any lines that are contained within a Unit, shall be owned by DVD.

(b) Encroachments. If any Unit shall encroach upon any of the Common Elements or upon any other Unit, or if any Common Element shall encroach upon any Unit, then an easement shall exist to permit such encroachment so long as the same shall exist.

(c) Traffic. An easement shall exist for pedestrian traffic over, through and across sidewalks, paths, walks, halls, lobbies, and other portions of the Common Elements as may be from time to time intended and designated for such purpose and use; and for vehicular and pedestrian traffic over, through and across such portions of the Common Elements as may from time to time be paved and intended for such purposes. Such easements shall be for the use and benefit of the Owners and the owners of interests in the Master Declaration Property, and those claiming by, through or under them; provided, however, nothing herein shall be construed to give or create in any person the right to park any vehicle upon any portion of the Condominium Property except to the extent that the space may be specifically designated and assigned for parking purposes. Easements shall also exist for ingress and egress over streets, walks and other rights of way serving the Units as shall be necessary to provide for reasonable access to the public ways. In addition, an easement shall exist for ingress and egress over such streets, walks and other rights of way serving the Condominium as shall be necessary to provide for delivery and pickup services, fire protection, emergency services, United States mail carriers, police and other authorities of the law.

4.2 Association Easements. Except as limited by this Article and by Section 718.111(10), Florida Statutes, the Association may grant easements from time to time over the Common Elements; provided, however, that the Association shall not have the power to grant easements over the Commercial Unit LCEs. Prior to the relocation, termination or modification of any easement or right granted to or reserved by DVD, the Association shall must receive the written approval of DVD. Further, the Association shall not make any grant to or reservation in favor of DVD prior to receiving DVD's written approval.

4.3 DVD's Easements. DVD hereby reserves the following exclusive easements and rights to grant easements:

(a) Marketing, Sales and Rental. DVD reserves exclusive easement rights over and across the Condominium Property, including any Unit, Vacation Home or Common Element, for the purpose of marketing and sales of Units and Ownership Interests in the Vacation Ownership Plan and in other DVC Resorts described in Article XII of this Declaration, for the purpose of marketing and sales of related products and for the purpose of leasing Vacation Homes in Units that have not yet been declared as part of the Condominium. Lessees of DVD-owned Vacation Homes in non-declared Units shall have, for the term of their leases, the same easement rights over and across the Condominium Property and for the use of the recreational areas and facilities as are reserved for Owners.

(b) Governmental Requirements. DVD, for so long as DVD holds an Ownership Interest in any Unit subject to this Declaration, hereby reserves the right to grant such easements or enter into such development or conservation agreements, from time to time, as may be required by any government agency. Such

easements or agreements shall specifically include any environmental easements or agreements required by state or federal environmental agencies, and such easements or agreements shall be binding upon the Association and all Owners.

(c) Recreational Areas and Commonly Used Facilities. DVD hereby reserves the right to grant such easements, from time to time, to any other third party for the purpose of providing such parties with the same use rights over and across the Condominium Property and the recreational areas and commonly used facilities as those reserved for Owners.

(d) DVD Easements. DVD hereby reserves unto itself and grants to The TWDC Companies, their successors, assigns, lessees, guests, licensees and invitees, the same easement rights granted to Owners under this Declaration and specific easement rights over and across the Condominium Property as DVD or The TWDC Companies may deem necessary for their use from time to time.

(e) Construction Easements. DVD hereby reserves easement rights over, under and across the Condominium Property as is necessary, from time to time, for the purpose of constructing improvements located on portions of the Master Declaration Property that have not yet been, and may never be, declared to the Condominium.

4.4 Worldco's Easement. Pursuant to the Master Declaration, Worldco has reserved unto itself a non-exclusive easement over and across all common element access areas, recreational areas and commonly used facilities of the Condominium Property for the purpose of providing owners of interests in the Master Declaration Property and their guests, invitees and licensees, with the use of such common element access areas, recreational areas and commonly used facilities.

ARTICLE V

UNITS

5.1 Description of Units, Vacation Homes and Commercial Units. Each Unit declared to the Condominium will consist of all or a portion of an improvement that lies within the boundaries of the Unit. The upper and lower boundaries and the perimeter boundaries of each Unit contained in Phase 1 of the Condominium are described in the attached Exhibit "A." The upper and lower boundaries and the perimeter boundaries of each Unit contained in any future phase of the Condominium shall be described in the amendment to this Declaration adding such phase to the Condominium. As set forth in Exhibit "A" for Phase 1 of the Condominium and as will be set forth in each amendment to this Declaration adding a future phase to the Condominium, each Unit is or will be identified by a Unit number so that no Unit bears the same designation as any other Unit. For administrative convenience, each Vacation Home within each Unit is also or will also be identified by a number.

5.2 Limited Common Elements. Those Common Elements reserved for the use of a certain Unit, to the exclusion of other Units, are designated as Limited Common Elements. Those physical areas designated as Limited Common Elements are shown and located on the attached Exhibit "A." As may be shown in the attached Exhibit "A" or in survey materials attached as exhibits to an amendment to this Declaration declaring a phase to the Condominium in accordance with Article XVIII, the Commercial Unit LCEs are Limited Common Elements of a specific Commercial Unit. The use and maintenance of the Commercial Unit LCEs and the allocation of costs associated with the Commercial Unit LCEs shall be governed by Article XXII.

5.3 Warranty Limitation. Except for those warranties required by Chapter 718, none of The TWDC Companies, including DVD, make any warranty of any kind, express or implied, and each of The TWDC Companies hereby disclaims any such warranties, including implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units or on the Condominium Property, and the Owners and the Association assume all risk and liability resulting from the use of this property.

ARTICLE VI

APPURTENANCES

6.1 Appurtenant Interests. Each Unit and each Commercial Unit shall have as an appurtenance thereto that undivided share of the Common Elements and Common Surplus as more specifically described in Exhibit "D" attached hereto and by this reference incorporated herein. The Owner of each Unit shall be liable for that share of the Common Expenses which equals the percentage interest in the Common Elements and Common Surplus appurtenant to the Owner's Unit. Each Unit shall also have those further appurtenances more specifically described in Chapter 718 and in Article 1.18 below.

6.2 Partition of Common Elements. The share of the undivided percentage interest in the Common Elements appurtenant to each Unit shall remain undivided, and no Owner shall bring, or have any right to bring, any action for partition or division of same.

6.3 Partition of Units or Vacation Homes. No action for partition of any Unit, any appurtenance to a Unit, or any Vacation Home shall lie.

6.4 Disney Vacation Club. Membership in the Disney Vacation Club is an appurtenance to each Ownership Interest, which is conveyed by virtue of the execution and delivery of a deed, in accordance with and subject to the terms of this Declaration, the Membership Agreement and the DVC Resort Agreement. Upon recording of the deed, the Club Member is automatically entitled to enjoy the services and benefits associated with membership in the Club. As an appurtenance, the Club membership, as it is compromised from time to time, may not be partitioned, hypothecated, bought, sold, exchanged, rented or otherwise transferred separately from each Ownership Interest.

The Club does not own any property or assets. Members of the Club do not acquire any legal or beneficial interest in The TWDC Companies or their assets, including the Club, and no right or interest in the property, contract rights or business of The TWDC Companies. Members of the Club will not be entitled to any share of income, gain or distribution by or of The TWDC Companies and will not acquire any voting rights with respect to The TWDC Companies.

The terms and conditions governing the use of the Home Resort Reservation Component, including rights to terminate the Membership Agreement and Owners' rights to access the Home Resort Reservation Component of the Club upon the termination of the Membership Agreement, are set forth in and governed by the Membership Agreement. An initial copy of the Membership Agreement is attached as Exhibit "G" hereto and incorporated herein by this reference. The terms and conditions governing the use of the DVC Resort Component, including rights to terminate the DVC Resort Agreement and Owners' rights to access the DVC Resort Reservation

Component upon termination of the DVC Resort Agreement, are set forth in and governed by the DVC Resort Agreement, an initial copy of which is attached as Exhibit "H" hereto and incorporated herein by this reference.

Provided that an Owner complies with all restrictions on the transfer of an Ownership Interest, if any, the transferee of such Ownership Interest shall automatically become a member of the Club. Membership in the Club automatically terminates for a given Owner upon the occurrence of any of the following: (i) the Owner voluntarily or involuntarily transfers the Owner's Ownership Interest and owns no other Ownership Interest; (ii) the Owner no longer owns an Ownership Interest as a result of assessment lien or mortgage foreclosure proceedings; (iii) this Declaration terminates or the Unit in which the Owner owns an Ownership Interest is removed from the Condominium by virtue of a casualty or eminent domain action where the Unit is not reconstructed or replaced; or (iv) both the Membership Agreement and the DVC Resort Agreement terminate.

ARTICLE VII

MAINTENANCE, ALTERATION AND IMPROVEMENT

Responsibility for the maintenance of the Condominium Property, and restrictions upon its alteration and improvement, shall be as follows:

7.1 Units.

(a) By the Association. Except as set forth in Article 7.1(b) below, the Association shall maintain, repair and replace at the Association's expense:

(1) The interior of each Unit and of each Vacation Home, except as otherwise provided in the Condominium Documents.

(2) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of Utility Services.

(3) All incidental damage caused to a Unit or a Vacation Home in a Unit by reason of maintenance, repair and replacement accomplished pursuant to the provisions of Article 7.1(a)(1) and (2) above.

(b) By the Owner. The responsibility of the Owner for maintenance, repair and replacement shall be as follows:

(1) To not paint or otherwise decorate or change the appearance of any portion of the Condominium Property without the prior written approval of the Association.

(2) To promptly report to the Association any defect or need for repairs for which the Association is responsible.

(3) To bear in their entirety any expenses of repairs or replacements to a Unit or a Vacation Home in a Unit or its components, furnishings, carpeting, appliances, or other property, real, personal or mixed, occasioned by the specific abuse by any Owner or any lessee, guest, exchanger or invitee of said Owner.

7.2 Property and Vacation Ownership Plan Management. As set forth in Article 9.8 below, the Association may enter into such management agreements, from time to time, as it deems necessary to engage the services of a management company to carry out all or any part of the maintenance duties and obligations of the Association in accordance with this Declaration, including the operation of the Vacation Ownership Plan for the Condominium. In this regard, the Association has engaged DVCMC as the Management Company for the purposes of performing the duties and obligations contemplated for the Association under Chapter 718 and Chapter 721 and as set forth in the Property Management Agreement, an initial copy of which is attached as Exhibit "F" to this Declaration. In the event that the Property Management Agreement is terminated, the maintenance duties and other obligations of the Condominium, as set forth in the Property Management Agreement, will be the responsibility of the Association. In addition, DVCMC has been engaged by the Association to operate the Vacation Ownership Plan for the Condominium as set forth in the Membership Agreement, an initial copy of which is attached as Exhibit "G" to this Declaration. In the event that the Membership Agreement is terminated, the operation of the Vacation Ownership Plan for the Condominium will be the responsibility of the Association.

7.3 Association's Access to Units and Vacation Homes. The Association has the irrevocable right of access to each Unit and each Vacation Home whenever necessary for maintaining the Condominium Property or for making emergency repairs necessary to prevent damage to the Common Elements or to any Unit or Vacation Home.

7.4 Maintenance Period. Pursuant to the requirements of the Property Management Agreement, DVCMC, as the initial Management Company, shall have the obligation as the agent of the Association to maintain and repair each Vacation Home in each Unit during those time periods made available to it for such purpose pursuant to the Vacation Ownership Plan as set forth in the Membership Agreement. In the event the Property Management Agreement is terminated for any reason, the Association will have the obligation to schedule all required maintenance within each Unit and Vacation Home as a priority over the use of such Units and Vacation Homes by the Owner(s) thereof.

7.5 Common Elements and Limited Common Elements. The Association shall maintain, repair and replace all Common Elements and Limited Common Elements. Notwithstanding the maintenance and repair responsibilities of the Association set forth in this Article, prior to the commencement of any construction, reconstruction, alteration, renovation, restoration, repair or replacement of any Common Element or Limited Common Element, or any portion thereof, the Association must obtain the written approval of DVD which approval DVD may grant or withhold in its sole, absolute and unfettered discretion.

ARTICLE VIII

ASSESSMENTS AND COMMON EXPENSES

8.1 Common Expenses. Owners shall be responsible for their share of the Common Expenses as defined in Article 1.14 above. In addition to those items defined as Common Expenses in Article 1.14 above, Common Expenses for Units committed to the Vacation Ownership Plan shall include the following:

- (a) Repair and maintenance of the interior of a Unit for normal wear and tear;
- (b) Repair and replacement of furniture, fixtures, appliances, carpeting and deferred maintenance and replacement reserves for the same;

(c) Insurance coverage relating to the interior of a Unit and any other insurance relating to the operation of the Vacation Ownership Plan, including business interruption or loss of use insurance if obtained by the Board of Directors;

(d) Utility Services for the Units;

(e) All costs relating to the operation of the Club that are allocated to the Condominium;

(f) Any other expenses incurred in the normal operation and maintenance of the Units which cannot be attributed to a particular Owner;

(g) Expenses declared Common Expenses of the Vacation Ownership Plan by Chapter 721;

(h) Uncollected Ad Valorem Real Estate Taxes assessed against each Unit committed to the Vacation Ownership Plan so long as Section 192.037, Florida Statutes, or its successor, prohibits the county tax collector from collecting from the managing entity less than the entire amount of Ad Valorem Real Estate Taxes assessed against the vacation ownership development from the managing entity; and

(i) All reserves for replacement and maintenance of the Condominium Property as required by Chapter 718.

8.2 Assessments. The mailing and collection of assessments against each Owner for Common Expenses, for the costs or expenses for which an individual Owner may be solely responsible pursuant to the terms of the Condominium Documents, and for reserves as may from time to time be established by the Association, shall be pursuant to the Bylaws of the Association, subject to the following provisions:

(a) Interest; Late Charges; Application of Payments. Assessments and installments on such assessments paid on or before fifteen (15) days after the date when due shall not bear interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear interest at the highest rate permitted by Florida law from the date when due until paid. In addition to such interest, the Association may charge an administrative late charge on delinquent accounts in an amount equal to the highest amount permitted under Florida law. The Association is further authorized to utilize the services of a collection agency for collection of delinquent accounts and to charge and impose a lien against the delinquent Owner for such costs in accordance with Chapter 718 and Chapter 721. All payments on accounts shall be first applied to interest that has accrued, then to any late charges, then to any costs and reasonable attorneys' fees incurred in collection, and then to the assessment payment first due. The Board of Directors shall have the discretion to increase or decrease the amount of the administrative late fee and/or interest rate within the limits imposed by law; provided, however, that such increase or decrease shall be made effective by amending the Condominium Rules and Regulations and notifying the Owners. Notwithstanding any provision of this Article 8.2 to the contrary, the Association shall have the right to waive any interest or late fees that accrue as a result of delinquent payment.

(b) Lien for Assessments. The Association shall have a lien against each Unit or Ownership Interest as applicable for any unpaid assessments and for interest and late charges accruing thereon, which lien shall also secure reasonable attorneys' fees and costs incurred by the Association incident to the collection of such assessment or enforcement of such lien, whether or not legal proceedings are initiated. The lien is effective from and after recording a claim of lien in the Public Records of Orange County, Florida, stating the legal description of the Unit or Ownership Interest, as applicable, the name of the record Owner, the amount claimed to

be due and the due dates. The lien shall continue in effect until all sums secured by the lien shall have been fully paid or until such time as is otherwise permitted by law. Such claims of lien shall be signed and verified by an officer of the Association, or by an authorized agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien, to be prepared by and recorded at such party's expense. All such liens shall be subordinate to any mortgage recorded prior to the date of recording the claim of lien, and all such liens may be foreclosed by suit brought in the name of the Association in the same manner as a foreclosure of a mortgage on real property. The Association may also sue to recover a money judgment for unpaid assessments without thereby waiving any claim of lien.

In the event a Mortgagee shall obtain title to a Unit or an Ownership Interest as a result of the foreclosure of such mortgage, or in the event such Mortgagee shall obtain title to a Unit or an Ownership Interest as the result of a conveyance in lieu of foreclosure of such first mortgage, such Mortgagee shall not be liable, except to the extent required under Chapter 718, for that share of the Common Expenses or assessments chargeable to the Unit or Ownership Interest in the Unit, or the Owner thereof, which became due prior to the acquisition of title by such Mortgagee, and any such unpaid share of Common Expenses, or assessments, chargeable against any such foreclosed Unit or Ownership Interest or against any Unit or Ownership Interest transferred in lieu of foreclosure, shall be deemed a Common Expense to be paid in the same manner as other Common Expenses by all of the Owners.

Nothing contained herein shall be construed as a modification of any rights or remedies of the Association related to assessments pursuant to Chapter 718 or Chapter 721, except to the extent that the Condominium Documents allow additional remedies to those expressly set forth in Chapter 718 or Chapter 721 and to the extent that such additional remedies are permitted by said statutes.

(c) Personal Liability for Unpaid Assessments. Each Owner is personally liable for all assessments made against the Unit pursuant to this Declaration and Chapter 718, and the Association may bring an action for a money judgment against a delinquent Owner to collect all sums due the Association, including interest, late charges, costs and reasonable attorneys' fees. In the event a Unit is owned by more than one person or entity such owners shall be jointly and severally liable for all assessments made against the Unit.

(d) Payments of Assessments. No Owner may withhold payment of any monthly assessment or special assessment or any portion thereof because of any dispute which may exist between that Owner and another Owner, the Association, the directors of the Association, the Management Company or DVD or among any of them, but rather each Owner shall pay all assessments when due pending resolution of any dispute.

(e) Partial Redemption. In the event that the Association places a lien against an entire Unit for all or a portion of unpaid assessments for that Unit, the Association may, in its sole discretion, accept a partial payment from a Cotenant in that Unit, which partial payment shall be deemed to remove the lien as to that Cotenant's Ownership Interest in that Unit. Notwithstanding anything herein to the contrary, the Association's acceptance of a partial payment shall not preclude the Association from enforcing the remaining portion of the lien against the Unit nor shall it preclude the Association from making a special assessment to cover all other unpaid assessments for the Unit.

8.3 Common Surplus. Each Owner shall own a share of the Common Surplus attributable to each Unit owned in accordance with Exhibit "D" attached hereto.

8.4 Refunds of Common Surplus. If the Association shall refund all or a portion of any Common Surplus to the Owners for any fiscal year in which DVD paid any assessment, such refund shall be prorated as of

the date of closing of any sale of a Unit or Ownership Interest upon which the sale was closed by DVD during such year, and the prorated amount allocable to the period of time of DVD's ownership shall be refunded directly to DVD by the Association.

8.5 Certificate. Any Owner shall have the right to require from the Association a certificate showing the amount of unpaid assessments against the Owner or the Owner's interest. The holder of a mortgage or other lien shall have the same right as to any interest upon which it has a lien. Any person who relies upon such certificate shall be protected thereby.

ARTICLE IX

THE ASSOCIATION

The operation of the Condominium shall be by the Association, which shall fulfill its functions pursuant to the following provisions:

9.1 Membership in Association. Each Owner shall become a member of the Association pursuant to the provisions of the Articles of Incorporation and Bylaws. Each Unit shall have one (1) vote in the Association. The vote of the Unit shall be cast by its Voting Representative. Where a Unit is owned by more than one Owner, the Cotenants shall file a Voting Certificate with the Association, in accordance with the Articles of Incorporation and Bylaws, setting forth which Cotenant is designated as the Voting Representative for that Unit. Commercial Units shall not have any votes in the Association.

9.2 Articles of Incorporation. A copy of the initial Articles of Incorporation is attached hereto as Exhibit "B" and is incorporated herein by reference.

9.3 Bylaws. A copy of the initial Bylaws is attached hereto as Exhibit "C" and is incorporated herein by reference.

9.4 Limitation Upon Liability of Association. Notwithstanding the duty of the Association to maintain and repair portions of the Condominium Property, the Association shall not be liable to Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other Owners or persons.

9.5 Association Powers Upon Merger; Operation of Other Condominiums. In the event this Condominium is merged, pursuant to Chapter 718 and Article XIX of this Declaration, with another independent and separate condominium to form a single condominium, the Association is expressly empowered to manage and operate the resulting single condominium as provided for in Chapter 718 and this Declaration. The Association is also specifically empowered to manage, operate and maintain any other separate and independent condominiums that the Board of Directors shall elect to manage, operate and maintain from time to time in accordance with Chapter 718, this Declaration and the declaration of condominium of such other separate and independent condominium.

9.6 Restraint upon Assignment of Shares and Assets. Each Owner's share in the funds and assets of the Association cannot and shall not be assigned, hypothecated or transferred in any manner except as an appurtenance to the Owner's Unit or Ownership Interest.

9.7 Transfer of Control of Association. Owners other than DVD shall be entitled to elect members of the Board of Directors at such times as are prescribed by Section 718.301, Florida Statutes. Notwithstanding the transfer of control requirements prescribed by Section 718.301, Florida Statutes, DVD shall be entitled, in its sole discretion, to perpetuate or retain control of the Association if permitted to do so pursuant to Florida law, as it may be amended from time to time.

9.8 Property Management Agreement. The Association, on behalf of the Owners, is authorized to contract for management of the Condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by Florida law or the Condominium Documents to have approval of the Board of Directors or members of the Association. A copy of the initial agreement for the management of the Association with the Management Company is attached hereto as Exhibit "F." Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the Board of Directors shall not have the power to independently terminate the Property Management Agreement except as set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms or by the vote of the Owners in accordance with Florida law.

9.9 Vacation Ownership Plan. The Association, on behalf of the Owners, is authorized to contract for the operation of the Vacation Ownership Plan and to delegate to such contractor all powers and duties of the Association in this regard. A copy of the initial agreement for the operation of the Vacation Ownership Plan with DVCMC is attached hereto as Exhibit "G." Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the Board of Directors shall not have the power to independently terminate the Membership Agreement except as set forth in the Membership Agreement. The Membership Agreement may only be terminated in accordance with its own terms.

9.10 Possession and Use of Vacation Homes. The Association, on behalf of the Owners, is authorized to arrange for the assignment of the possession and use of Vacation Homes by owners from other resorts, including other DVC Resorts, and the possession and use of accommodations at other resorts by Owners. In this regard and with respect to the DVC Reservation Component, the Association has entered into the DVC Resort Agreement for the Condominium, an initial copy of which is attached hereto as Exhibit "H." Notwithstanding any provisions contained in this Declaration to the contrary, it is the intent of this Declaration that the Board of Directors shall not have the power to independently terminate the DVC Resort Agreement except as set forth in the DVC Resort Agreement. The DVC Resort Agreement may only be terminated in accordance with its own terms.

9.11 Board of Directors' Authority Respecting DVD Easements and Rights. The Board of Directors shall not have the authority to grant, modify, terminate or move any easement or right granted to or reserved by DVD, with respect to this Declaration or the Condominium Property, without the prior approval of DVD.

9.12 Title to Property. The Association shall have the power to acquire title to and hold, convey or mortgage non-Condominium Property and Condominium Property, including Association Property and Common Elements; provided, however, that the Association first obtains approval of a majority of the total voting interests and written approval of DVD. The Board of Directors shall have the authority to lease non-Condominium Property for the Association as lessee, and Condominium Property, including Association Property and Common Elements, for the Association as lessor, without first obtaining approval of the Owners; provided, however, that the Board of Directors shall only exercise such power when it is in the best interests of the Owners and upon receipt of the prior written approval of DVD. Neither the Association nor the Board shall have the power to convey, mortgage or lease any Unit not owned by the Association. In addition, neither the Association nor the Board shall convey, mortgage or lease any Limited Common Elements or Commercial Unit LCEs without the approval of the Owners of the Unit or Commercial Unit to which the Limited Common Element or Commercial Unit LCE is appurtenant.

ARTICLE X

INSURANCE

The insurance other than title insurance, if any, that shall be carried upon the Condominium Property shall be governed by the following provisions:

10.1 Authority to Purchase, Named Insured. All insurance policies upon the Condominium Property shall be purchased by the Association from a fiscally responsible company authorized to do business in the State of Florida and shall have a minimum term of one (1) year. The named insured shall be the Association individually and as agent for the Owners, without naming them, and as agent for their Mortgagees. Provisions shall be made for the issuance of Mortgagee endorsements and memoranda of insurance to the Mortgagees of Owners upon request. Such policies shall provide that payments by the insurer for losses shall be made to the Association or the Insurance Trustee designated below, and all policies and their endorsements shall be deposited with the Association or the Insurance Trustee.

10.2 Personal Property of Owners. If desired, Owners may obtain insurance coverage upon their personal property at their own expense, and such insurance shall not be the responsibility of the Association.

10.3 Coverage.

(a) Casualty. All buildings and improvements upon the Condominium Property shall be insured in an amount equal to one hundred percent (100%) of the current replacement cost, exclusive of land, foundation and excavation costs, and all other items normally excluded from coverage, and all personal property owned by the Association shall be insured for its current replacement cost, all as shall be determined from time to time by the Board of Directors. All such coverage, including the coverage amount and the insurance company providing the coverage, shall be subject to the approval of the Mortgagee holding the greatest dollar amount of first mortgages against Units and Ownership Interests in Units. Such approval shall be conclusively deemed given if such Mortgagee fails to notify the Association otherwise within ten (10) days of being notified by the Association of the proposed coverage amount and insurance company. Coverage shall afford protection against:

(1) Loss or damage by fire and other hazards normally covered by a standard extended coverage endorsement;

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Condominium Property, including all perils normally covered by the standard "all risk" endorsement where such is available, including vandalism and malicious mischief.

(b) Public Liability. Public liability insurance shall be carried in such amounts and with such coverage as shall be required by the Board of Directors from time to time; provided, however, that such coverage shall in no event be in an amount less than Three Million Dollars (\$3,000,000.00) per occurrence. Wherever and whenever it is possible and economically feasible to do so, the Board of Directors shall attempt to obtain adequate insurance protection in reasonably prudent coverages. Except as required herein, nothing in this Declaration shall be construed to require the Board of Directors to obtain such coverage as a condition precedent to the Association conducting business.

(c) Worker's Compensation. Worker's compensation insurance shall be carried to the extent necessary to meet the requirements of law.

(d) Fidelity Bond. At a minimum, fidelity insurance coverage shall be carried in the name of the Association for all persons who control or disburse funds of the Association. As used in this Article 10.3(d), the term "all persons who control or disburse funds of the Association" shall mean those persons authorized to sign Association checks, and the president, secretary and treasurer of the Association. The total amount of fidelity bond coverage required for each person shall be in the amount not less than the amount required by Section 718.112(2)(j), Florida Statutes.

(e) Flood Insurance. If the Condominium is located within an area having special flood hazards for which flood insurance has been made available under the National Flood Insurance Program ("NFIP"), then the Association shall obtain and pay, as a Common Expense, the premiums upon a "master" or "blanket" policy of flood insurance on the buildings and any other Condominium Property covered by the required form of policy (herein "insurable property"), in an amount deemed appropriate, but not less than the lesser of:

(1) the maximum coverage available under the NFIP for all buildings and other insurable property within any portion of the Condominium located within a designated flood hazard area; or

(2) One hundred percent (100%) of current "replacement cost" of all such buildings and other insurable property.

Such policy shall be in a form which meets the criteria set forth in the most current Guidelines on the subject issued by the Federal Insurance Administration.

(f) Business Interruption. If obtainable and economically feasible, the Board of Directors may obtain business interruption or loss of use insurance on any or all Vacation Homes. The named insured shall be the Association individually and as agent for the Owners, without naming them, and as agent for the Mortgagees as their interests may appear.

(g) Other. Such other insurance may be carried as the Board of Directors shall determine from time to time to be desirable.

10.4 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

10.5 Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association, the Owners, and any Mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association or to a named Insurance Trustee (hereinafter referred to as the "Insurance Trustee") if the Board of Directors shall so elect. All references to an Insurance Trustee herein shall apply to the Association if the Board of Directors elects not to appoint an Insurance Trustee. Any Insurance Trustee shall be a commercial bank with trust powers authorized to do business in Florida or another entity acceptable to the Board of Directors. The Insurance Trustee (other than the Association) shall not be liable for payment of premiums or for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the proceeds in trust for the purposes stated herein for the benefit of the Association, the Owners, and any Mortgagees in the following shares; provided, however, that such shares need not be set forth on the records of the Insurance Trustee:

(a) Proceeds on Account of Damage to Common Elements and Limited Common Elements and Units. Proceeds on account of damage to Common Elements and Limited Common Elements, when such Common Elements and/or Limited Common Elements are not to be restored, shall be held in undivided shares for each Owner, such share being the same as the undivided share in the Common Elements and Limited Common Elements appurtenant to each Unit.

(b) Units. Proceeds on account of damage to a Unit when the Unit is not to be restored, shall be held in undivided shares for each Owner of that Unit, such share being the same as the undivided share in the Common Elements appurtenant to each Owner's interest.

(c) Mortgagees. In the event a Mortgagee endorsement has been issued, any share for the Owner shall be held in trust for the Mortgagee and the Owner as their interests may appear; provided, however, that no Mortgagee shall have the right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Owner and Mortgagee pursuant to the provisions of this Declaration. Notwithstanding the foregoing, the Mortgagee shall have the right to apply or have applied to the reduction of its mortgage debt any or all sums of insurance proceeds applicable to its mortgaged interest in the event the damaged property is not reconstructed or repaired as permitted under this Declaration.

10.6 Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners of such proceeds in the following manner:

(a) All expenses of the Insurance Trustee shall be paid first or provisions made for such payment.

(b) If the damage for which the proceeds are paid is to be repaired or reconstructed, then the proceeds shall be paid to defray the cost thereof as provided herein. Any proceeds remaining after defraying such cost shall be distributed to the beneficial owners, remittances to Owners and any Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any Mortgagee.

(c) If it is determined in the manner provided herein that the damage for which proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners, remittances to Owners and any Mortgagees being payable jointly to them. This is a covenant for the benefit of, and may be enforced by, any Mortgagee. In this regard any insurance proceeds resulting from the failure to reconstruct or replace a Unit (or from an eminent domain action as set forth in Article 11.6 below) shall be disbursed to affected Owners for their share of the non-reconstructed or replaced Unit resulting in their withdrawal from participation in the DVC Reservation Component so that members of the Club will not be attempting to make reservations for available DVC Resort Vacation Homes on a greater than "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05(23), Florida Statutes.

(d) In making distribution to Owners and any Mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its president and secretary as to the names of the Owners and their respective shares of the distribution.

10.7 Association as Agent and Attorney-in-Fact. The Association is hereby irrevocably appointed agent and attorney-in-fact for each Owner, to adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases upon the payment of a claim.

ARTICLE XI

RECONSTRUCTION OR REPAIR AFTER CASUALTY OR EMINENT DOMAIN

11.1 Obligation to Reconstruct or Repair. If any part of the Condominium Property, including any Unit, Vacation Home, Common Element, Limited Common Element or Association Property, shall be damaged or destroyed by casualty, then the Association shall have the obligation to immediately reconstruct, replace or repair the damaged property to the extent the insurance proceeds cover the cost of the reconstruction, replacement or repair. In the event such proceeds are insufficient, the Association shall have the obligation to impose and collect a special assessment as provided for in Article 11.4 below. Notwithstanding the forgoing, the damaged Condominium Property will not be reconstructed, replaced or repaired in the event of one of the following:

(a) It is determined that the Condominium shall be terminated in accordance with Article XVII below; and/or

(b) Such reconstruction, replacement or repair is prohibited under applicable law.

The Insurance Trustee may rely upon a certificate of the Association made by its president and attested by its secretary as to whether or not the damaged property is to be reconstructed or repaired.

11.2 Plans and Specifications. Any reconstruction, replacement or repairs must be substantially in accordance with the plans and specifications for the damaged property as originally constituted, or in lieu thereof, according to the plans and specifications approved by the Board of Directors and DVD and in accordance with the provisions of the Master Declaration.

11.3 Estimates of Cost. Immediately after the Association determines the need to rebuild, replace or repair damaged property for which the Association has the responsibility of reconstruction, replacement and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild, replace or repair.

11.4 Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, replacement or repair by the Association, or if at any time during reconstruction, replacement or repair or upon completion of reconstruction, replacement or repair, the funds from insurance for the payment of the costs of reconstruction, replacement or repair are insufficient, special assessments shall be made against all Owners in sufficient amounts to provide funds for the payment of such costs. Such special assessments shall be in proportion to the Owners' respective obligations for Common Expenses.

11.5 Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which shall consist of proceeds of insurance held by the Association or the Insurance Trustee and funds collected by the Association through assessments against Owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of assessments made by the Association in order to provide funds for the payment of costs of reconstruction, replacement or repair that are the responsibility of the Association is more than Fifty Thousand Dollars (\$50,000.00), then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee (if other than the Association). In all other cases the Association shall

hold the sums paid upon such assessments and disburse them in payment of the costs of reconstruction, replacement or repair.

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

(1) Association - Minor Damage. If the amount of the estimated costs of reconstruction, replacement or repair that is the responsibility of the Association is less than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be disbursed in payment of such costs upon the order of the Board of Directors; provided, however, that upon request by a Mortgagee that is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner provided for the reconstruction, replacement or repair of major damage.

(2) Association - Major Damage. If the amount of the estimated costs of reconstruction, replacement or repair that are the responsibility of the Association is more than Fifty Thousand Dollars (\$50,000.00), then the construction fund shall be applied by the Insurance Trustee to the payment of such costs, and shall be paid to or for the account of the Association from time to time as the work progresses, but not more frequently than once in any calendar month. The Insurance Trustee shall make payments upon the written request of the Association for withdrawal of insurance proceeds accompanied by a certificate, dated not more than fifteen (15) days prior to such request, signed by a responsible officer of the Association and by an architect in charge of the work, who shall be selected by the Association, setting forth that the sum then requested either has been paid by the Association or is justly due to contractors, subcontractors, materialmen, architects, or other persons who have rendered services or furnished materials in connection with the work, giving a brief description of the services and materials and any amounts paid prior to the request, and stating that the sum requested does not exceed the value of the services and material described in the certificate; that except for the amount stated in such certificate to be due as aforesaid, there is no outstanding indebtedness known to the person signing such certificate after due inquiry, which might become the basis of a vendor's, mechanic's, materialmen's or similar lien upon such work against the Common Elements or any Unit; and that the cost as estimated by the person signing such certificate of the work remaining to be done subsequent to the date of such certificate does not exceed the amount of insurance proceeds or other funds remaining in the control of the Insurance Trustee after the payment of the sum so requested.

(3) Surplus. It shall be presumed that the first monies disbursed in payment of costs of reconstruction, replacement or repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction, replacement or repair for which the fund is established, such balance shall be distributed to the beneficial owners of the fund; except, however, that only those portions of distribution to the beneficial owners in excess of assessments paid by an Owner to the construction fund shall be made payable to any Mortgagee.

(4) Certificate. Notwithstanding the provisions of this Declaration, the Insurance Trustee shall not be required to determine any of the following: (i) whether sums paid by the Owners upon assessments shall be deposited by the Association with the Insurance Trustee; (ii) whether the disbursements from the construction fund are to be upon the order of the Association or approval of an architect or otherwise; (iii) whether a disbursement is to be made from the construction fund; (iv) the identity of the payee; or, (v) the amount to be paid. Instead, the Insurance Trustee may rely upon a Certificate of the Association made by its President and Secretary as to any or all of such matters and stating that the sums to be paid are due and properly payable and

stating the name of the payee and the amount to be paid; provided, that when a Mortgagee is required in this instrument to be named payee, the Insurance Trustee shall also name the Mortgagee as a payee of any distribution of insurance proceeds to an Owner; and further provided, that when the Association, or a Mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect named by the Association shall be first obtained by the Association prior to disbursements in payment of costs of reconstruction, replacement or repair.

11.6 Eminent Domain. The Association is hereby empowered to defend and/or settle any action or threatened action with respect to the taking in condemnation of any portion of the Common Elements or any Unit or portion of any Unit. Upon obtaining knowledge of such action or threatened action, the Association shall notify all affected Mortgagees of record of same.

(a) Common Elements and Limited Common Elements. Any award or settlement made as a result of such a taking of all or a portion of the Common Elements or Limited Common Elements shall be made payable to the Association. The Board of Directors shall be responsible for arranging for the reconstruction, replacement or repair of the Common Elements or Limited Common Elements and shall disburse to the contractors engaged for such purpose, in appropriate progress payments, as much of the proceeds of such award or settlement as shall reasonably be necessary to effect reconstruction, replacement or repair. The balance of such proceeds, or all of such proceeds, shall be disbursed by the Association in the same manner as insurance proceeds under Article 10.6 above.

(b) Units. Due to the unique nature of the Vacation Ownership Plan created with respect to this Condominium, any taking in condemnation which involves a portion of a Unit shall be deemed a taking of the entire Unit, and any award or settlement shall be made on the basis of the taking in condemnation of the entire Unit. Under such circumstances, all interests in any such Unit shall be deemed conveyed to the governmental or other entity responsible for the taking and the Unit shall cease to be part of the Condominium Property. Any award or settlement for the taking in condemnation of a Unit shall be made payable to the Association for the benefit of the Owners thereof and any Mortgagees, in proportion to their respective interests in such Unit. Any award or settlement, including any award or settlement received for a temporary taking, shall be disbursed by the Association in the same manner as insurance proceeds under Article 10.6 above.

11.7 Interruption of Use. During any reconstruction, replacement or repair period, Owners may temporarily attempt to make reservations for available Vacation Homes under the Vacation Ownership Plan on a greater than "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05, Florida Statutes. In no event shall the interruption of use be deemed to relieve affected Owners from any obligation to pay assessments due under this Declaration or from any obligation to make payments due to a Mortgagee.

If the Association has acquired business interruption insurance as contemplated under Article 10.3(f) above, such insurance proceeds shall be used to secure replacement accommodations and/or related facilities for Owner use during any reconstruction, replacement or acquisition period. In the event that the Association has not acquired business interruption insurance, the Board of Directors, in its sole discretion, shall have the right to secure, at the Association's expense, alternate accommodations and/or related facilities for Owner use during any reconstruction, replacement or acquisition period. Should the Board of Directors determine to use Association funds to acquire alternate accommodations and/or related facilities, special assessments may be made against all Owners in sufficient amounts to provide funds for the payment of such costs. Such special assessments shall be in proportion to the Owners' respective obligations for Common Expenses.

ARTICLE XII

USE RESTRICTIONS

The use of the Condominium Property shall be in accordance with the following provisions as long as the Condominium exists:

12.1 Personal Use. Except for Units owned by DVD, which may be utilized as provided in this Declaration, each of the Vacation Homes shall be occupied only as vacation accommodations. Use of the accommodations and recreational facilities of the Condominium is limited solely to the personal use of Owners, their lessees, guests, exchangers and invitees and for recreational uses by corporations and other entities owning Ownership Interests in a Unit. Use of Vacation Homes and recreational facilities for commercial purposes or any purposes other than the personal use described herein is expressly prohibited. "Commercial purpose" shall include a pattern of rental activity or other occupancy by an Owner that the Association, in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. No Vacation Home may be divided or subdivided into a smaller Vacation Home. The provisions of this Article 12.1 shall not apply to Commercial Units.

12.2 Common Elements and Limited Common Elements. The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended as contemplated under this Declaration, including use in the furnishing of services and facilities for the enjoyment of the personal use of the Owners. The Commercial Unit LCEs shall be used and maintained in accordance with Article XXII.

12.3 Nuisances. No nuisance shall be allowed upon the Condominium Property or within a Unit or a Vacation Home, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the property by the Owners. All parts of the Condominium shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. No Owner shall permit any use of a Vacation Home or make or permit any use of the Common Elements that will increase the cost of insurance upon the Condominium Property. It is expressly contemplated that Commercial Units and Commercial Unit LCEs may be operated as commercial spaces containing stores, restaurants, entertainment areas and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential accommodations. Nothing contained within this Declaration shall be deemed to prohibit such commercial activity.

12.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium Property shall be the same as the responsibility for the maintenance and repair of the property concerned.

12.5 Signs. No "For Sale" or "For Rent" signs or other displays or advertising shall be maintained on any part of the Common Elements, Limited Common Elements, Units or Vacation Homes, except that the right is specifically reserved to DVD to place and maintain "For Sale" signs, "For Rent" signs or signs and displays related to the advertising and marketing of Ownership Interests on the Condominium Property for as long as it may have Units or Ownership Interests in the Units or any other DVC Resort to sell, except that Owners of Commercial Units may maintain such signs on their Commercial Unit, or any Limited Common Elements appurtenant thereto, in connection with use of their Commercial Unit, and except as permitted by the Board of Directors from time to time.

12.6 Bicycles and Motorcycles. Bicycles and motorcycles shall not be stored on the Condominium Property except in such areas designated for this purpose.

12.7 Condominium Rules and Regulations. Reasonable rules and regulations concerning the use of Condominium Property may be promulgated and amended from time to time by the Board of Directors in the manner provided by its Articles of Incorporation and Bylaws. A copy of the initial Condominium Rules and Regulations is attached hereto as Exhibit "E."

12.8 DVD's Use. DVD may make such use of the Common Elements, the Units and the Vacation Homes as it determines and as may facilitate the sale of Units or Ownership Interests in the Units or other DVC Resorts by DVD, including showing of the property and the display of signs and other promotional devices.

12.9 No Pets. All pets are prohibited. No pets of any type are allowed on Condominium Property.

12.10 Antennas. No antennas or satellite transmission receivers of any type designed to serve a Unit or a Vacation Home shall be allowed on the Common Elements or Limited Common Elements, except as provided by the Association to serve as a master antenna for the benefit and use of the Condominium. Notwithstanding such restriction, the Owners of Commercial Units may place such antennas or satellite transmission receivers upon Commercial Units or Commercial Unit LCEs which are appurtenant to their Commercial Unit with the approval of the Board of Directors. No electrical or other equipment may be operated on the Condominium Property which interferes with television signal reception, except for permitted equipment on the Commercial Units or Commercial Unit LCEs.

12.11 Decoration of Units or Vacation Homes. No Owner shall alter the furnishings, appliances, personal property or decor of any Unit or any Vacation Home without the prior written consent of the Board of Directors. The Association shall determine the interior color scheme, decor and furnishings of each Unit and each Vacation Home as well as the proper time for redecorating and renovating the Unit and its contents.

12.12 Description of the Disney Vacation Club and the Vacation Ownership Plan. Membership in the Disney Vacation Club is an appurtenance to each Ownership Interest as set forth in Article 6.4 above, which governs the assignment and use of such Ownership Interest. DVCMC and BVTC, respectively, have been engaged by the Association to administer the assignment and use of all Ownership Interests through a central reservation system consisting of the Home Resort Reservation Component and the DVC Reservation Component.

(a) The Vacation Ownership Plan and the Home Resort Reservation Component. Notwithstanding the specific Unit in which an Owner owns an Ownership Interest, it is the express intent of this Declaration, which intent is consented to by each Owner through acceptance of a conveyance hereunder, that all Units committed to the Vacation Ownership Plan shall be available for use by all Owners of Ownership Interests in Units committed to the Vacation Ownership Plan at all times on a first come, first served reservation basis, through the Home Resort Reservation Component and in accordance with the provisions of this Declaration and the Membership Agreement, an initial copy of which is attached as Exhibit "G."

In this regard, the Association has entered into the Membership Agreement with DVCMC pursuant to which the Association has delegated all of its responsibilities and obligations for operating the Vacation Ownership Plan for the Condominium to DVCMC. Under this authority, DVCMC has established the reservation rules and regulations governing the Vacation Ownership Plan and the Home Resort Reservation Component as set forth in the Membership Agreement. DVCMC shall have the right to amend the terms and conditions of the Membership

Agreement from time to time as set forth therein. Owners, their guests, invitees, exchangers and lessees do not receive any special access or entry rights to any attraction or recreational facility located within the WALT DISNEY WORLD Resort, other than to those recreational facilities made a part of this Condominium, by virtue of the ownership of a Unit or an Ownership Interest.

In the event that either the Property Management Agreement, pursuant to which DVCMC is engaged by the Association to act as the Management Company for the Condominium, or the Membership Agreement are terminated, the Association shall have the authority to establish reservation rules and regulations for the operation of the Vacation Ownership Plan, which may or may not be identical to the reservation procedures set forth in the Membership Agreement, by which use of the Units and Vacation Homes among all of the Cotenants shall be determined. In addition, in the event that either the Property Management Agreement or the Membership Agreement terminate, irrespective of whether the termination is voluntary or involuntary and irrespective of the cause of such termination, the Association and all Owners shall cease using and thereafter abstain from using all personal property belonging to or used by DVCMC, including all personal property relating to the operation of the Home Resort Reservation Component, and shall return same to DVCMC within fifteen (15) days from the date of termination.

The term of the Vacation Ownership Plan shall be the term of this Condominium, and the Vacation Ownership Plan shall automatically terminate upon the termination of the Condominium. In the event that the term of the Condominium is extended in accordance with Article 17.2 below, the term of the Vacation Ownership Plan shall also be extended for the additional term, unless the Condominium is sooner terminated in accordance with this Declaration. DVD reserves the right to declare Units to the Condominium without committing such Units to the Vacation Ownership Plan.

(b) DVC Reservation Component. This Condominium is a DVC Resort entitling Owners of Ownership Interests in Units committed to the Vacation Ownership Plan to voluntarily participate in the DVC Reservation Component in accordance with the provisions of the DVC Resort Agreement, an initial copy of which is attached as Exhibit "H." Under the terms of the DVC Resort Agreement, owners at any DVC Resort will be able to access the DVC Reservation Component and use DVC Vacation Points to reserve the use of Vacation Homes and accommodations at other DVC Resorts on a first come, first served basis along with Owners. An Owner shall have the right to make a reservation for the use of a Vacation Home through the Home Resort Reservation Component using Home Resort Vacation Points during the Home Resort Priority Period without owners at other DVC Resorts being permitted to make a reservation for a Vacation Home. The length of the Home Resort Priority Period for the Condominium is determined by DVCMC and is set forth in the Membership Agreement; however, in no event can DVCMC set a Home Resort Priority Period of less than one (1) month prior to the period during which the owners at the other DVC Resorts have the right to make a reservation for the use of Vacation Homes in the Condominium. An Owner will be able to reserve the use of accommodations at other DVC Resorts on the same first come, first served basis subject to the same priority restrictions in favor of the owners in those DVC Resorts.

This Condominium's participation in the DVC Reservation Component will continue until January 31, 2042, unless sooner terminated in accordance with the terms and conditions of the DVC Resort Agreement. In the event that the term of this Condominium is extended pursuant to Article 17.2 below, the Condominium's participation in the DVC Reservation Component shall automatically be extended for the additional term, unless sooner terminated in accordance with the terms and conditions of the DVC Resort Agreement.

12.13 Right of Occupancy - Holdover Owners. In the event any Owner, or an Owner's lessees, guests, exchangers or invitees, fails to vacate a Vacation Home at the expiration of any reserved use period each year, as may be required by the rules and regulations governing occupancy of the Vacation Home, such person shall

be deemed a "holdover owner." It shall be the responsibility of the Association to take such steps as may be necessary to remove such holdover owner from the Vacation Home, and to assist the holder of any subsequent reserved use period who may be affected by the holdover owner's failure to vacate, in finding alternate accommodations during such holdover period.

(a) In addition to such other remedies as may be advisable to it, the Association shall have the right to secure, at its expense, alternate accommodations for any holder of a subsequent reserved use period who may not occupy the Vacation Home due to any holdover owner's failure to vacate. Such accommodations shall be as near in value as possible to the Vacation Home reserved. The holdover owner shall be charged for the cost of such alternate accommodations, any other costs incurred due to the holdover owner's failure to vacate, and an administrative fee of Fifty Dollars (\$50.00) per day during this period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover owner, however, the Fifty Dollars (\$50.00) per day administrative fee shall cease upon the date that the holdover owner actually vacates. The Association shall submit a bill to the holdover owner in accordance with Article 12.13(b) prior to levying a fine against such holdover owner.

(b) Before the Association may levy a fine against a party for violation of any of the provisions of the Condominium Documents, the Association must afford the party reasonable notice of the levy and a right to a hearing as required under Florida law.

(c) The foregoing provisions shall not abridge the Association's right to take such other action against a holdover owner as is permitted by law including eviction proceedings. Further, the foregoing provisions shall not limit the Association's right to take any action permitted by Florida law against trespassers who are not Owners.

12.14 No Domiciliary Intent. No person or party may enter, stay or dwell upon or about the Condominium Property with the intent or desire to be or become legally domiciled in the State of Florida or any political subdivision thereof merely as a result of such entrance onto or occupation of the Condominium Property, and all such persons or parties hereby waive, release and remise any such intent or desire. No person or party may enter, stay or dwell upon or about a Unit or Vacation Home with the intent that the Unit or Vacation Home be or become that person's or party's principal dwelling, and such person or party shall maintain a principal dwelling at all times at a location other than within the confines of the Condominium Property.

12.15 No Private Watercraft. No boats, jet-skis, waverunners or watercraft of any kind shall be used, stored or brought onto the Condominium Property by any Owner, lessee, guest, exchanger or invitee except in such areas and under such conditions as may be determined by the Board of Directors from time to time.

ARTICLE XIII

ALIENABILITY OF UNITS OR OWNERSHIP INTERESTS

13.1 Alienability Restrictions: DVD's Right of First Refusal to Purchase. The right of Owners or Cotenants to sell, transfer, assign or hypothecate their Unit or Ownership Interest shall not be subject to the approval of the Association. Accordingly, a proper transfer or conveyance of such Unit or Ownership Interest shall not require the written approval of the Association. However, in the event an Owner or Cotenant desires to sell, transfer, assign

or hypothecate that Owner's Unit or Ownership Interest, DVD shall have the right of first refusal to purchase the Unit or Ownership Interest in the Unit under the same terms and conditions as are offered to or by a bona fide third party, including financing. Accordingly, Owners or Cotenants desiring to sell their Unit or Ownership Interest must notify DVD in writing no less than thirty (30) days in advance of the proposed closing date of their intent to sell and must include a copy of the proposed transaction reduced to writing in all respects. Upon receipt of such written notice, DVD shall determine prior to the proposed closing date whether to exercise its right of first refusal set forth herein. If DVD elects to exercise its right of first refusal, DVD shall notify the Owner or Cotenant in writing of such election, and the purchase by DVD shall be closed on or before the proposed closing date. If DVD fails to notify the Owner or Cotenant of its election to exercise its right of first refusal prior to the proposed closing date, then the Owner or Cotenant may proceed to close on the transaction with such bona fide third party. In all events, membership in the Disney Vacation Club, in accordance with this Declaration and DVD's right of first refusal as set forth above, shall always be a requirement of any successor in title to an Owner or Cotenant, the same being covenants running with the land and the membership being an appurtenance to each Condominium Parcel. **In addition, any permitted sale between an Owner or Cotenant and a bona fide third party shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be paid in full as a condition of closing of the sale.**

13.2 Leasing and Rental Restrictions. All leasing or rental agreements relating to the use, occupancy and possession of any Vacation Home during a reserved use period must be in writing and must set forth an acknowledgment and consent on the part of the lessee-sublessee-tenant to use, occupy and possess such Vacation Home in conformance and compliance with the provisions of this Declaration, as well as the Articles of Incorporation, Bylaws, the Condominium Rules and Regulations and the rules and regulations of the Disney Vacation Club. In the event an Owner or Cotenant fails to secure a written lease or rental agreement, the Association shall have the right to require the lessee-sublessee-tenant, prior to the lessee-sublessee-tenant's use, occupancy or possession of any Vacation Home, to execute an acknowledgment to use and occupy the rental or leased Vacation Home in conformance with the Condominium Documents. **Any lease or rental agreement shall be deemed to contain a provision requiring that any sums due to the Association as assessments must be deducted from the gross rentals and paid directly to the Association.**

13.3 Approval of the Management Company. The Management Company shall have the right to create such reservation approval restrictions as it deems necessary from time to time, and compliance with such restrictions shall be required before and during possession and occupancy of a Vacation Home.

ARTICLE XIV

RIGHTS OF DVD

Notwithstanding anything in this Declaration to the contrary, and in addition to any other rights which may be reserved to DVD herein, DVD shall have the following rights:

14.1 Alteration of Vacation Home Boundaries and Dimensions. DVD reserves the right to change the interior design and arrangement of a Unit or any Vacation Home so long as DVD owns the entire Unit so changed and altered, and provided such change shall be reflected by an amendment to this Declaration. Such an amendment for the purpose of altering the interior design or arrangement of a Unit or any Vacation Home shall be signed and acknowledged only by DVD and need not be approved by the Association or other Owners, whether or

not elsewhere required for an amendment, except that no change shall be made by DVD which would conflict with the provisions of Chapter 718 and Article 16.3 below.

14.2 Sharing of Recreational Facilities and Other Common Areas. DVD also reserves the right to unilaterally amend this Declaration to provide for the sharing of the recreational facilities and other common areas of this Condominium with the owners of units in other properties, resorts or condominiums located adjacent to or in near proximity to this Condominium, including the granting of any ingress and egress easements necessary to effectuate same; provided, however, that in event that this Declaration is so amended, the owners of interests in such other property, resort or condominium shall be required to share with the Owners any recreational facilities and common areas existing as a part of their property, resort or condominium. In addition, the owners at each property, resort or condominium shall bear their pro rata share of the costs of maintaining all such shared facilities and common areas.

ARTICLE XV

COMPLIANCE AND DEFAULT

15.1 Compliance and Default. Each Owner shall be governed by and shall comply with the terms of the Condominium Documents, as they may be amended from time to time. Failure of an Owner to comply with the provisions of the Condominium Documents shall entitle the Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including an action for damages, an action for injunctive relief, an action for declaratory judgment, or, with respect to Units committed to the Vacation Ownership Plan, suspension of the right of an Owner to access the benefits of the use of such Owner's Ownership Interest as contemplated under this Declaration, the Membership Agreement and the DVC Resort Agreement. All provisions of the Condominium Documents shall be enforceable equitable servitudes and shall run with the land and shall be effective until the Condominium is terminated.

15.2 Costs and Fees. In any proceeding arising because of an alleged failure of an Owner or the Association to comply with the terms of the Condominium Documents, as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding, and recover such reasonable attorneys' and other professionals' fees as may be awarded by the Court, including all appeals and all proceedings in bankruptcy.

15.3 No Waiver of Rights. The failure of DVD, the Association or any Owner to enforce any covenant, restriction or other provision of Chapter 718, Chapter 721, or the Condominium Documents shall not constitute a waiver of the right to do so thereafter.

15.4 Injunctive Relief. The Association may seek an injunction from a court of equity to compel compliance or prohibit violation of the Condominium Documents regardless of whether an adequate remedy at law exists.

15.5 Governing Law; Waiver of Jury Trial; Venue of Actions. The Condominium Documents, including this Declaration, shall be governed by, and shall be construed in accordance with, the laws of the State of Florida. The Association, an Owner or Owners, DVD, the Management Company, and any other party claiming rights or obligations by, through, or under the Condominium Documents, or two or more of the foregoing, each hereby waive any right they may have under any applicable law to a trial by jury with respect to any suit or legal

action which may be commenced by or against the others concerning the interpretation, construction, validity, enforcement or performance of the Condominium Documents or any other agreement or instrument executed in connection with this Declaration. In the event any such suit or legal action is commenced by any party, the other parties hereby agree, consent and submit to the personal jurisdiction of the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party hereby waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

ARTICLE XVI

AMENDMENTS

16.1 By Owners. This Declaration may be amended at any regular or special Association meeting, called and convened in accordance with the provisions of the Bylaws, by the affirmative vote of a majority of the total votes eligible to be voted. Each such amendment of this Declaration shall be evidenced by an instrument in writing, signed and acknowledged by any two (2) officers of the Association, setting forth the full text of such amendment, the appropriate recording data of this Declaration and certifying that such amendment has been approved by the affirmative vote of a majority of the total votes eligible to be voted. Said amendment shall become effective upon the recording of said instrument in the Public Records of Orange County, Florida. No amendment which materially affects the rights and privileges of DVD, as determined by DVD in its sole discretion, shall become effective unless and until approved, in writing, by DVD. Furthermore, the Owners shall have no power to enact any amendment to this Declaration which materially affects the rights or security interests of any Mortgagee of record, without first obtaining the written consent of such affected Mortgagee of record.

16.2 By DVD. DVD reserves the right to unilaterally amend this Declaration as it may deem appropriate in its sole discretion or as may be required by any lending institution, title insurance company or public body or as may be necessary to conform the same to the requirements of law or to facilitate the operation and management of the Condominium or the Disney Vacation Club or the sale of Ownership Interests in Units. Any amendments to this Declaration which may be unilaterally made by DVD shall become effective upon the recording in the Public Records of Orange County, Florida, of an instrument executed solely by DVD, setting forth the text of such amendment in full, together with the appropriate recording data of this Declaration. No amendment of this Declaration permitted to be unilaterally made by DVD shall be permitted if such amendment would prejudice or impair to any material extent the rights of any Owner or any Mortgagee of record.

16.3 Amendments to Units. Subject to DVD's rights as set forth in Article 16.2, no amendment changing the configuration or size of any Unit declared to the Condominium in any material fashion, altering or modifying the appurtenances to such Unit, or changing the proportion or percentage by which the Owner shares the Common Expenses and owns the Common Surplus shall be permitted unless such amendment is required by any governmental entity, approved by DVD, for so long as DVD owns an Ownership Interest, and approved by a majority of the total voting interests of the Owners.

16.4 Amendments to Common Elements. Subject to DVD's rights as set forth in Article 7.5, Article 16.2 and Article XXII regarding the rights of Owners of Commercial Units to which Commercial Unit LCEs are appurtenant, no material alteration or substantial additions to the Common Elements or to real property which is

Association Property, shall be permitted unless such material alteration or substantial addition is required by any governmental entity, approved by DVD, for so long as DVD owns an Ownership Interest, and approved by a majority of the total voting interests of the Owners.

ARTICLE XVII

TERMINATION

The Condominium may be terminated in the following manners, in addition to the manner provided by Chapter 718:

17.1 Agreement. The Condominium may be terminated at any time by the approval in writing of all Owners and all Mortgagees of record. Notice of a meeting at which the proposed termination is to be considered shall be given not less than thirty (30) days prior to the date of such meeting.

17.2 Expiration of Ground Lease. Upon the termination or expiration of the Ground Lease, the Condominium shall automatically terminate and all Ownership Interests and all Mortgagee liens on any Condominium Property shall terminate. Upon the expiration or termination of the Ground Lease and in the event that DVD renews the Ground Lease or enters into another lease of the property underlying the Condominium, DVD may unilaterally elect to continue the Condominium for an additional term as evidenced by the recording of an amendment to the Declaration. In the event that DVD elects to continue the Condominium for an additional term as contemplated in this Article 17.2 and at the election of DVD, all rights and obligations of Owners as set forth in this Declaration shall continue in full force and effect for the duration of the extended term.

17.3 Termination Through Condemnation. The Condominium shall only be terminated due to condemnation if all of the Condominium Property is taken in condemnation. If less than all of the Condominium Property is taken in condemnation, the Condominium shall continue as to those portions of the Condominium Property not so taken.

17.4 Certificate. Termination of the Condominium in any of the foregoing manners shall be evidenced by a certificate of the Association executed by its President and Secretary certifying to the facts effecting the termination, said certificate to become effective upon being recorded in the Public Records of Orange County, Florida.

ARTICLE XVIII

PHASE DEVELOPMENT

18.1 Description of Phasing. It is the intention of DVD to develop the Condominium in phases in accordance with Chapter 721. The overall boundary of the property which DVD contemplates adding to the Condominium is described in Exhibit "A" attached hereto; however, DVD reserves the right to not to submit any or all of the property described in Exhibit "A" to the Condominium or add additional property to the Condominium which may not be included within the overall boundary described in Exhibit "A." The Common Expense, Common Surplus and Common Element ownership reallocation caused by the proposed phasing plan is set forth in Exhibit "D"

attached hereto and by this reference incorporated herein. DVD reserves the right to submit phases to condominium use in any sequence.

18.2 Reservation of Right to Change Phasing Plan. The phase boundaries, plot plans and floor plans, Unit types (including upper and lower boundaries and perimeter boundaries descriptions), Unit sizes and Unit type mixes and numbers of Units for Phase 1 are described in Exhibit "A" attached hereto. Pursuant to Chapter 721, DVD reserves the right to change the phase boundaries, plot plans and floor plans, Unit types (including upper and lower boundaries and perimeter boundaries descriptions), Unit sizes and Unit type mixes and numbers of Units for any future phase, in its sole discretion, prior to adding such future phase to the Condominium. DVD specifically reserves the right to declare one or more phases that contain only residential Units, Commercial Units or Common Elements. In addition, DVD specifically reserves the right to declare one or more phases that contain any combination of residential Units, Commercial Units and Common Elements.

18.3 Land. The land which may ultimately become part of the Condominium is described in Exhibit "A;" however, DVD reserves the right, in its sole discretion, not to submit any or all of the property described in Exhibit "A" to the Condominium or to add additional property to the Condominium. Any phase legal description utilized by DVD is for convenience of identifying proposed phases only, and once a phase has been declared to the Condominium, the separate phase legal description shall be subsumed in the overall legal description of the Condominium Property as then constituted and shall not have separate identity.

18.4 Recreational Areas and Facilities. DVD does not intend to declare any recreational areas and/or facilities to the Condominium other than those areas and/or facilities contained in Phase 1 and described in the attached Exhibit "A." DVD expressly reserves the right to add additional recreational areas and/or facilities to the Condominium as a part of a future phase without the consent of Owners. Any additional recreational areas and/or facilities shall be constructed at DVD's sole expense. Upon declaration of the phase containing the additional recreational area and/or facility as part of the Condominium, the same shall become Common Elements of the Condominium.

18.5 Impact of Phasing; Change in Ownership of Common Elements and Common Surplus and Share of Common Expenses. The impact, if any, which the completion of subsequent phases would have on the Condominium would be to increase the number of Units and the number of Owners in the general area. The change in ownership of Common Elements and Common Surplus and the change in the share of Common Expenses attributable to each Unit by the addition of subsequent phases shall be determined in accordance with the formula set forth in Exhibit "D" attached hereto.

18.6 Completion of Phases. DVD will submit each successive phase, if at all, to condominium ownership in its sole discretion. The declaration of all phases to the Condominium will be completed within the time limit as determined by DVD, in its sole discretion, although DVD reserves the right not to submit any or all of the subsequent phases to Condominium ownership. DVD also specifically reserves the right to amend this Declaration, without the approval of the Owners, for the purpose of changing any of the items required to be included in this Declaration, by Florida law, for a particular phase.

18.7 Association Membership and Voting. Each Unit, except each Commercial Unit, in each phase shall be entitled to one (1) vote in the Association. The vote of the Owner of a Unit shall be cast by its Voting Representative. Where a Unit is owned by more than one owner, the Cotenants of the Unit shall file a Voting Certificate with the Association, in accordance with the Bylaws, setting forth which Cotenant is designated as the Voting Representative for that Unit.

18.8 Disney Vacation Club and Vacation Ownership Plan.

A vacation ownership plan may be created with respect to Units in every phase.

It is DVD's intent that Units in every phase will be declared as part of the Vacation Ownership Plan; however, DVD reserves the right to declare Units to the Condominium that will not be included as part of the Vacation Ownership Plan. The degree, quantity, nature and extent of the Vacation Ownership Plan is described above. Phases declared to this Condominium and included in the Vacation Ownership Plan shall also be subject to the terms and conditions of the DVC Resort Agreement as described above.

18.9 Notice. DVD shall not be required to notify Owners of existing Units in the Condominium of the commencement of or decision not to add any subsequent phase.

18.10 Amendment. Phases may be added to this Condominium by the execution of an amendment to this Declaration executed by DVD, its successors or assigns only, and such amendment shall not require the execution or consent of any Owners other than DVD.

ARTICLE XIX

MERGER

This Declaration, the Association and the Common Elements of this Condominium described herein may be merged with the declaration of condominium, condominium association and common elements of another independent and separate condominium to form a single condominium with the consent of majority of the total number of voting interests and with the approval of all of the record owners of liens on the Units and Ownership Interests in the Units. In the event such consent and approval is obtained, a new or amended declaration of condominium, articles of incorporation and bylaws of the Association shall be recorded and shall contain such provisions as are necessary to amend and modify the appurtenances to the Units and the percentages by which the Owners share the Common Expenses and own the Common Surplus and Common Elements in order to create a consolidated single condominium.

ARTICLE XX

COMMERCIAL UNITS

21.1 Commercial Unit Rights and Ownership. Commercial Unit owners shall be entitled to all of the rights and benefits otherwise provided to Owners under this Declaration except for the right to vote at any meeting of the Association as provided for in Article IX of this Declaration. Commercial Units shall share in the Common Expenses and the Common Surplus in accordance with Exhibit "D" attached hereto. Furthermore, the owner of a Commercial Unit shall be solely responsible for all expenses of maintaining, repairing and operating the Commercial Unit. In addition to all appurtenances, easements and other benefits passing with Units as provided hereunder, the Commercial Units shall each have as an appurtenance thereto the following perpetual nonexclusive easements for the use and benefit of the Commercial Unit owners, their successors and assigns, social guests, lessees, licensees and invitees:

(a) an easement for ingress and egress over all Common Elements as the same may exist from time to time for such purposes as permitted by law, including such commercial activities as the Commercial Unit owner may engage in from time to time; and

(b) an easement for maintenance, repair, replacement, removal and relocation of any items necessary for use of the Commercial Units as permitted herein.

21.2 Rights of Owners of Commercial Units. A Commercial Unit owner may, in its sole discretion and without the consent of any Owner or the Association, subdivide its Commercial Unit, sell or lease all or a portion of the Commercial Unit, or use the Commercial Unit for any lawful use that is not prohibited by Florida law.

ARTICLE XXI

SEVERABILITY AND CONFLICT

22.1 Severability. The invalidity in whole or in part of any covenant or restriction, or any article, section, subsection, sentence, clause, phrase or word, or other provision of the Condominium Documents shall not affect the validity of the remaining portions.

22.2 Conflict. If it should appear that any of the provisions of this Declaration are in conflict with the Master Declaration or the Ground Lease, then such provisions shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to the Master Declaration or the Ground Lease, in that order.

ARTICLE XXII

COMMERCIAL UNIT LCE

23.1 Use of the Commercial Unit LCEs. The use of any Commercial Unit LCE shall be exclusive to the owner of the Commercial Unit to which the Commercial Unit LCE is appurtenant and to such persons as permitted by the owner of the Commercial Unit from time to time, including Owners, in the owner's sole, absolute and unfettered discretion.

23.2 Maintenance of Commercial Unit LCEs. Maintenance, repair and replacement of any Commercial Unit LCE shall be performed by the Association, at the cost and expense of the Association, in accordance with the provisions of this Declaration addressing the maintenance, repair and replacement of Limited Common Elements.

23.3 Alteration of Commercial Unit LCEs. The owner of the Commercial Unit to which a Commercial Unit LCE is appurtenant shall have the right to reconstruct, alter, repair, renovate, restore or replace the Commercial Unit LCE, or any portion thereof, without the approval of the Association or any Owner; provided, however, that the owner of the Commercial Unit to which the Commercial Unit LCE is appurtenant has DVD's approval (which may be withheld by DVD in its sole, absolute and unfettered discretion) and provided further that such owner shall bear all costs associated with such reconstruction, alteration, renovation, restoration or replacement. Neither the Association nor any Owner shall have the right to reconstruct, alter, renovate, restore or

replace the Commercial Unit LOEs without the approval of the owner of the Commercial Unit to which the Commercial Unit LCE is appurtenant.

IN WITNESS WHEREOF, DVD has executed this Declaration this 28 day of June, 1996.

WITNESSES

"DVD"

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: [Signature]

Print Name: Kenneth N. May

As its: Sr. Vice President

[Signature]

Print Name: Leigh A. Nieman

[Signature]

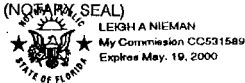
Print Name: Michael S. Corriveau

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority authorized to take acknowledgments in the state and county aforesaid, appeared Kenneth N. May, the Sr. Vice President of DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, and he acknowledged that he executed the foregoing instrument on behalf of the corporation pursuant to due authority therefrom. He is personally known to me.

WITNESS my hand and seal this 28 day of June, 1996.

[Signature]
(Notary Signature)



(Notary Name Printed)
NOTARY PUBLIC
Commission No. _____

CONSENT OF LESSOR
TO DECLARATION OF CONDOMINIUM

THIS CONSENT (the "Consent") is made and entered into this 28 day of June, 1996, by WALT DISNEY WORLD CO., a Delaware corporation authorized to do business in the State of Florida, whose address is Post Office Box 10,000, Lake Buena Vista, Florida 32830-1000 ("Worldco").

R E C I T A L S

A. Worldco is the fee simple owner of that certain property (the "Master Property") more particularly described in and subject to the covenants, conditions and restrictions contained in that certain Master Declaration of Covenants, Conditions and Restrictions, as recorded in Official Records Book 5101, Page 33, of the Public Records of Orange County, Florida;

B. Worldco, as lessor, has leased the Master Property to Disney Vacation Development, Inc., a Florida corporation ("DVD"), as lessee, pursuant to that certain ground lease by and between Worldco and DVD and having an effective date of April 1, 1994; a short form of which is described in that certain Memorandum of Ground Lease having an effective date of April 1, 1994 and recorded in Official Records Book 5101, Page 88, of the Public Records of Orange County, Florida (the "Ground Lease");

C. DVD has declared a portion of the Master Property to the condominium form of ownership pursuant to the Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, as recorded in Official Records Book 5101, Page 147, Public Records of Orange County, Florida, to which this Consent is attached (the "Declaration");

D. The Ground Lease encumbers the land and the improvements located thereon, inclusive of Phase 1 as described in the Declaration; and

E. Worldco, as lessor under the Ground Lease, has agreed to consent to the recordation of the Declaration.

NOW, THEREFORE, Worldco provides as follows:

1. Recitals and Definitions. The above recitals are true and correct and are hereby incorporated herein. All terms used in this Consent shall have the same meaning as the identical terms used in the Declaration unless the context otherwise requires.

2. Consent. Worldco, as lessor under the Ground Lease, agrees and does hereby consent to the recordation of the Declaration; provided, however, that no amendment to the Declaration shall be effective against Worldco unless Worldco has executed a joinder and consent as to such amendment. Pursuant to the requirements of the Ground Lease, by the execution of this Consent, Worldco provides DVD, the Association, the Owners and DVCMC with its consent and approval to the following specific matters:

- a. The provisions of Article XI of the Declaration regarding reconstruction or repair of the Condominium Property after casualty or eminent domain;
- b. DVCMC, as the Management Company for the Condominium, and the Property Management Agreement between the Association and DVCMC, an initial copy of which is attached to the Declaration as Exhibit "F;"
- c. The automatic assumption by the Association of the obligations of DVD as the tenant under the Ground Lease with respect to the property comprising Phase 1 and as limited pursuant to the terms of the Ground Lease; and
- d. The use of the name "Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium" and "Disney's BoardWalk Villas" to describe the Condominium and the management or operation of the Condominium as set forth in the Condominium Documents, and the use of the name "Disney's BoardWalk Villas Condominium Association, Inc." to describe the Association, all subject to the terms and conditions set forth in the Master Declaration, the Ground Lease and the Declaration;

IN WITNESS WHEREOF, Worldco has caused this instrument to be executed by its duly authorized officer the day and year first above written.

WITNESS:

"WORLDCO"

WALT DISNEY WORLD CO., a Delaware corporation

By: Bud Dare

Print Name: Bud Dare

As its: Vice-President

Diana Stampas

Print Name: DIANA STAMPAS

Hose Meltzer

Print Name: Hose Meltzer

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this 28 day of June 1996, by BUD DARE, VICE PRESIDENT of WALT DISNEY WORLD CO., a Delaware corporation, on behalf of the corporation. HE is personally known to me or has produced _____ as identification.

WITNESS my hand and seal this 28 day of June, 1996.

Diana A. Stampas
(Notary Signature)

(NOTARY SEAL)



DIANA A. STAMPAS
MY COMMISSION # CC279278 EXPIRES
April 22, 1997
BONDED THRU TRISTAR INSURANCE, INC.

DIANA A. STAMPAS
(Notary Name Printed)
NOTARY PUBLIC
Commission No. CC279278

(Exhibit "D" to the Declaration)

PERCENTAGE INTEREST IN COMMON ELEMENTS

Each residential Unit within the Condominium shall have an undivided percentage interest in the Common Elements and Common Surplus and a share of the Common Expenses of the Condominium on an equal fractional basis. This fractional interest is based on the total number of Units and Commercial Units declared as part of the Condominium at any given time. The percentage interest in the Common Elements and Common Surplus and share of the Common Expenses of a given residential Unit declared into the Condominium from time to time shall always equal the total square footage of that residential Unit divided by the total square footage of all Units declared into the Condominium; however, each Commercial Unit declared into the Condominium from time to time will have a percentage interest of .00000001% in the Common Elements and Common Surplus and share of the Common Expenses. As additional phases are added to the Condominium, the respective percentage interests in the Common Elements and Common Surplus and share of the Common Expenses of the Units already declared into the Condominium will be decreased accordingly.

To determine the exact percentage interest of a given Unit declared into the Condominium at any given time, the following mathematical formula applies: $I=(B/T)*[1.0-(C*.00000001)]$.

1. "I" represents the interest to be determined of a particular Unit.
2. "B" represents the square footage of the particular Unit.
3. "T" represents the total square footage of all of the Units declared as part of the Condominium.
4. "C" represents the number of Commercial Units declared as part of the Condominium.



This instrument prepared by and return to:

John M. McGowan, Esquire
c/o Compliance Department
Disney Vacation Development, Inc.
200 Celebration Place
Celebration, FL 34747
(407) 966-3000

INSTR 20050215080
OR BK 07895 PG 2366 PGS=2
MARTHA O. HAYNIE, COMPTROLLER
ORANGE COUNTY, FL
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**THIRTY-SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM
OF
DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS,
A LEASEHOLD CONDOMINIUM**

This THIRTY-SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM, is made this 23rd day of March, 2005 by DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, whose address is 200 Celebration Place, Celebration, Florida 34747 ("DVD").

WHEREAS, DVD is the lessee of certain land located and situated in Orange County, Florida, and more particularly described in that certain Memorandum of Ground Lease dated the 1st day of April, 1994, and recorded in Official Records Book 5101, Page 88, Public Records of Orange County, Florida, (the "Property").

WHEREAS, On the 6th day of August, 1996, DVD recorded the DECLARATION OF CONDOMINIUM OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM, in Official Records Book 5101, Pages 147 et seq., Public Records of Orange County, Florida (the "Declaration"), pursuant to which DVD submitted Phase 1 to the condominium form of ownership, as more specifically described in Exhibit "A" of the Declaration.

WHEREAS, pursuant to Article 16 of the Declaration, DVD reserves the right to unilaterally amend the Declaration as it may deem appropriate or as may be required by any lending institution, title insurance company or public body or as may be necessary to conform the same to the requirements of law or to facilitate the operation and management of the Condominium or the Disney Vacation Club or the sale of Ownership Interests in Units.

NOW, THEREFORE, in accordance with Article 16 of the Declaration, DVD hereby amends Paragraph 12.8 of the Declaration as follows (additions are underlined, and deletions are ~~stricken through~~):

12.8 DVD's Use. DVD may make such use of the Common Elements, the Units and the Vacation Homes as it determines and as may facilitate the sale of Units of Ownership Interests in the Units or other DVC Resorts by DVD, including showing of the property and the display of signs and other promotional devices. In addition, notwithstanding the reservation priorities set forth in the Vacation Ownership Plan, in furtherance of DVD's easement rights under section 4.3(a) of this Declaration, DVD may exercise its easement rights to indefinitely reserve one or more Vacation Homes as models but shall be required to use its Home Resort Vacation Points to reserve such Vacation Homes as models.

IN WITNESS WHEREOF, DVD has executed this THIRTY-SECOND Amendment to Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, on the date set forth above.

WITNESSES:

Print Name: Wendell Lomer

Print Name: Sandra Soto

DISNEY VACATION DEVELOPMENT, INC.,
a Florida corporation

By: Leigh Anne Nieman
Leigh Anne Nieman, Assistant Secretary



STATE OF FLORIDA)
COUNTY OF OSCEOLA) ss.

The foregoing instrument was acknowledged before me this 23rd day of March, 2005, by Leigh Anne Nieman, Assistant Secretary of Disney Vacation Development, Inc., a Florida corporation, on behalf of the corporation. She is personally known to me.

(NOTARY SEAL)



Christine Joyner
My Commission DD263198
Expires October 29, 2007

Christine Joyner
(Notary Signature) CHRISTINE JOYNER

(Notary Name Printed)

**CONSENT OF LESSOR TO
THIRTY-SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM**

THIS CONSENT OF LESSOR TO THIRTY-SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM ("Consent") is made and entered into this 23rd day of March, 2005 by WALT DISNEY WORLD CO., a Delaware corporation authorized to do business in the State of Florida, whose address is Post Office Box 10,000, Lake Buena Vista, Florida 32830, Attention: Legal Department, hereinafter referred to as "Lessor".

WITNESSETH:

WHEREAS, Lessor is the fee simple owner of certain real property located in Orange County, Florida which has been leased to Disney Vacation Development, Inc., a Florida corporation ("DVD") whose address is 200 Celebration Place, Celebration, Florida 34747, pursuant to the terms of a certain Ground Lease effective April 1, 1994, between Lessor and DVD, and a short form of which is described in that certain MEMORANDUM OF GROUND LEASE effective April 1, 1994, and recorded August 6, 1996, in Official Records Book 5101, Pages 88 et seq., Public Records of Orange County, Florida, ("Ground Lease Memorandum"), which real property is described in Exhibit "A" to the Ground Lease Memorandum ("Demised Premises"). The Demised Premises is also subject to the provisions of the MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS dated April 1, 1994, and recorded August 6, 1996, in Official Records Book 5101, Pages 33 et seq., ("Master Declaration"). Pursuant to paragraph 3, of the Ground Lease Memorandum, Lessor has agreed to consent to the submission of all or a part of the Demised Premises to the leasehold condominium form of ownership of real property.

WHEREAS, On the 6th day of August 1996, DVD recorded the DECLARATION OF CONDOMINIUM OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM in Official Records Book 5101, Pages 147 et seq. ("Declaration") and committed a portion of the Demised Premises to condominium ownership as PHASE 1. A legal description of PHASE 1 of the condominium is included as part of Exhibit "A" to the Declaration. Lessor consented to the recording of the Declaration, which Consent is recorded in Official Records Book 5101, Page 183, Public Records of Orange County, Florida.


WHEREAS, Lessor has agreed to consent to the recording of the THIRTY-SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM ("THIRTY-SECOND Amendment"), to which this Consent is attached.

NOW, THEREFORE, Lessor agrees and hereby consents to the recordation of the THIRTY-SECOND Amendment; provided, however, that no further amendment to the Declaration shall be effective against Lessor unless Lessor has executed a joinder and consent to any such amendment.

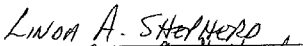
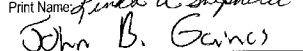
IN WITNESS WHEREOF, Lessor has caused this instrument to be executed by its duly authorized officer the day and year first above written.

WITNESSES:

WALT DISNEY WORLD CO.,
a Delaware corporation

By: 
Lee Schumudde, Vice President

(CORPORATE SEAL)



Print Name: Linda A. Shepherd

Print Name: John B. Gaines

STATE OF FLORIDA)
COUNTY OF ORANGE) ss.

The foregoing instrument was acknowledged before me this 23rd day of March, 2005, by Lee Schumudde, as Vice President of WALT DISNEY WORLD CO., a Florida corporation, on behalf of the corporation. He is personally known to me.


(Notary Signature)

(NOTARY SEAL)

 Linda A. Shepherd
My Commission DD022127
Expires May 01, 2005

This instrument prepared by and return to:
John M. McGowan, Esquire
c/o Compliance Department
Disney Vacation Development, Inc.
1390 Celebration Plaza,
Celebration, FL 34747
(407) 886-3073

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Rec Fee: \$18.50
Martha O. Haynie, Comptroller
Orange County, FL
MB - Ret To: DISNEY VACATION DEVELOPME



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**THIRTY-THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM
OF DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM**

This THIRTY-THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM (this "Amendment"), is made this 6th day of March 2012, by DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, whose address is 1390 Celebration Boulevard, Celebration, Florida 34747 (the "Association").

WHEREAS, the Association is responsible for the operation of Disney's BoardWalk Villas, a leasehold condominium and vacation ownership plan, which was created pursuant to that certain DECLARATION OF CONDOMINIUM OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM, recorded in Official Records Book 5101, Pages 147, Public Records of Orange County, Florida, as amended (the "Declaration").

WHEREAS, in 2010, the Florida Legislature enacted into law a non-judicial foreclosure process permitting foreclosures of assessment liens against timeshare interests through a non-judicial trustee foreclosure process as more particularly described in Section 721.855, Florida Statutes (2011) (the "Trustee Foreclosure Procedure").

WHEREAS, pursuant to Section 721.855(2)(a), Florida Statutes (2011), this Amendment to permit foreclosure of assessment liens by the Trustee Foreclosure Procedure was adopted by the affirmative vote of a majority of the total votes eligible to be voted (the "Association's Action") at the Association's 2010 annual members meeting (the "Meeting").

WHEREAS, the Meeting was duly called and convened in accordance with the Bylaws of the Association, a quorum was present at the Meeting and at least fifteen percent (15%) of the voting interests were present in person or by proxy.

WHEREAS, pursuant to Section 16.1 of the Declaration, Disney Vacation Development, Inc., a Florida corporation ("DVD") joins herein to evidence its consent to and approval of this Amendment.

NOW, THEREFORE, in accordance with Section 16.1 of the Declaration and the Association's Action, the Declaration is hereby amended by adding new section 8.2(f) to the Declaration as follows:

8.2(f) Trustee Foreclosure. Notwithstanding anything in Section 8.2 to the contrary, assessment liens may be foreclosed by the Association pursuant to the trustee foreclosure procedures of Section 721.855, Florida Statutes, as amended and/or renumbered from time to time. If an Owner fails to make timely payments of assessments for Common Expenses, reserves, Ad Valorem Real Estate Taxes, special assessments or any other costs included in assessments, an assessment lien against the Owners' Ownership Interest may be foreclosed in accordance with a judicial foreclosure procedure or a trustee foreclosure procedure, either of which may result in the loss of the Owner's Ownership Interest. If the Management Company initiates a trustee foreclosure procedure, the Owner shall have the option to object pursuant to Florida law, and in such event the Management Company may thereafter proceed only by filing a judicial foreclosure action.

IN WITNESS WHEREOF, the Association has executed this Thirty-third Amendment to Declaration of Condominium of Disney's BoardWalk Villas, a leasehold condominium, on the date set forth above and certifies that the Amendment has been approved by a vote of a majority of the total votes eligible to be voted.

DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation

By: Claire L. Bilby
Name: Claire L. Bilby
Title: President

By: John M. McGowan
Name: John M. McGowan
Title: Secretary

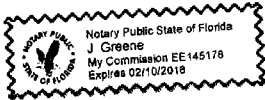
Disney Vacation Development, Inc. joins herein to evidence its consent to and approval of this Amendment.

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: Leigh Anne Nieman
Name: Leigh Anne Nieman
Title: Assistant Secretary

STATE OF FLORIDA) ss.
COUNTY OF OSCEOLA)

The foregoing instrument was acknowledged before me this 14th day of March, 2012, by Claire L. Bilby, as President of DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. He/She is personally known to me.

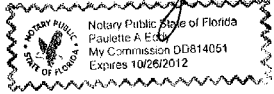


J. Greene
(Notary Signature)

STATE OF FLORIDA) ss.
COUNTY OF ORANGE)

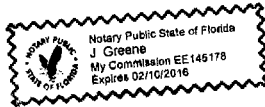
The foregoing instrument was acknowledged before me this 14th day of March, 2012, by John M. McGowan, as Secretary of DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of the corporation. He/She is personally known to me.

Paulette A. Edinger
(Notary Signature)



STATE OF FLORIDA) ss.
COUNTY OF OSCEOLA)

The foregoing instrument was acknowledged before me this 14th day of March, 2012, by Leigh Anne Nieman, as Assistant Secretary of DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, on behalf of the corporation. He/She is personally known to me.



J. Greene
(Notary Signature)

This instrument prepared by
and return to:

Kurt P. Gruber, Esquire
BAKER & HOSTETLER
2300 Sun Bank Center
200 South Orange Avenue
Post Office Box 112
Orlando, Florida 32802
(407) 649-4000

Orange Co FL 5711643
08/06/96 12:59:18pm
OR Bk 5101 Pg 33
Rec 105.00

**MASTER DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS**

THIS MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Master Declaration") is made as of the 1st day of APRIL 1994, by WALT DISNEY WORLD CO., a Delaware corporation authorized to do business in the State of Florida, whose address is P.O. Box 10,000, Lake Buena Vista, Florida 32830-1000 ("Worldco").

WITNESSETH:

WHEREAS, Worldco is the owner of that certain real property located in Orange County, State of Florida, which real property is more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein (the "Master Property");

WHEREAS, Worldco anticipates that the Master Property will be developed as a resort entertainment development which will include commercial and entertainment areas and accommodations;

WHEREAS, Worldco anticipates that all or a portion of the accommodations will be declared to the condominium form of ownership in accordance with Chapter 718, Florida Statutes and that all or a portion of the accommodations may be subjected to a timeshare plan pursuant to Chapter 721, Florida Statutes;

WHEREAS, the Master Property will also be developed to include certain roads, support facilities, open space green belt areas and other facilities; and

WHEREAS, the Master Property is located within the Reedy Creek Improvement District and is also an integral part of the WALT DISNEY WORLD Resort;

WHEREAS, Worldco desires to provide for the preservation and enhancement of the desirability and attractiveness of the Master Property; to ensure that any improvements that may be developed thereon will be designed, constructed, and at all times used, operated, managed and maintained in compliance with all Applicable Laws (as defined below) and this Master Declaration and in conformity with the overall theme, concept, atmosphere and extraordinarily high standards of quality which have come to be known and expected at the WALT DISNEY WORLD Resort; and to provide for the common use of facilities and the sharing of expenses for the maintenance and repair of such facilities.

NOW, THEREFORE, Worldco hereby declares that all of the Master Property, and any portion thereof, shall hereafter be held, transferred, sold, conveyed, leased, mortgaged, occupied and otherwise dealt with subject to the covenants, conditions, restrictions, reservations, easements, charges and liens, as hereinafter set forth,

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all of which are in furtherance of the foregoing purposes. Said covenants, conditions, restrictions, reservations, easements, charges and liens shall run with the Master Property, and any portion thereof, shall be binding upon all parties having and/or acquiring any right, title or interest in the Master Property, or any portion thereof, their successors, assigns and legal representatives, and shall inure to the benefit of each and every person or entity from time to time, owning or holding an interest in the Master Property, or any portion thereof.

ARTICLE I

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DEFINITIONS

SECTION 1. In addition to the terms defined in the foregoing recitals or elsewhere in this Master Declaration, the following words when used in this Master Declaration shall have the following meanings:

(a) Applicable Law(s) shall mean and refer to any and all applicable statutes, common laws, judicial determinations, ordinances, requirements, orders, directions, rules and regulations having the force of law enacted or promulgated or issued by federal, state, regional, county or municipal governments or courts or by any of their respective departments, bureaus and offices or by any other governmental authorities with jurisdiction over the Master Property or the ownership, design, construction, reconstruction, alteration, renovation, restoration, replacement, zoning, use, land use, operation, management, condition (including environmental and non-environmental conditions), repair or maintenance of the Master Property or any part thereof, as such statutes, common laws, judicial determinations, ordinances, requirements, orders, directions, rules and regulations may exist now or in the future or may be amended from time to time. The term "Applicable Law(s)" shall specifically include the laws, ordinances, requirements, orders, directions, rules and regulations of RCID, as the same may exist from time to time.

(b) Architectural Review Officer or ARO shall mean and refer to the person or persons designated by Worldco and further described in Article IV hereof.

(c) Association shall mean and refer to any Condominium or other owners' association responsible for the maintenance and operation of any portion of the Master Property declared as Condominium Property, declared as Timeshare Property or subject to subdivision restrictions or other similar restrictive documents pursuant to which an owners' association is created. The Association shall be the only representative authorized to act on behalf of a member or members of such Association, including any Owners, with respect to the provisions of this Master Declaration. Whenever the Association's acknowledgment, consent, understanding or agreement is given with respect to this Master Declaration, such acknowledgment, consent, understanding or agreement shall be deemed to also have been given by each member of such Association and shall be absolutely binding upon each such member. Nothing contained herein shall be deemed to relieve any individual member of an Association from the requirement of complying with any provision of this Master Declaration.

(d) Chapter 718 shall mean and refer to Chapter 718, Florida Statutes, as the same is constituted on the date that this Master Declaration is recorded in the Public Records of Orange County, Florida.

(e) Chapter 721 shall mean and refer to Chapter 721, Florida Statutes, as the same is constituted on the date that this Master Declaration is recorded in the Public Records of Orange County, Florida.

(f) Condominium shall mean that form of ownership of real property, whether created on land owned in fee simple or held under lease, which is created pursuant to Chapter 718.

(g) Condominium Property shall mean any portion of the Master Property, or rights or interests therein, which is made subject to a recorded declaration of condominium in accordance with Chapter 718.

In the event any Condominium so created is a phased Condominium, all portions of the Master Property made subject to the condominium form of ownership by amendments or supplements to the declaration of condominium shall be deemed included within and a part of the Condominium Property.

(h) Improvements shall mean and refer to all structures, buildings, infrastructure and all appurtenant and related facilities, recreational amenities, offices, shops, restaurants, Support Facilities and other similar facilities constructed and located from time to time on the Master Property, together with any and all additions thereto and replacements thereof and all other improvements now or hereafter located on the Master Property. Improvements shall include the Surface Water Management System, Streets and Roadways, Utility Services, fences, walls, lift stations and signage.

(i) Ground Lease shall mean and refer to any ground lease that Worldco may enter into with another entity for the purpose of leasing Worldco's interest in all or a portion of the Master Property. In such event, this Master Declaration will govern and control and shall be superior to the terms of such ground lease and such lessee shall be governed by this Master Declaration.

(j) Master Declaration shall mean and refer to this Master Declaration of Covenants, Conditions and Restrictions and all of the provisions contained herein, as the same may be amended or supplemented from time to time.

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(k) Master Property shall mean and refer to that certain real property lying and situated in Orange County, State of Florida, which real property is more particularly described in Exhibit "A" attached hereto, and by this reference incorporated herein, together with all Improvements thereon. All references to the Master Property shall be deemed to apply to any portion of the Master Property separately owned or developed.

(l) Open Area shall mean and refer to those areas of open space located from time to time on the Master Property and that are not included within the Improvements.

(m) Owner shall mean and refer to the record owner or lessee, whether one or more persons or entities, of fee title in any portion of the Master Property, other than Worldco. Owner shall not refer to any mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any alternative in lieu of foreclosure. As to any portion of the Master Property declared as Condominium Property, declared as Timeshare Property or subject to subdivision restrictions or other similar restrictive documents pursuant to which an owners' association is created, the Association shall be deemed the Owner.

(n) Prohibited Deletions shall mean those portions of the Master Property, as further defined in Article II, Section 3, which may not be deleted from encumbrance by this Master Declaration except as set forth in Article II, Section 3.

(o) RCID shall mean the Reedy Creek Improvement District, a political subdivision of the State of Florida.

(p) Streets and Roadways shall mean and refer to all ingress and egress infrastructure constructed upon the Master Property including streets, roadways, driveways, parking areas, paths and sidewalks.

(q) Support Facilities shall mean those portions of the Master Property, including Streets and Roadways, the Surface Water Management System, interior hallways, entranceways, elevators, stairs, fire escapes, load-bearing walls, party walls, roofs, pipes, wiring, conduits, plumbing, support beams, HVAC systems, lift stations, all recreational facilities and all items necessary for the operation thereof, non-reserved parking areas, and such other facilities as may be determined by the ARO from time to time to be integral to the structure or operation of the Master Property. For purposes of this Master Declaration and this definition of Support Facilities, recreational facilities shall only include pools and related jacuzzis, pool slide, tennis courts, multi-use lawn (also

known as the croquet lawn), tot lot, and those portions of a stand alone clubhouse used for recreational purposes, which recreational facilities have been constructed as of the date of the recording of this Master Declaration, and recreational facilities shall not include any facilities used for commercial purposes or for profit-making ventures. The ARO, in its sole, absolute and unfettered discretion, shall determine, from time to time, which facilities are used for commercial purposes or profit-making ventures. The ARO shall also have the right to determine, from time to time and in its sole, absolute and unfettered discretion, if facilities constructed after the recording of this Master Declaration shall be deemed to be recreational facilities.

(r) Support Facilities Expenses shall mean and include all costs and expenses of maintenance and operation of the Support Facilities, including the payment of taxes and insurance thereon, and all expenses of repair, replacement and refurbishment thereof, and all costs of labor, equipment, materials and landscaping related thereto.

(s) Surface Water Management System shall mean and refer to the surface water management system located on the Master Property consisting of any swales, inlets, culverts, retention ponds, outfalls, storm drains, pump stations, connecting pipes and similar systems used in connection with the retention, drainage and control of surface water.

(t) Timeshare Plan shall mean and refer to a timeshare plan created pursuant to Chapter 721.

(u) Timeshare Property shall mean any portion of the Master Property which is made subject to a Timeshare Plan.

(v) Utility Services shall mean and refer to of any kind of utilities servicing the Master Property whatsoever, including water, natural gas, cable television, telephone service, electricity, sewage and solid waste disposal and communications.

(w) Worldco shall mean and refer to Walt Disney World Co., a Delaware corporation authorized to transact business in the State of Florida and an affiliate of The Walt Disney Company, a Delaware corporation.

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ARTICLE II

PROPERTY SUBJECT TO THIS MASTER DECLARATION: ADDITIONS THERETO AND DELETIONS THEREFROM

SECTION 1. Master Property. The real property which is, and shall hereafter be, held, transferred, sold, conveyed, leased, mortgaged, occupied and otherwise dealt with subject to this Master Declaration is that certain real property which is more specifically described in Article I, Section 1(k) above.

SECTION 2. Additions to Master Property.

(a) Worldco, from time to time, may, in its sole, absolute and unfettered discretion, cause additional real property to become subject to this Master Declaration; but under no circumstance shall Worldco be required to make such additions, and no other real property owned by Worldco shall in any way be affected by or become subject to this Master Declaration, until such time, if ever, such real property is added to the Master Property.

(b) Any real property to be hereafter added to the Master Property and to become subject to this Master Declaration shall be used or developed in such a manner to provide for the preservation and enhancement of the desirability and attractiveness of the overall real property subjected hereto in the same manner as described for the Master Property.

(c) Any additions to the Master Property authorized under this Master Declaration shall be made by the filing of record, from time to time, of an amendment to this Master Declaration or a supplemental Master Declaration of Covenants, Conditions and Restrictions, executed by Worldco, which shall extend the covenants, conditions and restrictions contained herein to such property. Such amended Master Declaration or supplemental Master Declaration of Covenants, Conditions and Restrictions may contain such amendments or additional provisions as Worldco may deem necessary and as are not inconsistent with the purposes of this Master Declaration. Worldco shall not be required to obtain the approval or consent of any Owner or any person claiming by, through, or under any Owner to add any property to the Master Property pursuant to this Section.

SECTION 3. Deletions from Master Property. Worldco may at any time delete any portion of the Master Property from encumbrance by this Master Declaration by executing and filing of record a Notice of Deletion from Master Declaration of Covenants, Conditions and Restrictions; provided, however, that in no event shall Worldco make any Prohibited Deletions, without first obtaining the written consent of the Owners affected by such deletion. Prohibited Deletions shall consist of deletions of any portion of the Master Property owned or leased by an Owner or any part of the Support Facilities. No Owner, or any person claiming by, through, or under any Owner, shall have any right to claim detrimental reliance upon this Master Declaration with regard to any portion of the Master Property deleted from these Master Restrictions by Worldco pursuant to this Section.

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ARTICLE III

PROPERTY RIGHTS IN THE MASTER PROPERTY

SECTION 1. Title to Master Property. At the time of the recording of this Master Declaration, Worldco is the fee title holder of the entire Master Property. Nothing contained herein is intended to prohibit or in any manner restrict Worldco's ability to sell, transfer, convey, assign, lease, mortgage, encumber or otherwise dispose of any or all of its interest in all or a portion of the Master Property to any person. Worldco acknowledges and understands that in the event that any portion of the Master Property is developed as a leasehold Condominium, ownership of the condominium units, undivided interests in the condominium units or timeshare interests in the condominium units shall be real property interests for the term of the Ground Lease.

SECTION 2. Development Permitted. All or any portion of the Master Property may be developed for any lawful purpose including the construction and maintenance of Improvements or Open Areas. All development of the Master Property shall be in accordance with this Master Declaration and Applicable Law. It is expressly contemplated that such development may involve the creation of a Condominium, a Timeshare Plan, or any combination of the two.

SECTION 3. Worldco Rights in the Master Property.

(a) **Worldco Rights.** Except as set forth in paragraph (b) below, and notwithstanding anything to the contrary contained herein, or within any other agreement, document, instrument or writing, Worldco shall have and hereby reserves unto itself non-exclusive use and access rights over, upon, under and across the Master Property (together with the right to assign all or any portion of such rights) including the right to: (i) erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment and service, gas, sewer, water or other public conveniences or utilities; (ii) plant, maintain, remove and/or replace any trees, bushes or shrubbery; (iii) make

any grading of the soil; (iv) construct Improvements and Open Areas of every kind or nature as may be permitted by Applicable Laws and this Master Declaration; (v) landscape or otherwise do those acts necessary to maintain or enhance the aesthetic quality of the Master Property and the Improvements and Open Areas to be developed thereon; (vi) locate wells, lift stations, pumping stations and tanks; (vii) take any other similar action reasonably necessary to provide economical and safe utility installation on or about the Master Property and to maintain, at all times, high standards of health, safety and appearance; (viii) share in the license and easement rights granted to Owners pursuant to this Master Declaration; (ix) allow its guests, invitees and licensees access and use rights to any Support Facility or other commonly used areas of the Master Property; and (x) otherwise do any and all acts within Worldco's discretion; provided, however, that said reservation, granting and right shall not be considered to create, impose or imply any obligation of Worldco to provide any of the items listed in this Section.

(b) Right to Approve Name or Use of a Name. Prior to the use of any name to identify: (i) any Improvements constructed on the Master Property, including any Condominium or Hotel; (ii) any entity having management duties with respect to any Improvement or any portion of the Master Property, including any Association or management company or any subsidiary or affiliate of any of the foregoing; or (iii) any commercial or non-commercial venture operated on the Master Property when such venture seeks to use the names approved for use in connection with the Master Property; such name or use shall be submitted to Worldco for its consent. Worldco may consent to the name or the use of such name in its sole, absolute and unfettered discretion, and under such terms, conditions and limitations as Worldco determines in its sole, absolute and unfettered discretion. Worldco's consent to the name or the use of such name, if given, shall be set forth in writing.

SECTION 4. Streets and Roadways. Unless required under Applicable Law, Streets and Roadways shall not be dedicated or required for public use, and such Streets and Roadways are not and will not be a part of the county system of roads; provided, however, that Worldco may, without the consent and joinder of any Owner, dedicate or grant easements to RCID or any other governmental entity for all or any part of the Streets and Roadways as to which RCID or the other governmental entity has agreed to maintain and service. The Streets and Roadways shall be the sole and exclusive property of Worldco or the Owner of the property upon which such Streets and Roadways are constructed, as applicable; provided, however, that Worldco does hereby reserve unto itself and grant to its guests, purchasers, invitees and domestic help, and to delivery, pickup, fire protection and emergency services, police and other authorities of the law, United States mail carriers, representatives of utilities authorized by Worldco or any Owner to serve all or a portion of the Master Property, holders of mortgage liens on such lands and such other persons as Worldco may from time to time designate, a license and right of enjoyment for reasonable ingress and egress over and across the Streets and Roadways and to any dedicated rights of way. Nothing contained herein shall require Worldco or any Owner to construct any Streets and Roadways other than as Worldco or such Owner may be required by any Applicable Law, and nothing contained herein shall prevent the construction and maintenance of Improvements or Open Area as described above on the Master Property.

SECTION 5. Water Areas. All lakes, canals, dikes, ditches or other water management, transportation or drainage facilities, including the Surface Water Management System, constructed or maintained on the Master Property shall not be dedicated or required for public use; provided, however, that Worldco may, without the consent and joinder of any Owner, dedicate or grant easements to RCID or any other governmental entity for all or any part of such facilities as to which RCID or the other governmental entity has agreed to maintain and service.

SECTION 6. Utilities. Worldco and each Owner shall have the right to grant such easements over, upon, under and across the property owned by Worldco or such Owner, as are reasonably necessary to enable any company to provide Utility Services to all or a portion of the Master Property; provided such company is franchised by RCID or Orange County, as applicable. Should an Improvement be constructed such that it encroaches upon a utility easement, such Improvement shall be removed to the extent necessary to ensure the continuation of uninterrupted service and to effect the maintenance, repair or replacement of any utilities within the easement, at the cost and expense of the owner of such Improvement.

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SECTION 7. Support Facilities. The following provisions shall govern with respect to the use and operation of Support Facilities:

(a) Easements. Non-exclusive easements are hereby reserved in favor of Worldco and granted to Owners across, under and through the applicable portions of the Master Property as are necessary and reasonable for support, ingress and egress and for the installation, maintenance, repair, replacement or operation of all Support Facilities. The Owners, as the same may be constituted from time to time, shall also have a non-exclusive easement for the use and enjoyment of Support Facilities; provided, however, such rights shall be subject to rules and regulations as are deemed advisable from time to time by Worldco, or the owner of such recreational facilities, in their sole, absolute and unfettered discretion.

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(b) Improvements or Alterations. No structural improvements or alterations to a Support Facility may be made which will jeopardize the structural integrity of the Support Facility without prior approval of the ARO and Worldco.

(c) Insurance. If it is necessary to obtain a blanket insurance policy as to any Support Facility, such insurance policy shall insure against loss or damage caused by fire and other hazards normally covered by a standard extended coverage endorsement and such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the Master Property, including all perils normally covered by the standard "all risk" endorsement where such is available, including vandalism and malicious mischief.

(d) Disputes. In the event of a dispute concerning the Support Facilities or as to the cause of damage or the cost of replacement, repair or maintenance of any Support Facility, the ARO shall make a determination which shall be binding on the parties. If the ARO declines to make a determination as to the cause of damage or the cost of replacement, repair or maintenance of any Support Facility, then an independent licensed engineer shall be retained by the disputing parties, the cost of which shall be borne equally by such parties, and whose determination shall be binding on the parties.

SECTION 8. Grant of Easements to Owners. The Owners, as the same may be constituted from time to time, shall enjoy the following non-exclusive easements over the Master Property for as long as they own an interest in all or a portion of the Master Property as appurtenances to their respective interests but subject to the provisions hereof:

(a) Streets and Roadways. The Owners shall have a non-exclusive easement of ingress and egress over the Streets and Roadways and easements appurtenant thereto for the purposes of ingress and egress to and from dedicated rights of way. The Owners shall also have a non-exclusive easement for parking on any paved areas of the Master Property designated as parking areas; provided, however, that Worldco or the Owner of such parking areas shall have the right to limit the Owners' parking rights to designated areas. There shall at all times be provided paved parking areas meeting all building standards under Applicable Law for each building constructed on the Master Property including all buildings located on the Condominium Property or Timeshare Property.

(b) Drainage and Utilities. The Owners shall have a non-exclusive easement for drainage onto the Master Property and an easement for all necessary access for Utility Services over, upon, under and across the Master Property.

SECTION 10. Limitations on Easements. The easements set forth in this Article and granted to Owners shall be subject to the following conditions and matters:

(a) The rights of Worldco and the matters set forth in this Master Declaration.

(b) The right of Worldco to suspend the enjoyment and use rights of any Owner for any period during which any monies due by that Owner pursuant to this Master Declaration remain unpaid.

(c) Subject to the requirement that there be no Prohibited Deletions, the right of Worldco to transfer all or any part of its interest in the Master Property to any public agency, authority or utility company, Association, Owner or other person or entity, and subject to such conditions as Worldco in its sole discretion determines.

(d) The easements granted herein shall be non-exclusive, and the Owners shall have no use priority over any other users of similar easements, which other users may include, but are not limited to, Worldco, its guests, invitees, successors and assigns.

(e) Subject to the requirement that there be no Prohibited Deletions, the easements granted herein shall in no way prevent or limit Worldco's right to subsequently develop any portion of the Master Property for whatever purposes or uses Worldco chooses.

(f) Subject to the requirement that there be no Prohibited Deletions, Worldco reserves the right to subsequently limit or deny the Owners access to designated portions of the Master Property, charge use fees or otherwise regulate the use of the Master Property by the Owners, pursuant to rules and regulations promulgated by Worldco in its sole, absolute and unfettered discretion; provided, however, that Owners shall at all times have reasonable ingress and egress rights to any dedicated rights of way and use of Support Facilities.

ARTICLE IV

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ARCHITECTURAL REVIEW AND ARCHITECTURAL REVIEW OFFICER

SECTION 1. Architectural Review. No Improvements shall be constructed, erected, or maintained upon the Master Property, nor shall any exterior addition to, change or alteration therein, be made, nor shall any tree removal or other landscaping changes be commenced or completed until the plans and specifications showing the nature, kind, shape, height, materials, color, approximate cost and location of the same shall have been submitted to and approved by the ARO, as set forth in this Article, as to conformity of design and location to the overall theme, concept, atmosphere and extraordinarily high standards of quality associated with Improvements developed and maintained within RCID and on or adjacent to the grounds of the WALT DISNEY WORLD Resort, as determined by the ARO in its sole, absolute and unfettered discretion. Any change in the outward appearance of any Improvement including repainting in a different color, adding decorative sculptures, wrought iron grills, or the like shall also require approval by the ARO before any work is commenced. Disapproval of plans, specifications or location may be based upon any grounds, including purely aesthetic considerations, which the ARO, in its sole, absolute and unfettered discretion deems sufficient. In the event the ARO fails to approve or disapprove such design and location within one hundred twenty (120) days after the plans and specifications have been submitted to it, approval will not be required and this Section will be deemed to have been fully complied with.

SECTION 2. Architectural Review Officer(s). Worldco, upon the recording of this Master Declaration, shall designate one or more persons as the "Architectural Review Officer." Worldco may increase or decrease the number of persons who make up the composition of the ARO from time to time.

SECTION 3. Duties and Powers. The ARO shall have the following duties and powers:

(a) The ARO shall have the right to adopt, promulgate, rescind, amend and revise rules and regulations governing architectural control; provided, however, such rules and regulations shall at all times remain consistent with the provisions of this Master Declaration;

(b) The ARO shall have the right of specific approval or veto in its sole, absolute and unfettered discretion, and of all architectural, engineering, platting, planning and landscaping aspects of any Improvement as well as the general plan for development of any individual tract or parcel of land within the Master Property;

(c) The ARO may appoint one or more persons to make preliminary review of all applications and report recommendations to the ARO for ARO action thereon. Such preliminary review shall be subject to regulations and limitations as the ARO deems advisable;

(d) The ARO shall consider all matters submitted for approval as to the conformity of the design and location in relation to surrounding Improvements, topography and the overall theme, concept, atmosphere and extraordinarily high standards of quality associated with Improvements built within RCID and on or adjacent to the grounds of the WALT DISNEY WORLD Resort, as determined by the ARO in its sole, absolute and unfettered discretion;

(e) The ARO shall have the right to require the submission, for approval, of samples of building materials proposed or any other data or information necessary in its review process; and

(f) The ARO may require that a set of plans and specifications be submitted to the ARO prior to obtaining a building permit, which set of plans and specifications shall become the property of the ARO. The work contemplated must be performed in accordance with the plans and specifications as approved.

SECTION 4. Enforcement. Worldco shall provide written notice of any violation of the provisions hereof, and failure to correct the violation within fifteen (15) business days after delivery of such notice shall give rise to Worldco's right to enter upon the Master Property, make such corrections or modifications as are necessary or remove anything in violation of the provisions hereof, and charge the cost thereof to the entity responsible for the violation. Should Worldco be required or elect to enforce the provisions hereof by legal action, the reasonable attorneys' fees, other professionals' fees and costs incurred, whether or not judicial proceedings are involved, including the attorneys' fees, other professionals' fees and costs incurred on appeal of such judicial proceedings, shall be collectible from the breaching party.

SECTION 5. Exculpation of Worldco and ARO. Worldco and the ARO cannot and shall not be held responsible for any loss or damage to any person arising out of the approval of any plans and specifications or designs with respect to either construction errors or non-compliance with any Applicable Law.

ARTICLE V

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REQUIREMENTS REGARDING OPERATION, MANAGEMENT AND MAINTENANCE OF OPEN AREAS AND IMPROVEMENTS

SECTION 1. General Intent. It shall be the intent and purpose of this Master Declaration to preserve and enhance the desirability and attractiveness of the Master Property and to ensure that all permitted development thereon will be designed, constructed and at all times operated, managed and maintained in compliance with all Applicable Laws and in conformity with the overall theme, concept, atmosphere and standards of quality contemplated under this Master Declaration and in conformity with the overall theme, concept, atmosphere and extraordinarily high standards of quality associated with the WALT DISNEY WORLD Resort, as determined by the ARO in its sole, absolute and unfettered discretion. In this regard, Open Areas and Improvements will be subject to the standards set forth in this Master Declaration and to such standards as are applied to resort hotels in the WALT DISNEY WORLD Resort. The ARO shall have the right to require all Owners to comply with established

maintenance, repair, replacement and management standards which are in effect at other resort hotels in the WALT DISNEY WORLD Resort, as determined in the ARO's sole, absolute and unfettered discretion.

SECTION 2. Open Areas and Improvements. In order to: (i) fulfill the terms, provisions, covenants, conditions and restrictions contained herein; and (ii) insure that the Master Property is managed and maintained for the best recreation, use, enjoyment, welfare and benefit of Worldco or any Owner, there is hereby imposed upon the persons or entities charged with the responsibility of operating, managing and maintaining the Open Areas and Improvements developed on the Master Property, or any portion of it, the specific duty and obligation to perform the following:

(a) Maintain and care for the Open Areas so that such Open Areas are at all times neat, presentable and attractive, including completing such routine tasks as planting new flowers and shrubs, grass cutting, tree and plant trimming, sprinkling, fertilizing, spraying and the like and keeping the landscaped portion of the Open Areas free of weeds, tall grass, undergrowth, dead trees, dangerous and/or dead tree limbs, weeds and rubbish, and any other unsightly objects, which such tasks may be required by the ARO to be performed on a daily basis; and

(b) Maintain, preserve and protect those portions of the Master Property designated or used for water transportation, water management and drainage purposes including maintenance and operation of the Surface Water Management System and any Improvements established within such areas and any efforts to control the levels of, chemically treat or otherwise alter any waters on the Master Property; and

(c) Maintain, operate, repair, alter, renovate, reconstruct and replace any and all Improvements placed or erected upon the Master Property so that such Improvements are at all times in good, clean, attractive and sanitary condition, order and repair; and

(d) Maintain, operate, repair, alter, renovate, reconstruct and replace any and all Support Facilities so that such Support Facilities are at all times in good, clean, attractive and sanitary condition, order and repair and do not become in such a state of disrepair that the structural integrity of the Support Facility is jeopardized or that the appearance of the Support Facility becomes inconsistent with the surrounding area. Any Support Facility that is partially or totally destroyed or damaged must be repaired or reconstructed except ARO and Worldco agree otherwise.

SECTION 3. Safety Standards. Nothing contained in this Master Declaration is intended to set any acceptable minimum safety or welfare standards and it shall remain the sole responsibility of the persons or entities charged with the responsibility for the operation, management, repair and maintenance of any portion of the Master Property to determine the minimum levels of safety or welfare standards for the Master Property or the relevant portions thereof, which shall not be inconsistent with the provisions of this Master Declaration.

SECTION 4. Responsibility for Operation, Management and Maintenance. The responsibility to care for, operate, maintain, repair, replace, alter, renovate, reconstruct, preserve and protect any Open Area or Improvement shall be the responsibility of Worldco or the Owner of the property upon which such Open Area or Improvement is located, as applicable. In the event that all or any portion of the Open Area or Improvement is not cared for or operated as required by this Master Declaration, Worldco and each Owner shall have the right to enforce compliance with the requirements of this Master Declaration in the manner reserved for enforcement of the provisions of this Master Declaration as set forth in this Master Declaration.

SECTION 5. Professional Management. In order to discharge any additional duties or obligations imposed hereunder, Worldco, any Owner or such other persons or entities which are, from time to time, charged with or responsible for the operation, management and maintenance of the Master Property, or any portion of it, may delegate all or any portion of such party's obligations to a professional management company, which may include a subsidiary or affiliated corporation of Worldco.

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EXPENSES

SECTION 1. Expenses Associated with Non-Support Facilities. Worldco or any Owner, as the case may be, shall be solely responsible for the expenses associated with the care, maintenance, reconstruction, restoration or repair contemplated under this Master Declaration of all Open Areas or Improvements developed, constructed or maintained on the portion of the Master Property owned by Worldco or such Owner, except for Support Facilities.

SECTION 2. Support Facilities Expenses. Worldco and each Owner, by the acceptance of a conveyance of all or a portion of the Master Property, hereby covenants and agrees to share in the Support Facilities Expenses to be fixed and collected from time to time as hereinafter provided.

(a) Determination of Support Facilities Expenses. Support Facilities Expenses will be determined on an annual basis by Worldco and shall be used exclusively for the payment of the costs and expenses associated with the maintenance, operation, repair, replacement and refurbishment of the Support Facilities. Worldco and each Owner's share of the Support Facilities Expenses shall be determined in accordance with generally accepted accounting principles.

(b) Additional Support Facilities Expenses. In addition to the annual Support Facilities Expenses authorized by this Section, additional Support Facilities Expenses may be required in any given year for the purpose of defraying, in whole or in part, any unexpected Support Facilities Expense or the expense arising out of any construction or reconstruction (net of insurance proceeds after a casualty loss), refurbishment, renovation or unexpected repair or replacement of a Support Facility.

(c) Annual Surplus or Deficit. Any monies collected in a given year in excess of Support Facilities Expenses shall be carried forward and applied to the Support Facilities Expenses of the next year. Any deficits incurred in a given year, which deficits are not eliminated by additional Support Facilities Expenses, will be carried forward and included in the Support Facilities Expenses charged for the next year.

(d) Creation of Lien and Personal Obligation for Support Facilities Expenses. The Support Facilities Expenses, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a lien against the property of any Owner obligated to pay a share of the Support Facilities Expenses pursuant to this Master Declaration, and shall also be the personal obligation of the person who was the Owner of such property at the time when the Support Facilities Expense fell due. In the case where the property has been declared as Condominium Property or Timeshare Property, the Support Facilities Expenses shall be a common expense of the Condominium or Timeshare Plan and the Association responsible for managing the Condominium Property or Timeshare Property shall be responsible for collecting and remitting the share of the Support Facilities Expenses due from the members of the Association. While each member shall be responsible for the payment of his or her share of the Support Facilities Expenses, the failure of any member to pay his or her share of the Support Facilities Expenses shall not relieve the Association from the obligation to timely pay the entire amount of the Support Facilities Expenses due from the members of the Association.

(e) Effect of Nonpayment; the Personal Obligation of the Owner; the Lien; Remedies.

(1) If an Owner's share of the Support Facilities Expenses are not paid when due, then such obligation shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the Owner's property which shall bind such property in the hands of the then Owner, and such Owner's heirs, successors, devisees, personal

representatives and assigns. The personal obligation of the then Owner to pay such obligation, however, shall remain such Owner's personal obligation.

(2) If an Owner's share of the Support Facilities Expenses is not paid within thirty (30) days after the delinquency date, the obligation shall bear interest from the date of delinquency at the maximum rate permitted by Florida law. Worldco may bring an action at law against the Owner personally obligated to pay the same or in equity to foreclose the lien against the property, and there shall be added to the amount of such obligation the costs of collection including the preparing and filing the complaint in any such action. In the event a judgment is obtained, such judgment shall include interest on the obligation as above provided and a reasonable attorneys' fee or other professionals' fees to be fixed by the court together with the costs of the action.

(3) Each Association shall be responsible for the administration and collection of the share of Support Facilities Expenses due from members of such Association together with applicable interest, late charges and costs of collection (including costs and reasonable attorneys' fees and other professionals' fees), and such obligation, if not timely paid, shall be secured by a lien against the Condominium Property. Worldco shall have the power to perfect and to foreclose said lien in the manner generally provided for such perfection and foreclosure against real and personal property, respectively, by Florida law. The Association shall collect Support Facilities Expense obligations from their members as common expenses in the same manner and at the same time as they collect other common expenses from their members. The Association may utilize all the provisions of their respective declarations and exhibits thereto which pertain to the assessment and collection of common expenses of the Condominium Property or Timeshare Property when collecting Support Facilities Expenses payable hereunder.

(4) The liability for Support Facilities Expenses may not be avoided by waiver of the use or enjoyment of the Master Property or by the abandonment of the Owner's property.

(f) Subordination of the Lien to Mortgages. The lien provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon any portion of the Master Property; provided, however, that such subordination shall apply only to the obligations which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Support Facilities Expense obligation thereafter becoming due, nor from the lien of any such subsequent obligation.

ARTICLE VII

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GENERAL RESTRICTIONS

In order to preserve and enhance the desirability and attractiveness of the Master Property and in furtherance of the general intent of this Master Declaration, the following general restrictions shall be applicable to the Master Property:

SECTION 1. Permitted Use. The Master Property, or any part thereof, may be used from time to time during the term of this Master Declaration for any lawful purpose, subject to the provisions of this Master Declaration. It is expressly contemplated that all or a portion of the Master Property may be utilized for commercial purposes or may be declared as part of a Condominium, as part of a Timeshare Plan or as part of both.

SECTION 2. Mining or Drilling. There shall be no mining, quarrying or drilling for minerals, oil, gas or otherwise, undertaken within any portion of the Master Property without the specific consent of Worldco. Activities of Worldco or any Owner in dredging any lakes; creating, excavating or maintaining the Surface Water Management System, drainage or other facilities or easements; or installing wells, pumps or sprinkler systems for

any portion of the Master Property, in compliance with Applicable Laws, shall not be deemed a mining, quarrying or drilling activity as contemplated in this Section.

SECTION 3. Litter. In order to preserve the attractiveness and desirability of the Master Property and to more fully integrate its overall appearance with that of the WALT DISNEY WORLD Resort, no garbage, trash, refuse, waste or rubbish shall be deposited, dumped or kept upon the Master Property except in closed containers, dumpsters or other garbage collection facilities suitable for such use and in compliance with all Applicable Laws. All centrally located containers, dumpsters and other garbage collection facilities shall be screened from view of casual passersby and shall at all times be kept in a clean condition with no noxious or offensive odors emanating therefrom. Individual waste receptacles located throughout the Master Property shall be designed and maintained in conformity with the overall care and maintenance standards set forth in this Master Declaration and in conformity with the standards of the WALT DISNEY WORLD Resort, as determined by the ARO in its sole, absolute and unfettered discretion.

SECTION 4. Signs.

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(a) No Signs. No sign shall be displayed or placed upon the Master Property by any Owner, without the prior written consent of the ARO.

(b) Worldco Rights. Nothing contained in this Master Declaration shall prevent Worldco or any person designated by Worldco, from erecting or maintaining or allowing such commercial and display signs for development, sales, management or other purposes, provided such are in compliance with Applicable Law.

SECTION 5. Aerials. No exterior radio or television mast, tower, pole, wire, aerial, satellite receiving stations or dish, antenna or appurtenances thereto, shall be erected on the Master Property, unless first approved by the ARO.

SECTION 6. Electrical Interference. No electrical or electromagnetic signals, machinery, devices or apparatus of any sort shall be used or maintained on the Master Property which causes interference with any television or radio reception received or broadcast on any other portion of the Master Property or the WALT DISNEY WORLD Resort without the approval of Worldco.

SECTION 7. Household Pets and Livestock. No animals, household pets, livestock, or poultry of any kind shall be raised, bred, or kept on the Master Property unless approved by Worldco.

SECTION 8. Nuisances and Trespassing. No illegal, obnoxious or offensive activity shall be permitted or committed on any part of the Master Property, nor shall anything be permitted or done thereon which is or may become a nuisance or a source of embarrassment, discomfort or annoyance to persons at or about the Master Property or the WALT DISNEY WORLD Resort. No trash, garbage, rubbish, debris, waste material, or other refuse shall be deposited or allowed to accumulate or remain on any part of the Master Property. No fires for the burning of trash, leaves, clipping or other debris or refuse shall be permitted on any part of the Master Property except as required to develop all or a portion of the Master Property and as permitted by Applicable Law. It is expressly contemplated that portions of the Master Property may be operated as commercial spaces containing hotels, restaurants, entertainment complexes and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential accommodations. Nothing contained within this Master Declaration shall be deemed to prohibit such commercial activity.

SECTION 9. Subdividing. Worldco shall have the right in its sole, absolute and unfettered discretion to cause or permit the subdivision, platting or division of all or any part of the Master Property, subject to this Master Declaration and Applicable Law. No portion of the Master Property shall be subdivided, platted or

divided by any persons claiming an interest in the Master Property by, through or under any Owner, without the prior written consent of Worldco.

SECTION 10. No Chain-Link Fences. The installation of chain-link fences on the Master Property is prohibited, except temporarily in connection with construction work related to the development of the Master Property or with the approval of the ARO.

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SECTION 11. Casualties. In the event any Improvements are damaged or destroyed by fire, casualty or otherwise, the owner or owners of such Improvements shall promptly clear all debris resulting therefrom, and commence either to rebuild or repair the damaged or destroyed Improvements in accordance with the terms and provisions of this Master Declaration, or in the case of Open Areas, to grass over and landscape the land in a manner consistent with their pre-casualty condition and the surrounding area. In the event that the owner or owners decide not to rebuild destroyed Improvements, the land previously underlying such Improvements shall be developed and maintained as Open Areas in accordance with this Master Declaration.

SECTION 12. Repair, Rebuilding, Alteration and Reconstruction. Any repair, rebuilding, alteration or reconstruction on account of casualty or other damage on the Master Property, or any portion thereof, shall be in accordance with this Master Declaration and with the plans and specifications for such property and areas as originally constructed or with new plans and specifications approved by the ARO.

SECTION 13. Vehicular Parking. No vehicle shall be parked on any part of the Master Property, except on areas designed for parking. No commercial vehicles shall be parked on the Master Property, except those present on business. No inoperative automobiles, trucks, trailers or other types of vehicles shall be allowed to remain either on or adjacent to any portion of the Master Property for a period in excess of forty-eight (48) hours, unless concealed from public view. Nothing contained in this Section shall prohibit the parking of trailers, mobile homes or other temporary structures to be used as field construction offices by contractors in connection with construction work for the development of the Master Property.

SECTION 14. Accessory Structures. No tent, shack, garage, trailer, barn or other temporary or accessory structures shall at any time be erected and used temporarily or permanently as a residence or for any other purpose, except as approved by the ARO; provided, however, temporary structures, mobile homes or field construction offices may be used by contractors in connection with construction work for the development of the Master Property, and other temporary or accessory structures may be used during time of emergency caused by fire or other casualty.

SECTION 15. Hazardous Materials and Waste. In order to preserve and enhance the beauty, use and enjoyment of the Master Property, there shall be no possession, storage, use or handling of any hazardous materials on the Master Property, except in compliance with Applicable Law. To the extent that any hazardous waste is generated on or at the Master Property during the term of this Master Declaration, whether as a result of ongoing business or recreational activities or as a result of cleanup or remedial activities, it shall be the sole obligation of Worldco, the Owner, management company or other person generating the hazardous waste to comply with Applicable Law relating to the generation, temporary collection and offsite disposition of any such hazardous waste.

SECTION 16. Rules and Regulations. Worldco may, from time to time, promulgate, modify, or delete use restrictions and rules and regulations applicable to the Master Property or any part thereof, with or without the consent of any other person.

SECTION 17. No Domiciliary Intent. No person or party may enter, stay or dwell upon or about the Master Property or any accommodation constructed thereon with the intent or desire to be or become a legal domiciliary of the State of Florida or any political subdivision thereof (including the Reedy Creek Improvement District), and all such persons or parties shall and do hereby waive, release and remise any such intent or desire. No person or party may enter, stay or dwell upon or about the Master Property or any accommodation constructed

thereon with the intent that the same shall be or become that person's or party's principal dwelling, and such person or party shall maintain a principal dwelling at all times at a location other than within the confines of the Reedy Creek Improvement District.

ARTICLE VIII

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AMENDMENT OF THIS MASTER DECLARATION

SECTION 1. By Worldco as to all Master Property. No amendment may be made to this Master Declaration by Worldco as to all or any portion of the Master Property without the prior written consent of all Owners if such amendment would prejudice or impair to any material extent the rights of any Owner or any Mortgagee of record. Notwithstanding the foregoing, Worldco may amend this Master Declaration, at any time and from time to time, as to all or any portion of the Master Property unilaterally and without the consent of any Owner or other person claiming an interest in the Master Property by, through or under any Owner in the following situations:

(a) if such amendment is necessary to bring any provision of this Master Declaration into compliance with any Applicable Law;

(b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to any property subject to this Master Declaration;

(c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, to enable such lender or purchaser to make or purchase mortgage loans encumbering any property subject to this Master Declaration;

(d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans encumbering any property subject to this Master Declaration;

(e) if such amendment is necessary for the purpose of curing any error, ambiguity in or inconsistency between or among the provisions contained herein;

(f) if such amendment is necessary to allow the development or expansion of the Condominium Property or Timeshare Plan; or

(g) if Worldco determines such amendment is necessary; provided, however, that such amendment does not prejudice or impair to any material extent the rights of any Owner.

SECTION 2. By Worldco as to Portions of Master Property Held by Worldco. For so long as Worldco holds fee title in any portion of the Master Property, Worldco shall have and reserves to itself, in addition to those rights specified in Section 1. above, the sole and exclusive right with regard to such portions of the Master Property held by Worldco to take the following actions at any time and from time to time unilaterally and without the consent of any Owner or any other person claiming an interest in the Master Property by, through or under any Owner:

(a) To amend, modify or grant exceptions or variances from any of the use restrictions set forth in this Master Declaration.

(b) To include in any contract, deed, lease agreement or other instrument hereafter made any additional covenants, conditions and restrictions deemed desirable by Worldco.

SECTION 3. By an Owner. This Master Declaration may be amended by any Owner, as may be required from time to time; provided, however, that no such amendment shall be effective without the prior written consent of Worldco and all other Owners.

SECTION 4. Recording of Amendments or Supplements; No Reliance. Any amendment or supplement to this Master Declaration shall become effective immediately upon recordation in the Public Records of Orange County, Florida. No Owner or any all persons claiming by, through, or under any Owner shall have any right to claim detrimental reliance upon this Master Declaration with regard to any amendments to this Master Declaration effected by Worldco pursuant to this Article.

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ARTICLE IX

REMEDIES

SECTION 1. Violations. Worldco, any Owner or any 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, 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, Worldco shall have the right, but not the obligation, to enter upon the 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 therefor, which expense shall be due and payable by such person to Worldco on demand. Such entry and abatement or removal shall not be deemed a trespass or make Worldco liable in any way to any person, firm, corporation or other entity for any damages on account thereof. All costs incurred 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 breaching party.

SECTION 2. Easement for Enforcement. In furtherance of the enforcement provisions provided for herein, Worldco hereby reserves 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 Worldco, 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 Worldco 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 breaching person.

SECTION 3. Costs of Enforcement. Should Worldco, any Owner or any Association find it necessary to employ an attorney or institute legal action against any party to enforce any provisions of this Master Declaration, the non-complying party shall pay all costs in connection with such action, including court costs and reasonable attorneys' fees and other professionals' 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 breaching party.

ARTICLE X

MISCELLANEOUS

SECTION 1. Approvals. Wherever the consent or approval of Worldco or any Owner is required to be obtained, no act requiring such consent or approval shall be commenced or undertaken until after a request

in writing seeking the required approval has been submitted to Worldco or such Owner, as applicable. Unless specified to the contrary, in the event Worldco or the Owner fails to act on any such written request within the period required for response or, if no response period is provided, within sixty (60) days after the same has been submitted to it, the consent or approval of Worldco or the Owner to the particular action sought in such written request shall be conclusively and irrefutably presumed. However, no act shall be taken by or on behalf of the person or persons submitting such written request which violates any of the provisions of this Master Declaration.

SECTION 2. Limited Effect of Certain Liens and Encumbrances.

(a) Worldco's Interest. Worldco's interest in the Master Property shall not be subjected to liens or encumbrances of any nature, including mortgages, mechanics' and materialmen's liens or other liens arising pursuant to Applicable Law, by reason of any act or omission of any other person, including the construction, alteration, repair, renovation, restoration, replacement or reconstruction of any Improvements on the Master Property or any other act or omission by or on behalf of any Owner or Association or any person claiming by, through, or under an Owner or Association. All persons dealing with any Owner, any Association or any person claiming by, through, or under any Owner or any Association are hereby placed on notice that such persons shall not look to Worldco's credit or assets for payment or satisfaction of any obligations incurred in connection with the construction, alteration, repair, restoration, replacement or reconstruction thereof. No person other than Worldco itself has the power, right or authority to subject Worldco's interest in the Master Property or in any Improvements to any mortgage, mechanic's or materialman's lien or claim of lien. If a lien, a claim of lien or an order for the payment of money shall be imposed against the Master Property or any portion thereof or any Improvements thereon on account of work performed, or alleged to have been performed, for or on behalf of an Owner, Association or any person claiming by, through, or under an Owner or Association, the person for or on behalf of which the work was performed or alleged to have been performed shall, within thirty (30) days after written notice of the imposition of such lien, claim or order, cause the Master Property or the applicable portion thereof and the Improvements to be released from such lien, claim or order by the payment of the obligation secured thereby or by furnishing a bond or by any other method prescribed or permitted by Applicable Law. If a lien is released, the person obtaining the release shall thereupon furnish Worldco with a written instrument of release or otherwise in form for recording in the office of the Clerk of the Circuit Court, Orange County, Florida, or other applicable public records, sufficient to establish the release as a matter of record.

(b) Right to Contest Liens. Worldco, any Owner, any Association or any person claiming by, through, or under Worldco, any Owner or any Association, as applicable, may, at its option, contest the validity of any lien or claim of lien if such person shall have first posted an appropriate and sufficient bond in favor of the claimant or paid the appropriate sum into court, if permitted by law, and thereby obtained the release of the Master Property or applicable portion thereof and the Improvements from such lien. If judgment is obtained by the claimant of any lien, such person shall pay the same immediately after the time for appeal from such judgment has expired without appeal having been taken or after such judgment has otherwise become final. Such person shall, at its own expense, defend the interests of itself, Worldco in any and all such suits; provided, however, that Worldco may, at its election, engage its own counsel and assert its own defenses, in which event such person shall cooperate with Worldco and make available to Worldco all information and data which Worldco deems necessary or desirable for such defense.

(c) Notice of Commencement. Prior to commencement of any work by or on behalf of Worldco, an Owner or Association on the Master Property for which a Notice of Commencement is required pursuant to Applicable Law, Worldco, the Owner, Association or the person causing the work to be commenced shall record such a notice in the office of the Clerk of the Circuit Court, Orange County, Florida in accordance with Applicable Law.

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SECTION 3. Taxes and Assessments. During the term of this Master Declaration, Worldco or each Owner (or an Association on behalf of Owners), as applicable, shall timely pay and discharge, or shall arrange for the timely payment or discharge of, all taxes (including sales and use taxes on rents), property taxes and

assessments and other RCID or other governmental impositions and charges of every kind and nature whatsoever, which shall or may during the term be charged, laid, levied, assessed, imposed, become due and payable or liens upon, or that arise in connection with the use, occupancy or possession of, or grow due or payable out of or for, the portion of the Master Property owned by Worldco or such Owner or any interest therein, so that no such liens, charges, assessments or impositions shall be payable by Worldco or any other Owner (or any Association on behalf of Owners) by virtue of its interest in the Master Property.

SECTION 4. Condemnation.

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(a) Right to Terminate Master Declaration. If the Master Property or any Improvements shall be taken or condemned for any public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, or if a portion of the Master Property or the Improvements shall be so taken or condemned that the portion remaining is not sufficient and suitable for any other use permitted by this Master Declaration, then, with the consent of Worldco, this Master Declaration shall cease and terminate as of the date on which the condemning authority takes possession.

(b) Continuation of Master Declaration. If a portion of the Master Property or the Improvements is taken, and the remaining portion can be adapted and used for the conduct of Worldco or an Owner's operations, then this Master Declaration shall continue in full force and effect as to the remaining portion.

(c) Temporary Taking. If the temporary use (but not title) of the Master Property or any Improvements is taken, this Master Declaration shall remain in full force and effect.

(d) Judicial Determination. If any interested party cannot agree in respect of any matters to be determined under this Section, a determination shall be requested of the court having jurisdiction over the taking, and if said court will not accept such matters for determination, any party may have the matters determined by a court having jurisdiction over the parties.

(e) Condemnation of Condominium Property. The provisions of paragraphs (a) through (d) above shall not apply to any portion of the Master Property which becomes a part of the Condominium Property. The declaration of condominium shall provide for the circumstances under which the units and common elements of the Condominium Property if taken or condemned for public or quasi-public use or purpose, by right of eminent domain or by purchase in lieu thereof, shall be reconstructed, or the circumstances under which the Condominium shall be terminated as a result of such taking or condemnation, and the provisions of the declaration of condominium shall control the disposition of proceeds received as a result of such taking or condemnation. This Master Declaration shall only terminate as to the Condominium Property, with Worldco's prior written consent and to the extent that the Condominium is not reconstructed in accordance with the declaration of condominium and the land remaining is not sufficient and suitable for any other use permitted by this Master Declaration.

SECTION 5. Force Majeure. If the performance by any person obligated under this Master Declaration (excluding monetary obligations) is limited, delayed or prevented in whole or in part by Applicable Law or action adopted or taken by any federal, state or local governmental authority (including RCID), and not attributable to an act or omission of said party, or by any Acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortages or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within said party's control, whether or not specifically mentioned herein, said person shall be excused, discharged and released of performance to the extent such performance or obligation (excluding any monetary obligation) is so limited, delayed or prevented by such occurrence without liability of any kind.

SECTION 6. Assignments. Worldco shall have 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 Worldco or any obligation imposed upon Worldco by any part, section or

paragraph of this Master Declaration as to all or a portion of the Master Property. Such transfer or assignment shall be evidenced by a writing, such as a memorandum of Ground Lease or a deed of conveyance from Worldco to a successor in title to all or a portion of the Master Property, recorded in the Public Records of Orange County, Florida, which such writing shall specifically indicate Worldco's intent to transfer and assign any or all rights, powers, easements, privileges, authorities and reservations given to or reserved by Worldco or any obligation imposed upon Worldco hereunder.

SECTION 7. Termination. Unless sooner terminated as provided herein, this Master Declaration shall run with and bind the land until Worldco and all Owners owning an interest in all or a portion of the Master Property (including Worldco is applicable) agree in writing that it shall terminate or until January 31, 2042, whichever shall occur earlier.

SECTION 8. No Representations. Each Owner shall inspect and examine the Master Property and shall not rely on any representations or warranties as to the condition thereof (except with respect to any express representations or warranties that Worldco may provide in a writing signed by Worldco authorizing reliance). Prior to the commencement of any construction on the Master Property, an Owner shall conduct such tests of the subsurface and soil conditions as the Owner may deem necessary or desirable to ascertain the existence of any hazards as well as the suitability of the Master Property or the applicable portion thereof for the contemplated development and shall furnish such fill and take such other steps as may be required prior to the commencement of construction, all in accordance with Applicable Laws. Worldco shall not have any liability because of, or as a result of, the existence (either upon the commencement of the term of this Master Declaration or at any time during the term) of any subsurface or soil or hazardous condition, either at the Master Property or land adjacent thereto, which might affect an Owner's construction or otherwise cause an Owner or any person claiming by, through or under an Owner to suffer or incur any damage, loss, fine, penalty, liability, cost or expense.

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SECTION 9. Notices. Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Master Declaration shall be in writing and shall be deemed duly given or made: (i) when deposited, postage prepaid, in the United States mail, certified or registered mail with a return receipt requested, addressed to the person at the last known address of the person; (ii) when delivered personally to the person at the last known address of the person; (iii) when deposited with a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the person at the last known address; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A person may designate a different address for receiving notices hereunder by notice to the other persons giving notice. All notices required to be given to Owners who own property declared as Condominium Property, declared to a Timeshare Plan or subject to subdivision restrictions or other similar restrictive documents pursuant to which an Association is created, shall be deemed given in accordance with this Master Declaration when delivered to such Association in accordance with this Section. Such Association is hereby authorized to receive all notices required to be given to the members of the Association by the provisions of this Master Declaration.

SECTION 10. Severability. If any covenant, condition, restriction, term or provision of this Master Declaration or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Master Declaration, or the application of such covenant, condition, restriction, term or provision to persons whose circumstances are other than those as to which it is held invalid and unenforceable, shall not be affected thereby and shall remain in full force and effect.

SECTION 11. Headings. The paragraph, section and article headings contained in this Master Declaration are for reference purposes only and shall not in any way affect the meaning, content or interpretation hereof.

SECTION 12. No Waiver. The rights of Worldco, any Owner or any Association under this Master Declaration shall be cumulative and not exclusive of any other right or available remedy. Worldco's, any Owner's

or any Association's pursuit of any one or more of the rights or remedies provided for in Article IX shall not preclude pursuit of any other right, remedy or remedies provided in this Master Declaration or any other right, remedy or remedies provided for or allowed by law or in equity, separately or concurrently or in any combination. Worldco's, any Owner's or any Association's pursuit of any one or more of its rights or remedies shall not constitute an election of remedies excluding the election of another right, remedy or other remedies, or a forfeiture or waiver of any right or remedy or of any damages or other sums accruing to Worldco, such Owner or Association by reason of any obligated person's failure to fully and completely keep, observe, perform, satisfy and comply with all of the covenants, conditions and restrictions set forth herein. No action taken by or on behalf of Worldco, Owner or Association shall be construed to be an acceptance of a surrender of this Master Declaration. Worldco's, an Owner's or Association's forbearance in pursuing or exercising one or more of its or their rights or remedies, or the failure of Worldco, an Owner or Association to enforce any of the covenants, conditions and restrictions set forth herein or to promptly pursue and exercise any right or remedy contained herein, shall not be deemed or construed to constitute a waiver of any other right or remedy or any waiver of the further enforcement or the provision or the exercise of the right or remedy that was the subject of the forbearance or failure. No waiver by Worldco, an Owner or Association of any right or remedy on one occasion shall be construed as a waiver of that right or remedy on any subsequent occasion or as a waiver of any other right or remedy then or thereafter existing. No failure of Worldco, an Owner or Association to pursue or exercise any of their respective powers, rights or remedies or to insist upon strict and exact compliance by any obligated person with this Master Declaration, and no custom or practice at variance with the terms of this Master Declaration, shall constitute a waiver by Worldco, such Owner or Association of the right to demand strict and exact compliance with all terms and conditions of this Master Declaration. No termination of this Master Declaration shall affect Worldco's, an Owner's or Association's right to collect any monetary amounts due to it for the period prior to termination.

SECTION 13. Governing Law; Waiver of Jury Trial; Venue. This Master Declaration shall be governed by, and shall be construed in accordance with, the laws of the State of Florida. Worldco, any Owner, Association and all other persons who may acquire any right, title, interest, lien or encumbrance in or to all or any part of the Master Property subsequent or subordinate to this Master Declaration hereby waive any right any of them may now or hereafter have under Applicable Law to a trial by jury with respect to any suit or legal action which may be commenced by any of them against any of the others concerning the interpretation, construction, validity, enforcement or performance of this Master Declaration or any other agreement or instrument executed in connection with this Master Declaration. In the event any such suit or legal action is commenced by any of them, each of them hereby agrees, consents and submits to the personal jurisdiction of the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit or legal action, and each of them also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each of them hereby waives any and all personal rights under Applicable Law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

IN WITNESS WHEREOF, Worldco has caused this instrument to be duly executed as of the date and year indicated.

WITNESS:

"WORLDCO"

WALT DISNEY WORLD CO., a Delaware corporation

By: Bud Dare

Print Name: Bud Dare

As its: Vice-President

Diada Stamps
Print Name: DIADA STAMPS
Heise Meltzer
Print Name: Heise Meltzer

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Orange Co FL 5711643

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this 1st day of APRIL 1994 by BUD DARE, VICE PRESIDENT of WALT DISNEY WORLD CO., a Delaware corporation, on behalf of the corporation. HE is personally known to me or has produced _____ as identification.

WITNESS my hand and seal this 1st day of APRIL 1994.

Diana A. Stampas
(Notary Signature)

(NOTARY SEAL)



DIANA A. STAMPAS
MY COMMISSION # CC279278 EXPIRES
April 22, 1997
BONDED THRU TROY FAN INSURANCE, INC.

DIANA A. STAMPAS
(Notary Name Printed)
NOTARY PUBLIC
Commission No. CC279278

OR Bk 5101 Pg 53
Orange Co FL 5711643

OVERALL LEGAL DESCRIPTION

PARCEL 1:

A parcel of land lying in Sections 25 and 30, T 24 S, R 28 E, in the City of Bay Lake, Orange County, Florida and being more particularly described as follows:

Commence at the Southwest corner of said Section 30, run along the West line of said Section 30, N 00° 03' 40" W, 1608.23 ft. to the Point of Beginning and a point on a Non-tangent Curve concaved Northeasterly, having a Radius of 1827.52 ft. and a Central Angle of 00° 01' 43"; thence from a tangent bearing of S 37° 16' 53" E, run Southeasterly, along the arc of said Curve, 0.91 ft. to a Point of Compound Curvature of a curve concaved Northeasterly, having a Radius of 35.00 ft. and a Central Angle of 36° 05' 50"; run thence Southeasterly, along the arc of said Curve, 22.05 ft. to a Point of Reverse Curvature of a curve concaved Southwesterly, having a Radius of 125.00 ft. and a Central Angle of 40° 20' 02"; run thence Southeasterly, along the arc of said Curve, 88.00 ft; run thence S 33° 04' 23" E, 130.99 ft. to a Point of Curvature of a curve concaved Westerly, having a Radius of 300.00 ft. and a Central Angle of 33° 05' 59"; run thence Southerly, along the arc of said Curve, 173.31 ft; run thence S 00° 01' 36" W, 24.73 ft. to a Point of Curvature of a curve concaved Easterly, having a Radius of 125.00 ft. and a Central Angle of 30° 22' 06"; run thence Southerly, along the arc of said Curve, 66.25 ft; run thence S 30° 20' 31" E, 235.26 ft. to a Point of Curvature of a curve concaved Westerly, having a Radius of 300.00 ft. and a Central Angle of 20° 02' 34"; run thence Southerly, along the arc of said Curve, 104.94 ft; run thence S 10° 17' 56" E, 89.31 ft; run thence S 16° 06' 01" E, 54.14 ft; run thence S 02° 41' 51" E, 10.62 ft. to a Point of Curvature of a curve concaved Northeasterly, having a Radius of 300.00 ft. and a Central Angle of 50° 36' 48"; run thence Southeasterly, along the arc of said Curve, 265.01 ft; run thence S 53° 14' 34" E, 33.04 ft. to a point on a Non-tangent Curve concaved Easterly, having a Radius of 22.00 ft. and a Central Angle of 57° 44' 21"; thence from a tangent bearing of S 22° 16' 00" W, run Southerly, along the arc of said Curve, 22.17 ft. to a Point of Reverse Curvature of a curve concaved Southwesterly, having a Radius of 652.83 ft. and a Central Angle of 16° 40' 31"; run thence Southeasterly, along the arc of said Curve, 190.00 ft; run thence along the Northerly Right of Way line of Buena Vista Drive for the following four (4) courses: (1) N 73° 59' 59" E, 83.55 ft; (2) run thence N 77° 34' 37" E, 400.78 ft; (3) run thence N 74° 00' 01" E, 227.19 ft; (4) run thence N 28° 59' 59" E, 49.50 ft; run thence along the Westerly Right of Way line of EPCOT Resorts Boulevard for the following seven (7) courses: (1) N 16° 00' 00" W, 65.00 ft. to a Point of Curvature of a curve concaved Easterly, having a Radius of 1984.86 ft. and a Central Angle of 11° 44' 10"; (2) run thence Northerly, along the arc of said Curve, 406.57 ft; (3) run thence N 04° 15' 50" W, 489.46 ft. to a Point of Curvature of a curve concaved Westerly, having a Radius of 821.97 ft. and a Central Angle of 26° 49' 02"; (4) run thence Northerly, along the arc of said Curve, 384.72 ft; (5) run thence N 31° 04' 51" W, 248.43 ft. to a Point of Curvature of a curve concaved Easterly, having a Radius of 617.96 ft. and a Central Angle of 55° 04' 50"; (6) run thence Northerly, along the arc of said Curve, 594.07 ft; (7) run thence N 24° 00' 00" E, 148.05 ft. to a point on a Non-tangent Curve concaved Southerly, having a Radius of 106.00 ft. and a Central Angle of 15° 28' 52"; thence from a tangent bearing of N 74° 27' 35" W, run Westerly, along the arc of said Curve, 28.64 ft; run thence N 89° 56' 27" W, 177.42 ft. to a Point of Curvature of a curve concaved Southeasterly, having a Radius of 250.00 ft. and a Central Angle of 67° 07' 20"; run thence Southwesterly, along the arc of said Curve, 292.88 ft; run thence S 22° 56' 13" W, 83.32 ft. to a Point of Curvature of a curve concaved Easterly, having a Radius of 160.00 ft. and a Central Angle of 55° 23' 51"; run thence Southerly, along the arc of said Curve, 154.70 ft. to a Point of Reverse Curvature of a curve concaved Westerly, having a Radius of 289.95 ft. and a Central Angle of 92° 16' 20"; run thence Southerly, along the arc of said Curve, 466.96 ft; run thence N 22° 39' 54" W, 55.34 ft; run thence S 67° 20' 06" W, 76.19 ft; run thence S 22° 39' 54" E, 55.31 ft. to a point on a Non-tangent Curve concaved Northerly, having a Radius of 289.95 ft. and a Central Angle of 66° 18' 30"; thence from a tangent bearing of S 74° 54' 42" W, run Westerly, along the arc of said Curve, 335.56 ft; run thence N 38° 46' 48" W, 106.11 ft. to a point on a Non-tangent Curve concaved Southwesterly, having a Radius of 183.96 ft. and a Central Angle of 51° 29' 00"; thence from a tangent

bearing of N 11° 10' 25" W, run Northwesterly, along the arc of said Curve, 165.30 ft. to a Point of Compound Curvature of a curve concaved Southerly, having a Radius of 114.96 ft. and a Central Angle of 85° 10' 36" run thence Westerly, along the arc of said Curve, 170.90 ft. to a point on a Non-tangent Curve concaved Southerly, having a Radius of 180.00 ft. and a Central Angle of 19° 36' 49"; thence from a tangent bearing of N 87° 39' 03" W, run Westerly, along the arc of said curve, 61.62 ft; run thence S 72° 44' 08" W, 87.25 ft. to a point on a Non-tangent Curve concaved Westerly, having a Radius of 629.73 ft. and a Central Angle of 26° 13' 33"; thence from a tangent bearing of S 13° 43' 11" E, run Southerly, along the arc of said Curve, 288.25 ft; run thence S 73° 45' 22" E, 199.90 ft. to a Point of Curvature of a curve concaved Southwesterly, having a Radius of 95.00 ft. and a Central Angle of 43° 03' 40"; run thence Southeasterly, along the arc of said Curve, 71.40 ft. to a Point of Reverse Curvature of a curve concaved Northeasterly, having a Radius of 1827.52 ft. and a Central Angle of 06° 35' 11"; run thence Southeasterly, along the arc of said Curve, 210.08 ft. to the Point of Beginning.

PARCEL 2

A parcel of land lying in Section 30, T 24 S, R 28 E, in the City of Bay Lake, Orange County, Florida and being more particularly described as follows:

Commence at the Southwest corner of said Section 30, run along the South line of said Section 30, N 89° 26' 24" E, 2043.86 ft; run thence N 00° 33' 36" W, 921.65 ft. to the Point of Beginning; run thence N 70° 46' 54" W, 329.11 ft. to a Point of Curvature of a curve concaved Southerly, having a Radius of 182.50 ft. and a Central Angle of 41° 00' 44"; run thence Westerly, along the arc of said Curve, 130.63 ft; run thence S 68° 12' 22" W, 95.54 ft. to a point on a Non-tangent Curve concaved Southerly, having a Radius of 249.00 ft. and a Central Angle of 16° 09' 01"; thence from a tangent bearing of N 70° 48' 08" W, run Westerly, along the arc of said Curve, 73.81 ft. to a Point of Reverse Curvature of a curve concaved Northerly, having a Radius of 53.00 ft. and a Central Angle of 20° 06' 38"; run thence Westerly, along the arc of said Curve, 18.91 ft; run thence along the Easterly Right of Way line of EPCOT Resorts Boulevard, N 04° 05' 50" W, 323.40 ft. to a Point of Curvature of a curve concaved Westerly, having a Radius of 916.73 ft. and a Central Angle of 13° 51' 29"; run thence Northerly, along the arc of said Curve and said Easterly Right of Way line, 221.73 ft; run thence N 54° 06' 15" E, 109.51 ft; run thence S 59° 18' 32" E, 170.68 ft; run thence S 67° 37' 12" E, 281.03 ft; run thence S 85° 16' 19" E, 132.27 ft; run thence S 06° 00' 52" E, 488.39 ft. to the Point of Beginning.

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Recorded - Martha O. Haynie

(Exhibit "B" to the Declaration)

ARTICLES OF INCORPORATION

OF

DISNEY'S BOARDWALK VILLAS

CONDOMINIUM ASSOCIATION, INC.

FILED

96 JUL 12 PM 1:14

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

All terms used in these Articles of Incorporation of Disney's BoardWalk Villas Condominium Association, Inc. (the "Articles") shall have the same meaning as the identical terms used in the Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium (the "Declaration"), unless the context otherwise requires.

OR BK 5101 Pg 197
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ARTICLE I

Name

The name of the corporation shall be DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC. (the "Association").

In the event that the Property Management Agreement between the Association and Disney Vacation Club Management Corp., a Florida corporation ("DVCMC"), terminates for any reason, the name of the Association shall, at the option of DVD or DVCMC and without any action to be taken by the board of directors of the Association (the "Board") or the Association, simultaneously and automatically be changed to BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC. In the event that the name "BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC." is unavailable for use by the Association, the Board shall be empowered to select an alternative name for the Association; provided, however that prior to the use of any name to identify the Association, such name shall be submitted to WALT DISNEY WORLD CO., a Delaware corporation qualified to do business in Florida ("Worldco"), for its consent. Worldco may consent or withhold its consent to the use of such name in its sole, absolute and unfettered discretion and, if given, the consent shall be set forth in writing.

In the event that the name of the Association is changed because of the termination of the Property Management Agreement, the Board and any and all Owners shall be prohibited from using the name "Disney" (or any other form thereof) in any manner whatsoever and shall immediately be required to:

- a. Remove all signs containing the name "Disney" from the Condominium Property and from any offsite location to the extent the sign refers to the Condominium or to the Condominium Property; and
- b. Destroy all stationery, descriptive literature or printed or written matter bearing the name "Disney" other than books and records of the Association; and
- c. Cease and desist from using the name "Disney" (or any other form thereof) orally or in writing in referring to the Association or the Condominium; and
- d. Take immediate action to effect changes to the names of the Association and the documents of the Condominium reflecting the name "Disney" to eliminate the use of such names in any manner whatsoever; and

e. Remove any architectural or landscaping features from the Condominium Property which contain the "Disney" name or any "Disney" caricature, fanciful character, logo or other trademarked symbol registered by any of The TWDC Companies. In this regard, the Association shall be responsible for repairing or replacing the structure or landscaping from which any such symbol has been removed so as to ensure that the structural integrity of such structure or landscaping is not jeopardized and that the appearance of the structure or landscaping remains consistent with the surrounding area.

ARTICLE II

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Purposes

1. The purpose for which the Association is organized is to manage, operate and maintain a condominium, to be known as DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM (the "Condominium"), in accordance with the Declaration, the Master Declaration and the Ground Lease.
2. The Association shall have no capital stock and shall make no distribution of income or profit to its members, directors or officers.

ARTICLE III

Powers

1. The Association shall have all of the common law and statutory powers of a corporation not-for-profit which are not in conflict with the terms of these Articles.
2. The Association shall have all of the powers reasonably necessary to implement the purpose of the Association including the following:
 - a. To adopt a budget and make and collect assessments against Owners to defray the costs of the Condominium.
 - b. To use the proceeds of assessments in the exercise of its powers and duties.
 - c. To maintain, manage, repair, replace and operate the Condominium Property.
 - d. To reconstruct improvements after casualty and construct further improvements to the Condominium Property.
 - e. To promulgate and amend the Condominium Rules and Regulations respecting the use of Condominium Property.
 - f. To enforce by legal means the provisions of the various Condominium Documents, these Articles, the Bylaws of the Association (the "Bylaws") and the Condominium Rules and Regulations.
 - g. To contract for the management of the Condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the various Condominium Documents to have approval of the Board or the Owners. Notwithstanding any provisions contained in these Articles to the contrary, it is the intent of these Articles that the Board shall not have the power to

independently terminate the Property Management Agreement except as set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms or by the vote of the Owners in accordance with Florida law.

h. To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Declaration.

i. To operate and manage or assign the operation or management of any reservation system created for the Condominium. Notwithstanding any provisions contained in these Articles to the contrary, it is the intent of these Articles that the Board shall not have the power to independently terminate the Membership Agreement or the DVC Resort Agreement except as set forth in the Membership Agreement or the DVC Resort Agreement, respectively.

j. To acquire title to and hold, convey or mortgage non-Condominium Property and Condominium Property in accordance with the Declaration.

3. All funds and the titles to all property acquired by the Association and the proceeds thereof shall be held only for the benefit of the Owners in accordance with the provisions of the Condominium Documents.

4. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration, the Master Declaration and the Ground Lease.

ARTICLE IV

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Owners

The qualifications of Owners, the manner of their admission to the Association, and voting by Owners shall be as follows:

1. All Owners of Units shall be members of this Association, and no other persons or entities shall be entitled to membership. Each Unit shall be entitled to one (1) vote at Association meetings, except for Commercial Units, which shall not be entitled to any vote. The vote of the Owner of a Unit shall be cast by its Voting Representative. Voting Representatives for Units owned by more than one person or by a corporation or other entity shall be cast by the Voting Representative named in a Voting Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Association.

2. Changes in membership in the Association shall be established by the recording in the Public Records of Orange County, Florida, of a deed or other instrument establishing a change of record title to a Unit in the Condominium and the delivery to the Association of a copy of such recorded instrument. The new Owner designated by such instrument shall thereby become a member of the Association. The membership of the prior Owner shall be thereby terminated.

3. The share of Owners in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to their Unit.

ARTICLE V

Directors

1. The affairs of the Association will be managed by a board of directors of not less than three (3) nor more than seven (7) directors as shall be determined by the Bylaws, and in the absence of such determination the board of directors shall consist of three (3) directors.

2. Directors of the Association shall be appointed or elected at the annual Owners' meeting in the manner determined by the Bylaws.

3. The following persons shall serve as directors until their successors are elected or appointed as provided in the Bylaws:

<u>Name</u>	<u>Address</u>
Kenneth N. May (Chairperson)	200 Celebration Place, Celebration, Florida 34747
Thomas Katheder	200 Celebration Place, Celebration, Florida 34747
Patrick J. Grismer	200 Celebration Place, Celebration, Florida 34747

ARTICLE VI

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Officers

The affairs of the Association shall be administered by a president, a vice president, a secretary, a treasurer, and as many assistant vice presidents, assistant secretaries and assistant treasurers as the Board shall from time to time determine. Such officers shall be elected by the Board at its first meeting following the annual Owners' meeting. Officers shall serve without compensation at the pleasure of the Board. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the offices of president and vice president shall not be held by the same person, nor shall the offices of president and secretary or assistant secretary or treasurer or assistant treasurer be held by the same person. The names and addresses of the officers who shall serve until their successors are designated by the Board are as follows:

President:	Kenneth N. May	200 Celebration Place, Celebration, Florida 34747
Vice-President:	Thomas Katheder	200 Celebration Place, Celebration, Florida 34747
Secretary/ Treasurer	Elaine Ferraro	200 Celebration Place, Celebration, Florida 34747

ARTICLE VII

Indemnification

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' and other professionals' fees, reasonably incurred by or imposed upon such officer or director in connection with any proceeding to which he or she may be a party, or in which such

officer or director may become involved by reason of his or her being or having been a director or officer at the time such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board has approved such settlement and reimbursement as being in the best interests of the Association. The foregoing indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

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ARTICLE VIII

Bylaws

The Bylaws shall be adopted by the Board and may be altered, amended or rescinded by not less than two-thirds (2/3) of all the directors until the first election of a majority of directors by Unit Owners other than Disney Vacation Development, Inc. ("DVD"). Thereafter, the Bylaws may be altered, amended or rescinded by not less than two-thirds (2/3) of all the directors and by not less than a majority vote of the voting interests of the Association at a duly called meeting of the Association.

ARTICLE IX

Amendments

Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the first election of a majority of Directors by Owners other than DVD, proposal of an amendment and approval thereof shall require the affirmative action of three-fourths (3/4) of the entire membership of the Board, and no meeting of the Owners nor any approval thereof is required.
3. After the first election of a majority of directors by Owners other than DVD, a resolution approving a proposed amendment may be proposed by either the Board or by the Owners, and after being proposed and approved by one of such bodies, requires the approval of the other body. Except as otherwise provided herein, such approvals must be by not less than three-fourths (3/4) of the entire membership of the Board and by not less than a three-fourths (3/4) vote of the voting interests of the Association at a duly called meeting of the Association.
4. Once adopted, an amendment shall be effective when filed with the Secretary of State of the State of Florida and recorded in the Public Records of Orange County.
5. Notwithstanding the foregoing, these Articles may be amended by DVD as may be required by any governmental entity, as may be necessary to conform these Articles to any governmental statutes or as may be in the best interests of the Association.

ARTICLE X

Term

The term of the Association shall be the life of the Condominium. The Association shall be terminated by the termination of the Condominium in accordance with the Declaration.

ARTICLE XI

OR Bk 5101 Pg 202
Orange Co FL 5711668

Special Meetings

Special Owners' meetings shall be held whenever called by the president or vice president or by a majority of the Board and must be called by such officers upon receipt of a written request from fifty percent (50%) of the Owners, unless otherwise provided by law.

ARTICLE XII

Incorporator

The name and residence of the incorporator of the corporation is as follows:

Ilese Meltzer 200 Celebration Place, Celebration, Florida 34747

ARTICLE XIII

Registered Agent

The Association hereby appoints M. Rickiffe Choate, II, as its Registered Agent to accept service of process within this state, with the Registered Office located at 1375 Buena Vista Drive, 4th Floor North, Lake Buena Vista, Florida 32830-1000.

ARTICLE XIV

Principal Office

The address of the principal office of the Association is 200 Celebration Place, Celebration, Florida 34747.

IN WITNESS WHEREOF the incorporator has affixed her signature this 28th day of June, 1996.


Ilese Meltzer

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this 28th day of June, 1996, by Ilese Meltzer, who is personally known to me or has produced _____ as identification.

Diana A. Stampas
(Notary Signature)

(NOTARY SEAL)



DIANA A. STAMPAS
MY COMMISSION # CC279278 EXPIRES
April 22, 1997
BONDED THROUGH TROY FAIN INSURANCE, INC.

DIANA A. STAMPAS
(Notary Name Printed)
NOTARY PUBLIC
Commission No. CC279278

OR Bk 5101 Pg 203
Orange Co FL 5711668

REGISTERED AGENT CERTIFICATE

Pursuant to the Florida Not-For-Profit Corporation Act, the following is submitted, in compliance with said statute:

That DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., with its registered office as indicated in the Articles of Incorporation, has named M. Rickliffe Choate, II, located at said registered office, as its registered agent to accept service of process and perform such other duties as are required in the State of Florida

ACKNOWLEDGMENT:

Having been named to accept service of process and serve as registered agent for the above-stated Corporation at the place designated in this Certificate, the undersigned hereby accepts to act in this capacity, and agrees to comply with the provision of said statute relative to keeping open said office, and further states that he is familiar with Section 607.0501, Florida Statutes.

Dated: June 28, 1996

M. Rickliffe Choate, II
M. Rickliffe Choate, II

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

(Exhibit "C" to the Declaration)

BYLAWS

OF

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Orange Co FL 5711668

DISNEY'S BOARDWALK VILLAS

CONDOMINIUM ASSOCIATION, INC.

a corporation not-for-profit
under the laws of the State of Florida

The terms used in these Bylaws of Disney's BoardWalk Villas Condominium Association, Inc. (the "**Bylaws**") shall have the same meaning as the identical terms used in the Declaration of Condominium of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium (the "**Declaration**"), unless the context otherwise requires. Regarding the interpretation of these Bylaws, in the event of a conflict between Chapter 718, Florida Statutes, and Chapter 721, Florida Statutes, or any rules promulgated under either, Chapter 721 shall control.

I. IDENTITY

These are the Bylaws of DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a corporation not-for-profit under the laws of the State of Florida (the "**Association**"), and under the Articles of Incorporation (the "**Articles**") which were filed in the office of the Secretary of State of the State of Florida. The Association has been organized for the purpose of administering a leasehold condominium upon certain lands in Orange County, Florida known as Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium (the "**Condominium**"), in accordance with the Declaration, the Master Declaration and the Ground Lease.

1. The office of the Association shall be at 200 Celebration Place, Celebration, Florida 34747, or at such other place as may be designated by the board of directors of the Association (the "**Board**") from time to time.
2. The fiscal year of the Association shall be the calendar year.
3. The seal of the Association shall bear the name of the Association, the word "Florida," the words "Corporation Not-for-Profit," and the year of incorporation.

II. OWNERS' MEETINGS

1. The annual Owners' meeting shall be held at such time, place and date as may be designated by the Board, for the purpose of electing directors and of transacting any other business authorized to be transacted by the Owners.
2. As set forth in Article XI of the Articles, special Owners' meetings shall be held whenever called by the president or vice president of the Association, or by a majority of the Board, and must be called by such officers upon receipt of a written request from fifty percent (50%) of the voting interests, except as provided for in Article III below. Unless otherwise set forth in the notice of special meeting, as provided for above, all special meetings shall be held in Orange County, Florida.

3. Notice of all Owners' meetings stating the time, place and objects for which the meeting is called shall be given by the president or secretary of the Association, unless waived in writing. Such notice shall be sent in writing to each Owner at the Owner's address as it appears on the books of the Association and shall be sent by mail to each Owner not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. An affidavit executed by the secretary attesting to the mailing or the post office certificate of mailing shall be retained in the records of the Association as proof of such mailing. In addition, a notice of the meeting shall be posted at a conspicuous place on the Condominium Property, which location shall be duly adopted by rule by the Board upon notice to the Owners, at least fourteen (14) days prior to said meeting. Owners may waive notice of specific meetings and may take action by written agreement without meetings, and any Owner's attendance at a meeting shall constitute a waiver of the notice of that meeting. Mortgagees shall, upon prior written request, be entitled to receive notice of all Owners' meetings. Failure to provide such notice shall not invalidate any action taken at an otherwise properly noticed meeting. Where assessments against Owners are to be considered for any reason at an Owners' meeting, the notice shall contain a statement that assessments will be considered and shall specify the nature of any such assessment.

4. The presence in person or by proxy of Voting Representatives representing a majority of the total voting interests eligible to vote shall constitute a quorum, and decisions shall be made by the vote of a majority of the voting interests at a meeting at which a quorum is present.

5. Each Unit shall be entitled to one (1) vote at Association meetings, except for Commercial Units, which shall not be entitled to any vote. The vote of the Owner of a Unit shall be cast by its Voting Representative. Voting Representatives for Units owned by more than one person or by a corporation or other entity shall be cast by the Voting Representative named in a Voting Certificate signed or accepted by all of the Owners of that Unit and filed with the secretary of the Association. The Voting Certificate shall provide that all notices or other information required to be delivered to Owners by the Association shall be delivered by the Association to the Voting Representative; provided, however, that the Voting Certificate shall require the Voting Representative to provide the Owners of a Unit with all notices required by Florida law, and provided that the Association shall be responsible for ensuring that such notices are in fact delivered to the Owners of such Unit. Each Voting Certificate shall be valid until revoked by a subsequent Voting Certificate. In the event that a Voting Certificate is not on file with respect to a Unit that is owned by more than one Owner, the vote of such Owners shall not be considered in determining the requirements for a quorum nor for any other purposes. By execution of a deed for purchase of an Ownership Interest in a Unit in the Condominium, Cotenants of a Unit shall evidence their joinder in the Master Cotenancy Agreement recorded in the Public Records of Orange County, which Agreement shall be recognized by the Association as the Voting Certificate for that Unit, and nothing herein shall affect the terms and conditions of the Voting Certificate established in the Master Cotenancy Agreement for each Unit.

6. Votes may be cast in person or by proxy. Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof and must be filed with the secretary at or before the appointed time of the meeting. Each proxy shall specifically set forth the name of the person voting by proxy, the name of the person authorized to vote the proxy, and the date the proxy was given. Each proxy shall contain the date, time and place of the meeting for which the proxy is given. In addition, limited proxies shall set forth those items which the holder of the proxy may vote and the manner in which the vote is to be cast. In no event shall any proxy be valid for a period of longer than ninety (90) days after the date of the first meeting, and any adjournments thereof, for which the proxy was given. Every proxy shall be revocable at any time at the pleasure of the Owner executing it. If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in the Owner's place. If such provision is not made, substitution is not authorized.

7. Approval or disapproval of an Owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person, corporation or other entity who would cast the vote of such Owner if in an Association meeting.

8. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. The presiding officer of all Owners' meetings shall be the president of the Association. In the absence of the president, the vice-president of the Association shall preside.

10. The order of business at annual Owners' meetings and, as far as practicable at all other Owners' meetings, shall be:

- A. Call to order.
- B. Calling of the roll and certifying of proxies.
- C. Proof of notice of meeting or waiver of notice. DR Bk 5101 Pg 207
- D. Reading and disposal of any unapproved minutes. Orange Co FL 5711668
- E. Report of officers.
- F. Report of committees.
- G. Election of directors.
- H. Unfinished business.
- I. New business.
- J. Adjournment.

11. For so long as Disney Vacation Development, Inc., a Florida corporation ("DVD"), holds Units or Ownership Interests in Units for sale in the ordinary course of business, none of the following actions may be taken without the prior approval in writing by DVD:

- A. Assessment of DVD as the Owner of Units or Ownership Interests in Units for capital improvements.
- B. Any action by the Association that would be detrimental to the sale of Units or Ownership Interests in Units by DVD.

III. DIRECTORS

1. The affairs of the Association shall be managed by a board of directors who shall be members of the Association, excepting that the first Board and their successors appointed by the remaining directors (in the event of vacancies occurring before the first election of a majority of directors by Owners) need not be members and excepting that any directors appointed or elected by DVD as developer or as Voting Representative need not be members. The initial Board shall consist of three (3) directors, and thereafter the membership of the Board shall consist of not less than three (3) nor more than seven (7) directors. The Board may from time to time increase or decrease the number of persons to serve on the Board; provided, however, that the Board shall always consist of an odd number of directors. Where Ownership Interests are owned by corporations, the officers, directors, employees or other appointed representatives of said corporations shall be eligible to serve on the Board on behalf of the corporation.

2. Election of directors shall be conducted in the following manner:

- A. Members of the Board shall be elected by a plurality of the votes cast at an annual Owners' meeting. There shall be no cumulative voting. The Board may appoint a search committee for the purpose of locating and encouraging qualified persons to become candidates.

B. Vacancies in the Board may be filled by the remaining directors subject to the provisions of Paragraph 2(C) of this Article. A director appointed to fill a vacancy in office shall serve the remainder of the term of the office which the departing director held.

C. The directors named in the Articles of Incorporation shall serve until the first election of directors, and any vacancies in office occurring before the first election shall be filled by the remaining directors. In the event there are no remaining directors, any such vacancies shall be filled by DVD. Unless applicable law is subsequently amended to permit a longer period of control of the Board by DVD (in which case such applicable law shall govern at the option of DVD), the Owners of Ownership Interests in Units other than DVD will be entitled to elect members of the Board as follows:

(1) At such time as fifteen percent (15%) or more of the Ownership Interests in all Units that will be operated ultimately by the Association are owned by Owners other than DVD, the Owners of Ownership Interests other than DVD shall be entitled to elect not less than one-third (1/3) of the members of the Board.

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(2) Owners of Ownership Interests other than DVD shall be entitled to elect not less than a majority of the members of the Board three (3) years after fifty percent (50%) of the Ownership Interests in all Units that will be operated ultimately by the Association have been conveyed to purchasers, or three (3) months after ninety percent (90%) of the Ownership Interests in all Units that will be operated ultimately by the Association have been conveyed to purchasers, or when some of the Ownership Interests in the Units have been sold and none of the others are being offered for sale by DVD in the ordinary course of business, or seven years after the recordation of the Declaration creating the initial phase or phases of the Condominium, whichever shall first occur.

(3) DVD shall be entitled to elect not less than one (1) member of the Board as long as DVD holds for sale in the ordinary course of business at least: (i) five percent (5%) of the Ownership Interests in all Units that will be operated ultimately by the Association, if such number of Units is less than 500; and (ii) two percent (2%) of the Ownership Interests in all Units that will be operated ultimately by the Association, if such number of Units is greater than 500.

(4) As to the election of directors pursuant to Subparagraphs (1), (2) and (3) above, within seventy-five (75) days after Owners other than DVD are entitled to elect a member or members of the Board, the Association shall call and give not less than sixty (60) days nor more than ninety (90) days notice of a meeting of the Owners for this purpose.

(5) Nothing in this subparagraph shall be construed so as to preclude DVD from relinquishing control of the Board at any time DVD may so elect.

3. At the first election at which all of the members of the Board are elected by Owners other than DVD, the majority of those directors receiving the most votes shall serve for a two (2) year term and the remaining directors shall serve for a one (1) year term. Thereafter, each director's service shall extend for a two (2) year period and thereafter until a successor is duly elected and qualified or until the director is removed in the manner elsewhere provided. Prior to the first election at which all of the members of the Board are elected by Owners other than DVD, the term of office of each director elected by the Owners shall extend until the next annual Owners' meeting and thereafter until a successor is duly elected or qualified or until the director is removed in the manner elsewhere provided.

4. 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, and no further notice of the organizational meeting shall be necessary providing a quorum shall be present.

5. 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 the directors. Notice of regular meetings shall be given to each director, personally, by fax upon confirmation of receipt by mail or telegraph at least three (3) days prior to the date set forth for such meeting unless such notice is waived. Notice of all meetings of the Board shall be posted in a conspicuous place on the Condominium Property for the benefit of Owners at least forty-eight (48) hours in advance of such meeting, except in an emergency. Any item not included on the notice may be taken up on an emergency basis by at least a majority plus one (1) of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Upon notice to the Owners, the Board shall, by duly adopted rule, designate a specific location on the Condominium Property upon which all notices of Board meetings shall be posted. All meetings of the Board shall be open to all Owners. All Owners shall have the right to speak at meetings of the Board with reference to designated agenda items; however, the Board may adopt reasonable rules governing the frequency, duration, and manner of Owner statements.

6. Special meetings of the Board may be called by the chairperson of the Board or the president of the Association and must be called by the secretary of the Association at the written request of one-third (1/3) of the votes of the Board. Not less than three (3) days notice of the meeting shall be given personally, by fax upon confirmation of receipt, by mail or telegraph, which notice shall set forth the time, place and purpose of the meeting.

7. Any director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. Any director's attendance at a meeting shall constitute a waiver of the notice of that meeting.

8. A quorum at Board meetings shall consist of the directors entitled to cast a majority of the votes of the entire Board. The acts of the Board, approved by a majority of votes present at a meeting at which a quorum is present, shall constitute the acts of the Board, except as specifically otherwise provided in the Declaration. If at any meeting of the Board there is less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present.

9. The presiding officer of Board meetings shall be the chairperson of the Association. In the absence of the chairperson, the members of the Board who are present shall elect a chairperson to preside.

10. Directors' fees, if any, shall be determined by the Owners, and no director shall receive a fee prior to the election of a majority of the members of the Board by Owners other than DVD.

11. Owner directors may be removed from the Board pursuant to Section 718.112(2)(k), Florida

Statutes.

12. Anything to the contrary contained herein notwithstanding, any director appointed by DVD may be removed by DVD at any time. Upon such removal, DVD shall immediately appoint a replacement director and notify the remaining directors, if any, of such removal and appointment.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association shall be exercised by the Board, including those existing under common law, statutes and the Condominium Documents. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Declaration governing the use of the Condominium Property, and shall include the following:

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1. To adopt a budget and to make and collect assessments against Owners to defray the costs of operating the Condominium.
2. To use the proceeds of assessments in the exercise of its powers and duties.
3. To maintain, manage, repair, replace and operate the Condominium Property, including obtaining and maintaining adequate insurance to protect the Association and the Condominium Property.
4. To reconstruct improvements after casualty and to construct further improvements to the Condominium Property.
5. To make and amend rules and regulations respecting the use of the Condominium Property. Such rules and regulations may be promulgated by the Board at any duly noticed meeting of the Board or of the Owners.
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6. To enforce by legal means the provisions of the Condominium Documents.
7. To contract for management of the Condominium and to delegate to such contractor all powers and duties of the Association except such as are specifically required by the Condominium Documents to have approval of the Board or Owners. Notwithstanding any provisions contained in these Bylaws to the contrary, it is the intent of these Bylaws that the Board shall not have the power to independently terminate the Property Management Agreement except as set forth in the Property Management Agreement. The Property Management Agreement may only be terminated in accordance with its own terms or by the vote of the Owners in accordance with Florida law.
8. To pay taxes and assessments which are liens against any part of the Condominium, and to assess the same against the Owner subject to such liens.
9. To pay the cost of all power, water, sewer and other utility services rendered to the Condominium and not billed directly to an Owner.
10. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association, including accountants and attorneys.
11. To bond any or all employees, officers and directors of the Association, for which the Association shall bear the costs.
12. To maintain, manage, repair, replace and operate the property of the single condominium resulting from a merger of this Condominium with another independent and separate condominium pursuant to the merger provisions of the Declaration.
13. To maintain all books and records concerning the Condominium and the Vacation Ownership Plan including the maintenance of a complete list of the names and addresses of all Owners, a copy of which shall be provided to the Division of Florida Land Sales, Condominiums and Mobile Homes upon request.
14. To operate and administer or assign the operation and administration of any reservation system created for the Condominium, and to amend or revise the reservation system as is necessary from time to time. Notwithstanding any provisions contained in these Bylaws to the contrary, it is the intent of these Bylaws that the Board shall not have the power to independently terminate the Membership Agreement or DVC Resort Agreement except as set forth in the Membership Agreement or the DVC Resort Agreement, respectively.

15. To lease non-Condominium Property for the Association as lessee, and Condominium Property, including Association Property and Common Elements, for the Association as lessor, in accordance with the Declaration.

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V. OFFICERS

1. The executive officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom may be directors of the Association and who shall be elected annually by the Board at any meeting. Any person may hold two or more offices except that the president shall not also be the vice president, secretary or treasurer, or assistant secretary or assistant treasurer. The Board shall from time to time elect such other officers and designate their powers and duties as the Board determines necessary to manage the affairs of the Association.

2. The president shall be the chief executive officer of the Association. The president shall have all of the powers and duties which are usually vested in the office of president including the power of appointing committees from among the Owners 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 Association.

3. 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.

4. The secretary shall keep the minutes of the proceedings of the Board and the Owners in a book available for inspection at any reasonable time by the directors or Owners, or their authorized representatives. The 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 by law. The secretary shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed.

5. The treasurer shall have custody of all property of the Association, including financial records, funds, securities and evidences of indebtedness. The treasurer shall keep the financial records of the Association and shall keep the assessment rolls, the accounts of the Owners, and the books of the Association in accordance with good accounting practices. The treasurer shall perform all other duties incident to the office of treasurer of an Association and as may be required by the directors or the president of the Association.

6. The compensation of all employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a director or an officer as an employee of the Association nor from contracting with a director for the management of the Condominium.

VI. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration and the Articles shall be supplemented by the following:

1. Assessments.

A. The Board shall fix and determine from time to time the sum or sums necessary and adequate for the Common Expenses of the Condominium. Common Expenses shall include the expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto,

including fire insurance and extended coverage, and any other expenses designated as Common Expenses from time to time by the Board, or under the provisions of the Declaration. The Board is specifically empowered, on behalf of the Association, to make and collect assessments and to maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium. The Board shall have the power, on behalf of the Association, to lease Common Elements of the Condominium in accordance with the provisions of the Declaration. Funds for the payment of Common Expenses shall be assessed against the Owners in the proportions of percentages of sharing Common Expenses, as provided in the Declaration. Assessments for Units shall be due on the fifteenth day of January each year and shall be considered delinquent if payment has not been received on or before the fifteenth day of February each year, unless otherwise ordered by the Board. Special assessments, should such be required by the Board, shall be levied in the same manner as provided for regular assessments, and shall be payable in the manner determined by the Board. If an Owner shall be in default in the payment of any assessment or taxes due on the Owner's interest, the Association shall have all collection rights available to it under Chapters 718 and 721, Florida Statutes. If any unpaid share of Common Expenses or assessments is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of Common Expenses or assessments shall be Common Expenses collectible from all the Owners.

B. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such an account shall designate the name and address of the Owners or Owner, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments. Assessments shall be made against Owners in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence of a determination by the Board as to the frequency of assessments, assessments shall be due and payable annually. The personal liability of an Owner for assessments shall survive the termination of such Owner's membership in the Association.

C. Any Owner shall have the right to require a certificate from the Association showing the amount of unpaid assessments against such Owner with respect to the Owner's Unit. The holder of a mortgage or other lien shall have the same right as to any Unit upon which the lien is against. Any person who relies upon such certificate shall be protected thereby.

D. Notice of any meeting at which assessments against Owners are to be considered, whether a meeting of the Board or of the Owners, shall specifically contain a statement that assessments will be considered and the nature of such assessments.

2. Budget

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A. The Board shall adopt an operating budget and a capital reserves budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association and estimates of the revenue received by the Association. The proposed annual operating budget of Common Expenses shall be detailed and shall show the amounts budgeted, by accounts and expense classifications. The capital reserves budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include roof replacement, building painting and pavement resurfacing. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life, taking into account deferred maintenance, and estimated replacement cost of each reserve item. These reserve accounts may be waived, or less adequate reserves established, by a majority vote of the voting interests, voting in person or by limited proxy, at a duly called meeting of the Association. The budget shall include the following items:

- (1) Common Expense Budget:
 - (a) Administration of the Association.
 - (b) Management fees.
 - (c) Maintenance.

- (d) Rent for recreational and other commonly used facilities.
 - (e) Taxes upon Association Property.
 - (f) Taxes upon leased areas.
 - (g) Insurance.
 - (h) Security provisions.
 - (i) Operating capital.
 - (j) Reserves.
 - (k) Fees payable to any governmental entities, if applicable.
 - (l) The costs and expenses of the Disney Vacation Club, including the DVC Reservation Component, that are attributed to the Condominium.
 - (m) Other expenses.
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(2) Proposed assessments against each Owner, together with an annual total of assessments.

B. Copies of the proposed budget and proposed assessments shall be transmitted to each Owner at least fourteen (14) days prior to the meeting at which the budget is to be considered, together with a notice of the meeting which shall state the time and place of the meeting. The meeting shall be open to all Owners. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished to each Owner. If an adopted budget requires assessment against the Owners in any fiscal or calendar year in excess of one hundred and fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application to it of ten percent (10%) of the voting interests of the Association, shall call a special meeting of the Owners within thirty (30) days, giving not less than ten (10) days written notice to each Owner. At the special meeting, Owners shall consider and enact a budget. The adoption of the budget at such a special meeting shall require a vote of a majority of all voting interests. The Board may propose a budget which exceeds one hundred and fifteen percent (115%) of the assessments for the preceding year to the Owners at a meeting of the Owners or in writing, and if the budget or proposed budget is approved at the meeting or by a majority of all voting interests in writing, the budget shall be adopted. In determining whether assessments exceed one hundred and fifteen percent (115%) of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for capital improvements to the Condominium Property, shall be excluded from the computation. However, as long as DVD is in control of the Board, the Board shall not impose an assessment for any year greater than one hundred and fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of a majority of all voting interests of the Association.

3. The depository of the Association shall be such bank or other institution as permitted by applicable Florida law, as shall be designated from time to time by the Board and from which the monies in such accounts shall be withdrawn only by checks signed by such persons as are authorized by the Board.

4. If required by Florida law, the Board shall mail or furnish by personal delivery to each Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) month period within the time period required by Florida law. The report shall also be furnished to any Mortgagee upon written request. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications, including, if applicable, the following:

- A. Cost for security.
- B. Professional and management fees and expenses.
- C. Taxes.
- D. Cost for recreational facilities.
- E. Expenses for refuse collection and utility services.
- F. Expenses for lawn care.

- G. Cost for building maintenance and repair.
- H. Insurance costs.
- I. Administrative and salary expenses.
- J. General reserves, maintenance reserves and depreciation reserves.

In lieu of sending the financial report to the owners as set forth above, the Board shall be permitted to send a complete set of financial statements to the owners within the time period as permitted under Florida law.

5. The Board shall obtain fidelity bonding of all officers and directors who control or disburse funds of the Association, as defined in Section 718.112(2)(j), Florida Statutes. The amount of such bonds shall be determined in accordance with Section 718.112 (2)(j), Florida Statutes. The premiums on such bonds shall be paid by the Association as a Common Expense.

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VII. PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association proceedings when not in conflict with the Condominium Documents or with the statutes of the State of Florida.

VIII. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.
2. Until the first election of a majority of directors by Owners other than DVD, proposal of an amendment to these Bylaws and approval thereof shall require the affirmative action of two-thirds (2/3) of the entire membership of the Board, and no meeting of the Owners nor any approval thereof is required.
3. After the first election of a majority of directors by Owners other than DVD, an amendment may be proposed by either the Board or by the membership of the Association, and after being proposed and approved by one of such bodies, it must be approved by the other. Except as otherwise provided herein, a resolution adopting a proposed amendment must receive approval of not less than two-thirds (2/3) of the votes of the entire membership of the Board and not less than a majority vote of the voting interests of the Association at a duly called meeting of the Association. Directors and Owners not present at the meeting considering the amendment may express their approval in writing within ten (10) days after such meeting.
4. These Bylaws shall be amended by DVD, if necessary, to make the same consistent with the provisions of the Declaration, the Master Declaration and the Ground Lease, to conform these Bylaws to meet the requirements of any governmental entity or statute, as may be in the best interests of the Association, and as it may deem appropriate, in its sole discretion, to carry out the purposes of the project and to expand or enhance the Vacation Ownership Plan or the Disney Vacation Club.
5. An amendment when adopted or made shall become effective only after being recorded in the Public Records of Orange County, Florida. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended; new words shall be inserted in the text double underlined, and words to be deleted shall be lined through. However, if the proposed change is so extensive that this procedure would hinder rather than assist the understanding of the proposed amendment, it is not necessary to use double underlining and lining as indicators of words added or

deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language "Substantial rewording of Bylaw. See Bylaw . . . for present text." Nonmaterial errors or omissions in the Bylaw amendment process shall not invalidate an otherwise properly promulgated amendment.

IX. SEVERABILITY AND CONFORMITY TO STATE LAW

These Bylaws are to be governed by and construed according to the laws of the State of Florida. If it should appear that any of the provisions hereof are in conflict with the Declaration, the Master Declaration, the Ground Lease or any rule of law or statutory provision of the State of Florida, as of the date of the recording of the Declaration, then such provisions of these Bylaws shall be deemed inoperative and null and void insofar as they may be in conflict therewith, and shall be deemed modified to conform to the Declaration, the Master Declaration, the Ground Lease or such rule of law.

X. MANDATORY NON-BINDING ARBITRATION

Internal disputes arising from the operation of the Condominium among DVD, the Association, the Owners, their respective agents and assigns, or any or all of them, must be submitted first for resolution through non-binding arbitration pursuant to Florida law.

CERTIFICATE

The undersigned hereby certifies that the undersigned is the duly elected and acting secretary of the Association named herein and that the foregoing is a true copy of the Bylaws of said Association duly adopted by action of the Board dated June 29, 1996, and hereby further certifies that such Bylaws have not been amended or rescinded and remain in full force and effect at the date hereof.

DATED this 28th day of June, 1996.


Secretary: Elaine Ferraro

OR Bk 5101 Pg 215
Orange Co FL 5711668



**UNANIMOUS BOARD OF DIRECTORS APPROVAL WITHOUT MEETING
FOR
DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC.**

By signing below, we, the undersigned, being all of the members of the Board of Directors of the above named Corporation, which is duly organized and existing under the laws of the State of Florida, do hereby consent to amend the Section II, paragraph 10 and Section VI, paragraph 1.A of the Bylaws for the Corporation.

Section II, paragraph 10 is hereby amended as follows (all additions to the text are shown as double underline and all deletions are shown as ~~strikeout~~):

"10. The order of business at annual Owners' meetings and, as far as practicable at all other Owners' meetings, shall be:

- A. Call to order.
- B. Calling of the roll and certifying of proxies.
- C. Proof of notice of meeting or waiver of notice.
- D. Reading and disposal of any unapproved minutes.
- E. Report of officers.
- F. Report of committees.
- G. Election of directors.
- H. Unfinished business.
- I. New business.
- J. Adjournment.

Orange Co FL 1999-0108192
03/12/99 09:13:11am
OR Bk 5702 Pg 2252
Rec 10.50

Notwithstanding the foregoing, if any item listed above is not relevant to a particular meeting, as determined by the Board in their sole and absolute judgment, such item shall not be required to be addressed at that particular meeting.

Section VI, paragraph 1.A is hereby amended as follows (all additions to the text are shown as double underline and all deletions are shown as ~~strikeout~~):


"1. Assessments.


A. The Board shall fix and determine from time to time the sum or sums necessary and adequate for the Common Expenses of the Condominium. Common Expenses shall include the expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as Common Expenses from time to time by the Board, or under the provisions of the Declaration. The Board is specifically empowered, on behalf of the Association, to make and collect assessments and to maintain, repair and replace the Common Elements and Limited Common Elements of the Condominium. The Board shall have the power, on behalf of the Association, to lease Common Elements of the Condominium in accordance with the provisions of the Declaration. Funds for the payment of Common Expenses shall be assessed against the Owners in the proportions of percentages of sharing Common Expenses, as provided in the Declaration. Assessment for Units shall be due on the fifteenth day of January each year and shall be considered delinquent if payment has not been received ~~on or before the~~ fourteenth ~~fifteenth~~ day of February each

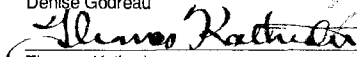
year, unless otherwise ordered by the Board. Special assessments, should such be required by the Board, shall be levied in the same manner as provided for regular assessments, and shall be payable in the manner determined by the Board. If an Owner shall be in default in the payment of any assessment or taxes due on the Owner's interest, the Association shall have all collection rights available to it under Chapters 718 and 721, Florida Statutes. If any unpaid share of Common Expenses or assessments is extinguished by foreclosure of a superior lien or by a deed in lieu of foreclosure thereof, the unpaid share of Common Expenses or assessments shall be Common Expenses collectible from all the Owners."

The foregoing action was taken effective as of the date hereof without a meeting pursuant to Section VIII, paragraph 2, of the Bylaws.

Dated: 2-11-99


George Aguel

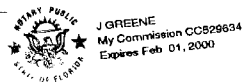

Denise Godreau


Thomas Katheder

STATE OF FLORIDA
COUNTY OF OSCEOLA

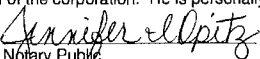
The foregoing instrument was acknowledge before me this 11th day of February, 1999 by George Aguel and Denise Godreau, as members of the Board of Directors of Disney's BoardWalk Villas Condominium Association, Inc., a corporation not-for-profit under the laws of Florida, on behalf of the corporation. They are personally known to me.


Notary Public



STATE OF FLORIDA
COUNTY OF OSCEOLA

The foregoing instrument was acknowledge before me this 3rd day of March, 1999 by Thomas Katheder as a member of the Board of Directors of Disney's BoardWalk Villas Condominium Association, Inc., a corporation not-for-profit under the laws of Florida, on behalf of the corporation. He is personally known to me.


Notary Public



OR Bk 5702 Pg 2253
Orange Co FL 1999-0108192

Recorded - Martha O. Haynie

Prepared by and return to:
John M McGowan, Esquire
Disney Vacation Development, Inc.
c/o Compliance Department
1397 Celebration Blvd.
Celebration, FL 34747

DOC# 20130205960 B: 10555 P: 1050
04/16/2013 03:59:49 PM Page 1 of 2
Rec Fee: \$18.50
Martha Q. Haynie, Comptroller
Orange County, FL
MB - Ret To: DISNEY VACATION DEVELOPME



04-16-13
[Handwritten Signature]
AMENDMENT TO THE BYLAWS
OF
DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC.

This Amendment to the Bylaws of Disney's BoardWalk Villas Condominium Association, Inc. (this "Amendment") is effective as of December 13, 2012.

WHEREAS, by a duly noticed and called annual meeting of the Board of Directors (the "Annual Board Meeting") of Disney's BoardWalk Villas Condominium Association, Inc. (the "Association"), which was held on December 13, 2012, and at which a quorum was present, this Amendment was unanimously approved by the Board of Directors; and

WHEREAS, by a duly noticed and called annual meeting of the Members (the "Annual Members Meeting") of the Association, which was also held on December 13, 2012, and at which a quorum was present, this Amendment was approved by a majority vote of the voting interests of the Association.

NOW, THEREFORE, Section II, Paragraph 3 of the Bylaws of the Association is hereby amended as follows (all additions to the text are shown as double underlined and all deletions are shown as ~~strikeout~~):

"3. Notice of all Owners' meetings stating the time, place and objects for which the meeting is called shall be given by the president or secretary of the Association, unless waived in writing. Such notice shall be sent in writing to each Owner at the Owner's address or e-mail address as it appears on the books of the Association and shall be sent by mail, facsimile (upon confirmation of receipt) or e-mail to each Owner not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Any notice by e-mail shall only be valid if the Owner has first consented electronically to the use of e-mail for notice purposes demonstrating that the Owner has the ability to access the notice by e-mail. Any consent to receive notice by e-mail is effective until revoked by the Owner. An affidavit executed by the secretary attesting to the mailing or the post office certificate of mailing shall be retained in the records of the Association as proof of such mailing. In addition, a notice of the meeting shall be posted at a conspicuous place on the Condominium Property, which location shall be duly adopted by rule by the Board upon notice to the Owners, at least fourteen (14) days prior to said meeting. Owners may waive notice of specific meetings and may take action by written agreement without meetings, and any Owner's attendance at a meeting shall constitute a waiver of the notice of that meeting. Mortgagees shall, upon prior written request, be entitled to receive notice of all Owners' meetings. Failure to provide such notice shall not invalidate any action taken at an otherwise properly noticed meeting. Where assessments against Owners are to be considered for any reason at an Owners' meeting, the notice shall contain a statement that assessments will be considered and shall specify the nature of any such assessment."

IN WITNESS WHEREOF, the Association has executed this Amendment to the Bylaws of the Association, Inc. on the date set forth above and certifies that the Amendment has been unanimously approved by the Board of Directors of the Association and approved by a vote of a majority of the voting interests of the Association.

DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation

Witnesses:

Brenda Toney
Print Name: BRENDA Toney

Nancy M. Irvine
Print Name: Nancy M. Irvine

Katherine Dellacasa
Print Name: Katherine Dellacasa

Kathette A. Eddy
Print Name: Kathette A. Eddy

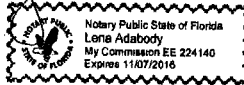
By: [Signature]
Name: Kenneth M. Potrock
Title: President

By: [Signature]
Name: John M. McGowan
Title: Secretary

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledge before me this 12 day of April, 2013 by Kenneth M. Potrock, as President of Disney's BoardWalk Villas Condominium Association, Inc., a corporation not-for-profit under the laws of Florida, on behalf of the corporation. He is personally known to me.

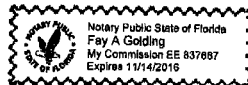
[Signature]
Notary Public



STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledge before me this 4 day of April, 2013 by John McGowan, as Secretary of Disney's BoardWalk Villas Condominium Association, Inc., a corporation not-for-profit under the laws of Florida, on behalf of the corporation. He is personally known to me.

[Signature]
Notary Public



Disney's Boardwalk Villas Condominium Association, Inc.
Estimated Operating Budget For The Year
January 1, 2014 Through December 31, 2014

Revenue Components	383 Vacation Homes	
	2014 Annual Budget	2014 Annual Budget (Per Vacation Point)
Interest Income - Taxes and Operating	\$5,831	\$0.0012
Member Late Fees and Interest	214,264	0.0438
Breakage Income	615,813	0.1260
Member Annual Dues Assessment	19,723,698	4.0344
TOTAL REVENUES AND INCOME	\$20,559,406	\$4.2054
Cost Components		
Administration and Front Desk	\$3,756,815	\$0.7684
Annual Audit	14,382	0.0029
DVC Reservation Component	28,746	0.0059
Fees to the Division	39,066	0.0080
Housekeeping	5,321,398	1.0886
Income Taxes	120,814	0.0247
Insurance	423,510	0.0866
Legal	1,000	0.0002
Maintenance	3,378,796	0.6911
Management Fee	2,376,933	0.4862
Member Activities	1,077,574	0.2205
Sales Tax on Support Facilities	283,423	0.0580
Security	331,028	0.0677
Transportation	1,832,003	0.3747
Utilities	1,573,918	0.3219
TOTAL OPERATING EXPENSES	\$20,559,406	\$4.2054

Estimated Operating Budget Notes

All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Component Site Public Offering Statement for Disney Vacation Club at Disney's BoardWalk Villas. See also Additional Budget Notes.

Description of Revenue Components:

1. Interest Income - Taxes and Operating - Interest earned on (i) ad valorem tax deposits held in escrow and (ii) operating budget deposits invested until expended for operating expenses.
2. Member Late Fees and Interest - All delinquent Annual Dues payments are subject to a late fee of \$25 per Ownership Interest, plus interest at the maximum rate permitted by law (currently 18 percent) accrued on the amount outstanding from the original due date.
3. Breakage Income - As stated in the Condominium Documents, Disney Vacation Club Management Corp. ("DVCMC") rents, during the Breakage Period, certain accommodations that have not been reserved by Members. The Association is entitled to receive, as breakage income, the proceeds of such rentals not to exceed 2.5 percent of the aggregate of the Condominium Operating Budget (total operating expenses less the sum of interest income and Member late fees and interest) and Capital Reserve Budget in each calendar year.
4. Member Annual Dues Assessment - The amount assessed to Owners with an Ownership Interest in Disney's BoardWalk Villas.

Description of Cost Components:

1. Administration and Front Desk - Cost of front desk operations and resort management, including operating supplies and equipment rental. Also includes costs for operational and administrative support from the WALT DISNEY WORLD® Resort ("WDW").
2. Annual Audit - Fee for the independent audit of the Association's financial statements as required by Florida law.
3. DVC Reservation Component - Fee paid to Buena Vista Trading Company for providing the exchange component of the Club central reservation system.
4. Fees to the Division - Annual fee of \$2, per Vacation Home, per week, assessed by the State of Florida for regulation of the timeshare industry in Florida.
5. Housekeeping - Cost of cleaning Vacation Homes and public areas; replacement of disposable amenities in Vacation Homes. Also includes the purchase, replacement and cleaning of linens and towels.
6. Income Taxes - Federal income taxes. Timeshare condominium associations may not claim non-profit status for federal income tax purposes under current regulations.
7. Insurance - Cost of insurance premiums for property coverage, general liability, workers' compensation, crime and Director's and Officer's liability.
8. Legal - Cost of legal counsel regarding Association business.
9. Maintenance - Cost of interior and exterior maintenance and repairs not paid for out of replacement reserves. Also includes landscaping, pest control and fire alarm monitoring.
10. Management Fee - Fee paid to DVCMC for providing management services to the Association according to the Property Management Agreement. The fee is equal to 12 percent of the total

Operating Budget (total operating expenses less the sum of interest income, Member late fees and interest, and breakage income) and Capital Reserve Budget exclusive of transportation fees and the management fee.

11. Member Activities - Cost of recreation operations, certain Member activities and events at the Resort. Cost of quarterly Member newsletter, annual Association meetings and printing and postage for Association legal mailings.
12. Sales Tax on Support Facilities – State sales tax paid on the Condominium’s share of costs incurred in connection with the operation or maintenance of the Support Facilities in accordance with the Master Declaration of Covenants Conditions and Restrictions encumbering the Condominium property.
13. Security - Cost of guard coverage at the Resort.
14. Transportation - Cost of WDW transportation provided to the Resort.
15. Utilities - Cost of electricity, gas, water, sewer, solid waste disposal, cable television and telephone service at the Resort.

General Notes:

1. Property Management Subcontract - Certain of the variable and semi-variable expenses related to the provision of hospitality services to the Condominium as set forth in the 2014 Estimated Annual Operating Budget, including expenses for housekeeping, maintenance and front desk operations, may be lower than they otherwise would be if such services were being provided only to the Condominium instead of included in a property management subcontract that takes into account that the services are also being provided to adjacent accommodations that are not part of the Condominium.
2. Developer Guarantee - DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for operating expenses of \$4,0344 per Vacation Point through December 31, 2014, exclusive of ad valorem taxes which are billed separately. In consideration of this guarantee and pursuant to Florida law, DVD will be excused from the payment of its share of the expenses which otherwise would have been assessed against its unsold Ownership Interests during the term of the guarantee. As a consequence of this exemption, during the term of this guarantee, existing Owners and current Purchasers will not be specially assessed with regard to Common Expenses, except as hereinafter provided, if Common Expenses exceed the guarantee per Vacation Point amount and DVD will pay any difference between actual expenses and assessments collected from all Owners and income from other sources. Amounts expended for any insurance coverage required by law or the Condominium Documents to be maintained by the Association and depreciation expense related to real property shall be excluded from the calculation of the Developer obligation except that for real property used for the production of fees, revenue or other income depreciation expense shall be excluded only to the extent they exceed the net income from the production of such fees, revenue or other income. DVD will pay such expenses as needed to meet expenses as they are incurred. However, any expenses incurred during the guarantee period resulting from a natural disaster or an act of God, which are not covered by insurance proceeds from the insurance maintained by the Association, will be assessed against all Owners owning Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD, provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, the Association maintains all insurance coverages required by Section 721.165, Florida Statutes. DVD reserves the right, but is under no obligation, to extend and/or increase the amount of this guarantee for one (1) or more periods of one (1) year each after the expiration of this guarantee period on December 31, 2014, as permitted by Florida law.

See also Additional Budget Notes.

Estimated Capital Reserves Budget For January 1, 2014 Through December 31, 2014

383 Vacation Homes		
Replacement Fund Components	2014 Annual Budget	2014 Annual Budget (Per Vacation Point)
Capital Reserves	\$4,395,373	\$0.8901
Interest Income	(102,360)	(0.0209)
TOTAL CAPITAL RESERVES BUDGET	\$4,293,013	\$0.8782

Capital Reserve Analysis For The Year Ended December 31, 2013

Replacement Fund Components	Estimated Fund Balance as of December 31, 2013	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs (383 Vacation Homes)
Roof Replacement/Repair		7 - 40	1 - 22	\$4,919,638
Interior Refurbishment		1 - 30	1 - 25	30,756,090
External Building Painting		6 - 7	1 - 2	3,936,211
Common Element Renovation		3 - 45	1 - 40	14,906,589
Pavement Resurfacing		3 - 25	1 - 8	841,361
Capital Reserves	<u>\$38,951,382</u>			
TOTAL	<u>\$38,951,382</u>			<u>\$55,159,908</u>

Estimated Capital Reserves Budget Notes

All capitalized terms not defined in these budget notes will have the same meanings ascribed to such terms in the Component Site Public Offering Statement for Disney Vacation Club at Disney's BoardWalk Villas. See also Additional Budget Notes.

1. **Funds Covered** - The annual budget for Capital Reserves covers funds set aside, in accordance with Florida Statutes using the pooling accounting method, for the repair or replacement of major items pertaining to the Units and Common Elements with a useful life of greater than one year. The interest earned on these funds remains in the Capital Reserves account and is not absorbed into the Operating Budgets.
2. **Developer Guarantee** - DVD has agreed to guarantee to each Purchaser and Owner that they will only be required to pay an assessment for reserves expenses of \$0.8762 per Vacation Point through December 31, 2014, exclusive of ad valorem taxes, which are billed separately. In consideration of this guarantee and pursuant to Florida law, DVD will be excused from the payment of its share of the Common Expenses which otherwise would have been assessed against its unsold Ownership Interests during the term of the guarantee. As a consequence of this exemption, during the term of this guarantee, DVD will pay any difference between actual expenses and assessments collected from all Owners and income from other sources. DVD will pay such expenses as needed to meet expenses as the expenses are incurred. However, any Common Expenses incurred during the guarantee period resulting from a natural disaster or an act of God, which are not covered by insurance proceeds from the insurance maintained by the Association, will be assessed against all Owners owning Ownership Interests on the date of such natural disaster or act of God, or their successors or assigns, including DVD, provided that during any period of time DVD controls the Association pursuant to Section 718.301, Florida Statutes, the Association maintains all insurance coverages required by Section 721.165, Florida Statutes. DVD reserves the right, but is under no obligation, to extend and/or increase the amount of this guarantee for one (1) or more periods of one (1) year each after the expiration of this guarantee period on December 31, 2014, as permitted by Florida law.

See also Additional Budget Notes.

Additional Budget Notes

1. **2014 Dollars** - All costs are stated in 2014 dollars unless otherwise indicated.
2. **Support Facilities** - The use of certain facilities, including without limitation, general support and structural improvements, hotel check-in facility, back office facilities, telephone equipment rooms, etc., are being provided to the Resort pursuant to the terms of either the Property Management Agreement or as a support facility under the terms of the Master Declaration, the cost of operating and maintaining such facilities being apportioned among its users including Owners and are included in certain of the Cost Components in the 2014 Estimated Operating Budget, including Administration and Front Desk, Housekeeping, Maintenance, Utilities and Member Activities. If the Resort was required to provide such facilities within the Condominium Property and solely for the use and benefit of the owners, the cost of operating the Condominium Property would increase.
3. **Books and Records** - The books and records for the Association are maintained at: 1390 Celebration Boulevard, Celebration, Florida 34747. The person responsible for the upkeep and custodianship of the books and records of the Association is the Treasurer of the Association, (407) 566-3000.
4. **Related Party Transactions** - DVD is a Florida corporation and a subsidiary of The Walt Disney Company ("TWDC"), a Delaware corporation. DVD acquired the property under a ground lease by and between Walt Disney Parks and Resorts U.S., Inc. ("WDPR"), a Florida corporation (formerly Walt Disney World Co.), its successors and assigns, as successor by merger to Walt Disney World Hospitality & Recreation Corporation ("WDWHRC"), and DVD. WDPR is also a subsidiary of TWDC.

DVD developed the Condominium on the property located in Orange County, Florida, and sells ownership interests in condominium units as part of the vacation ownership plan. Unless otherwise extended, the ground lease will expire on January 31, 2042, and vest to the benefit of WDPR.

Certain directors or officers of DVD or DVCMC serve on the Board or as officers of the Association. Certain directors or officers of the Association are also employees of TWDC or its affiliates.

During the year ended December 31, 2012, DVD voluntarily subsidized the operations of the Association for common expenses incurred, in the amount of \$172,097.

DVD retains no less than 2 percent of the total ownership interests in each unit declared in the Condominium and is responsible for annual dues with respect to its retained or unsold ownership interests. DVD has retained ownership interest equivalent to approximately 97,836 vacation points. In addition, DVD also had unsold ownership interests equivalent to approximately 53,885 vacation points as of December 31, 2012. During the year ended December 31, 2012, DVD annual dues paid to the Association were \$656,690.

As of December 31, 2012, the amount due to DVD related to operating expenses was \$325,194.

DVCMC, a Florida corporation, is the manager of the Association and is also a subsidiary of TWDC.

Management fees payable to DVCMC are 12 percent of the total operating and reserve budget exclusive of real estate taxes, transportation fees, and the management fee. Management fees incurred during the year ended December 31, 2012, were \$2,210,835.

DVCMC has entered into an agreement with the Association whereby DVCMC may operate a resort hotel operation with respect to the rental of unreserved accommodations in the Condominium. Gross proceeds, resulting from the rental of unreserved accommodations, are retained by the Association up to an amount equal to 2.5 percent of the adjusted operating and reserve budget, as defined, in each calendar year, as breakage revenue. During the year ended December 31, 2012, the Association received \$570,150 in breakage revenue.

Substantially all operating expenses have been allocated to the Association from DVCMC, and certain operating expenses have been rendered by or incurred through other TWDC entities.

Amounts due to or from DVCMC are payable in full and due on demand. As of December 31, 2012, the amount due to DVCMC for allocable expenses was \$801,052.

5. Management Agreement - The Association currently has a three-year management agreement ending June 27, 2014 with DVCMC. Thereafter, the management agreement automatically renews for successive periods of three (3) years each, upon its scheduled expiration, unless either party gives the other written notice of nonrenewal, as stipulated in the agreement. DVCMC provides on-site management and maintenance services, and off-site administrative and accounting services.

Pursuant to the Agreement, DVCMC has been delegated the authority by the Association to provide all services, through employees and experts retained by it, incidental to the management and operation of the Condominium. In connection therewith, substantially all operating expenses have been allocated to the Association from DVCMC. However, certain operating expenses may be incurred through other Disney entities.

6. Vacation Homes - Wherever used throughout this budget, the term Vacation Home does not include studio or one bedroom accommodations that comprise part of a two bedroom lockoff Vacation Home.
7. Use Availability Periods - Pursuant to Section 721.13(3)(c)1, Florida Statutes, the total number of 7-day annual use availability periods currently registered with the State of Florida is 19,533.

Estimated Ad Valorem Taxes for January 1, 2014 through December 31, 2014

The amount of ad valorem taxes assessed against each Unit will be determined by the Orange County Property Appraiser's Office and the Reedy Creek Improvement District Appraiser, respectively. The ad valorem tax assessments to be included on your 2014 Annual Dues billing statement will be \$1.0941 per Vacation Point. This is DVCMC's best estimate of the actual taxes which will be assessed for the tax year 2014. DVCMC does not certify this ad valorem tax estimate. Each Owner is responsible for his or her per Vacation Point share of the actual tax bill received each year from the tax collector's office. Any difference between the tax estimate and actual taxes paid on the Owner's behalf will be applied towards the Owner's subsequent year's tax assessment.

2014 Estimated Annual Dues Assessment

The estimated Annual Dues for the year January 1, 2014 through December 31, 2014 are \$6.0067 per Vacation Point, which is comprised of the estimated Annual Operating Budget (\$4.0344 per Vacation Point), the estimated Annual Capital Reserves Budget (\$0.8782 per Vacation Point) and the estimated ad valorem taxes (\$1.0941 per Vacation Point). Total amount of Annual Dues paid by a Purchaser or Owner is determined by multiplying the total number of Vacation Points represented by the Ownership Interest purchased by \$6.0067. For example, if the Ownership Interest is represented by 230 Vacation Points, the estimated Annual Dues would be \$1,381.54.

CONDOMINIUM RULES AND REGULATIONS OF DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS, A LEASEHOLD CONDOMINIUM

Each Owner of a Unit in Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium shall be governed by and shall comply with the terms of the Condominium Documents and these Condominium Rules and Regulations adopted pursuant to the Condominium Documents. All terms used in these Condominium Rules and Regulations shall have the same meaning as the identical terms used in the Declaration of Condominium for Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium. Failure of an Owner to comply with the provisions of the Condominium Documents and these Condominium Rules and Regulations shall entitle the Association or other Owners to pursue any and all legal and equitable remedies for the enforcement of such provisions, including, without limitation, an action for damages, an action for injunctive relief or an action for declaratory judgment.

1. Personal Use. Except for Units or Ownership Interests owned by DVD, which may be utilized as provided in the Declaration of Condominium, each of the Vacation Homes shall be occupied only as vacation accommodations. Except for Units or Ownership Interests owned by DVD, rentals of Vacation Homes to the general public by DVD or the Management Company and use of Vacation Points in connection with the DVC Reservation Component or external exchange programs, use of the accommodations, commonly used facilities, and recreational facilities of the Condominium is limited solely to the personal use of the Owners or Cotenants, their lessees, guests, exchangers and invitees and for recreational uses by corporations and other entities owning Ownership Interests in a Unit. No Owner may occupy a Unit or Vacation Home or use any recreational facilities or Common Elements at any time other than during the time that a Vacation Home is properly reserved in accordance with the Condominium Documents. Except as set forth above, use of Vacation Homes, recreational facilities and Common Elements, other than Commercial Units and Commercial Unit LCEs, for commercial purposes or any purposes other than the personal use described herein is expressly prohibited. "Commercial purpose" shall include a pattern of rental activity by a Cotenant that the board of directors of the Association (the "**Board**"), in its reasonable discretion, could conclude constitutes a commercial enterprise or practice. From time to time, to the extent that the Board determines that use is occurring that is for a commercial purpose, the Board may in its sole and absolute discretion, adopt and amend policies to provide what constitutes a commercial enterprise, practice or purpose. The Association has adopted a policy regarding what constitutes a commercial enterprise, practice or purpose, which policy is a record of the Association and may be reviewed upon request. No Vacation Home in any Unit may be divided or subdivided into a smaller Vacation Home without prior written approval of DVD. No Ownership Interest may be added to a vacation ownership plan, multisite timeshare plan, vacation club or exchange program except as provided in the Declaration of Condominium without written approval of DVD. The provisions of this Section 1 do not apply to DVD or the Management Company.

It is expressly contemplated that Commercial Units and Commercial Unit LCEs may be operated as, and portions of the Master Property and nearby properties owned by The TWDC Companies are and will continue to be operated as, commercial spaces containing stores, restaurants, entertainment areas and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of that typically occurring in areas consisting solely of residential accommodations, including, without limitation, fireworks and concerts. In addition, a monorail system and other transportation systems are operated on portions of the Master Property and nearby properties owned by The TWDC Companies which also may result in noise or light levels in excess of that typically occurring in areas consisting solely of residential accommodations. Nothing contained within these Condominium Rules and Regulations shall be deemed to prohibit such commercial activity.

2. Common Elements and Limited Common Elements. The Common Elements and Limited Common Elements shall be used only for the purposes for which they are intended as set forth in the Declaration.

3. Nuisances. No nuisance shall be allowed upon the Condominium Property or within a Unit or a Vacation Home, nor any use or practice that is the source of annoyance to Owners or which interferes with the peaceful possession and proper use of the property by the Owners. All parts of the Condominium shall be kept in

a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate or any fire hazard allowed to exist. No Owner shall permit any use of a Unit or a Vacation Home or make any use of the Common Elements that will increase the cost of insurance upon the Condominium Property beyond the cost generally charged for intended use. It is expressly contemplated that Commercial Units and Commercial Unit LCEs may be operated as commercial spaces containing stores, restaurants, entertainment areas and other public establishments which may have nighttime hours of operation and which may result in noise or light levels in excess of levels typically occurring in areas consisting solely of residential accommodations. Nothing contained within these Condominium Rules and Regulations shall be deemed to prohibit such commercial activity.

4. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property, a Unit or a Vacation Home, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction shall be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Condominium Property, a Unit or a Vacation Home shall be the same as the responsibility for the maintenance and repair of the property concerned.

5. Leasing of Vacation Homes. All of the terms and provisions of the Condominium Documents and these Condominium Rules and Regulations pertaining to use and occupancy shall be applicable and enforceable against any person occupying a Vacation Home as a tenant to the same extent as against an Owner. Any lease or rental agreement, whether oral or written and whether specifically expressed in such agreement or not, shall be deemed to contain a covenant upon the part of each such tenant designating the Association as the Owner's agent for the purpose of and with the authority to terminate any such lease or rental agreement in the event of violations by the tenant of the terms and provisions of the Condominium Documents or Condominium Rules and Regulations. All leasing or rental agreements relating to the use, occupancy and possession of any Vacation Home must be in writing and must set forth an acknowledgment and consent on the part of the lessee-sublessee-tenant to use, occupy and possess such Vacation Home in conformance and compliance with the provisions of the Condominium Documents and these Condominium Rules and Regulations. In the event an Owner fails to secure a written leasing or rental agreement, the Association reserves the right to request the lessee-sublessee-tenant to execute an acknowledgment to use and occupy the rented or leased Vacation Home in conformance and compliance with the Condominium Documents and these Condominium Rules and Regulations.

6. Signs. No "For Sale" or "For Rent" signs or other displays or advertising shall be maintained on any part of the Common Elements, Limited Common Elements, Units or Vacation Homes, except that the right is specifically reserved in DVD, to place and maintain "For Sale" and "For Rent" signs for so long as it may have Units or Ownership Interests to sell or lease in this Condominium or any other DVC Resort, and except as permitted by the board of directors of the Association (the "**Board**") from time to time.

7. Prohibited Vehicles. No trucks, motorcycles, trailers or commercial vehicles (excluding those vehicles owned by DVD or the Management Company) shall be parked in any parking space, except such temporary parking spaces provided for the purpose as may be necessary to effectuate deliveries to the Condominium, the Association or the Owners. Bicycles and motorcycles shall not be stored on the Condominium Property, except in such areas designated for this purpose or except as permitted by the Board.

8. No Pets. All pets are prohibited. No pets of any type are allowed on Condominium Property.

9. Exterior Appearance. No Owner shall decorate or alter any part of a Unit or a Vacation Home so as to affect the appearance of a Unit or a Vacation Home from the exterior. Such decoration or alteration shall include painting or illumination of the exterior of a Unit or a Vacation Home, display of plants or other objects upon balconies or railings or exterior window sills or ledges, reflective film or other window treatments, draperies, window shades, screen doors and lights. The Association shall have the sole discretion, which may be based on aesthetic principles only, to determine compliance with this provision.

10. Antennas. No antennas or satellite transmission receivers of any type designed to serve a Unit or a Vacation Home shall be allowed on the Common Elements or Limited Common Elements, except as provided by the Association to serve as a master antenna for the benefit and use of the Condominium.

Notwithstanding such restriction, the Owners of Commercial Units may place such antennas or satellite transmission receivers upon Commercial Units or Commercial Unit LCEs. No electrical or other equipment may be operated on the Condominium Property which interferes with television signal reception, except for permitted equipment on the Commercial Units or Commercial Unit LCEs.

11. Decor of Vacation Homes. No Owner shall alter the furnishings, appliances, personal property or decor of any Unit or Vacation Home without the prior written consent of the Board. The Association shall determine the interior color scheme, decor and furnishings of each Unit and Vacation Home as well as the proper time for redecorating and renovating the Unit or Vacation Home and its contents.

12. Noise. Should noise transmission create a disturbance or a nuisance, the responsibility is with the Owner to abate the noise transmission and not with the Association. In order to insure the comfort of all Owners and authorized users, radio, stereo and television sets, and any and all other such audio equipment generating noise should be turned down to a minimum volume so as not to disturb other persons between the hours of 11:00 p.m. and 8:00 a.m. All other unnecessary noises between these hours should be avoided. Nothing contained within this paragraph shall be deemed to prohibit commercial activity occurring within any Commercial Unit or on any Commercial Unit LCE.

13. Obstructions. Sidewalks, entrances, driveways, passages, patios, courts, vestibules, stairways, corridors, halls and/or all other areas intended for common use must be kept open and shall not be obstructed in any manner. Rugs or mats, except those either permitted or placed by the Association, must not be placed outside of doors or in corridors. No sign, notice or advertisement shall be inscribed or exposed on or at any window of a Unit or any part of the Condominium Property, except such as shall have been approved in writing by the Board or as is permitted to DVD pursuant to these Condominium Documents; nor shall anything be projected out of any window in the Condominium Property without similar approval. All personal property of Owners shall be stored within the Vacation Home.

14. Children. Children are to play only in areas either designated or clearly intended for play, and they are not to play in public halls, on stairways, or other common areas which would cause an obstruction. Reasonable supervision by parents or guardians must be exercised at all times when children are playing on the Condominium Property.

15. Balconies. Plants, pots, receptacles and other movable objects must not be kept, placed or maintained on ledges or balconies, except as permitted by the Board. No objects shall be hung from balconies or window sills. No cloth, clothing, rugs or mops shall be hung up or shaken from windows, doors or balconies. No cooking shall be permitted on any balcony of a Unit. Owners shall not allow anything to be thrown or to fall from windows, doors, balconies or the interior of the building from hall doors.

16. Hallways. Bicycles, garbage cans, laundry, dry cleaning, supplies or other articles shall not be placed in the halls or on staircase landings. No Owner shall allow doors to the corridor to remain open for any purpose other than for immediate ingress and egress.

17. Entry for Emergencies. In case of emergency originating in or threatening any Unit or Vacation Home, regardless of whether or not the Owner is present at the time of such emergency, the Board, the Management Company or any other person authorized by them, shall have the right to enter such Unit or Vacation Home for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry into Units and Vacation Homes in the event of any such emergency, the Association or its designee shall be allowed to retain a key for each Unit and each Vacation Home.

18. Plumbing. Plumbing shall not be used for any other purpose than those for which it was constructed, and no sweepings, rubbish, rags or other foreign substances shall be deposited into the plumbing.

19. Roof. Owners are not permitted on the roof of any building within the Condominium Property for any purpose without the express written approval of the Board or Management Company.

20. Solicitation. There shall be no solicitation by any person anywhere on the Condominium

Property for any cause, charity or purpose whatsoever, unless specifically authorized in writing by the Board or the Management Company, except for solicitation by DVD in marketing Ownership Interests or related products.

21. Parking. No vehicle belonging to any Owner or to a member of the family of an Owner or lessee, guest, exchanger, or invitee of an Owner shall be parked in any unauthorized area or in such manner as to impede or prevent access to another authorized user's parking space or any fire lanes. The Association or Management Company has the right to limit the number of vehicles permitted to be parked on the Condominium Property in connection with occupancy of a Unit. No repair of vehicles shall be made within the Condominium Property. No Owner shall store or leave boats, trailers, mobile homes, recreational vehicles and the like on the Condominium Property, except in areas, if any, designated for same; provided, however, that boats, trailers, mobile homes, recreational vehicles and the like may be parked on the Condominium Property if the vehicle is less than the width of the interior of the lines of one (1) individual parking space and does not exceed 24 feet in length. If the vehicle is wider than the width of the interior lines of one (1) individual parking space or if the vehicle exceeds twenty-four (24) feet in length, then such vehicle may not be parked on the Condominium Property without the prior permission of the Association or Management Company. No trucks or buses may be parked anywhere on Condominium Property, except for those of DVD or the Management Company, if any. Parking spaces are not assigned as appurtenances to particular Units or Vacation Homes. As such, each space may be used by any Owner, family member, lessee, guest, exchanger or invitee on a space available basis. Owners may not park vehicles in spaces designated for handicapped persons, unless they possess a proper permit for parking in such spaces, and the Association or Management Company shall have the right to notify local authorities of any such violations. All vehicles shall be parked within the painted lines of one individual parking space and in no event shall a vehicle exceed, in width, the interior of the painted lines of one individual space. The Owners, their employees, servants, agents, visitors, licensees and the Owner's family will obey all posted parking regulations. Vehicles parked in any unauthorized area or impeding another Owner's or authorized user's parking space or any fire lanes are subject to being towed away at the Owner's or authorized user's sole expense.

22. Use of Swimming Pools, Whirlpools, and/or Other Facilities. Owners and authorized users of the swimming pools, whirlpools and/or other facilities do so at their own risk. All users are requested to obey the posted rules. Children under ten (10) years of age using any swimming pools, whirlpools, and/or other available facilities must be accompanied and supervised by a responsible adult.

Swimming in the pools and/or whirlpools and use of other facilities is permitted only during the posted hours of operation; provided, however, that use of any tennis courts and basketball courts shall not be permitted prior to 7:00 a.m. or after 10:00 p.m. Since the facilities are not guarded, persons using the facilities do so at their own risk. Persons using all facilities must be appropriately attired.

The following are the basic rules for persons using the swimming pools and/or whirlpools:

- a. Shower thoroughly each and every time before entering.
- b. Pneumatic floats or other items of similar nature, except for Board-approved floatation devices, are not permitted in the pools or whirlpools.
- c. Running and/or ball playing or throwing objects is not permitted in the general pool area except in designated areas and in connection with various activities as permitted by the Board from time to time.
- d. Beverages may be consumed within the pool areas, but absolutely NO GLASS, GLASS bottles or other GLASS containers shall be allowed within the pool area. Anyone who hosts or participates in serving or consuming beverages will be held strictly responsible for cleaning up after such refreshments have been consumed and will further be held strictly liable for any injury resulting from broken glass.
- e. If suntan oils, creams or lotions are used, a towel or other form of protection must be placed on pool furniture to protect the attire of others who use the furniture.
- f. No children in diapers will be allowed in the pools and/or whirlpools.

There will be no swimming or fishing allowed in any lakes, retention ponds and/or lagoons.

23. Storage of Dangerous Items. No inflammable, combustible, or explosive fluid, chemical or substance, shall be kept in any Unit or Vacation Home, Common Element or Limited Common Element except as are required for normal household use. This provision shall not apply to the storage of such materials in Commercial Units or Commercial LCEs where such storage is for commercial purposes.

24. Employees/Agents Control and Entry of Units for Maintenance. Employees and/or agents of the Association or Management Company, and employees and/or agents of DVD's on-going sales program, shall not be sent off the Condominium Property by any Owner or authorized user at any time for any purpose. No Owner or authorized user shall direct, supervise or in any manner attempt to assert any control over the employees of the Management Company or the Association. Violations of these Condominium Rules and Regulations, or other matters of concern, should be brought to the attention of the Management Company for proper resolution. Employees or agents of the Management Company shall be permitted to enter Units or Vacation Homes for maintenance and repairs during reasonable hours.

25. Complaints. Complaints regarding the operation of the Condominium shall be made in writing first to the Management Company, as long as the Property Management Agreement remains in effect, and thereafter, to the Board.

26. Payment of Maintenance Fees, Special Charges and Fines. Payment of maintenance fees, special charges, and fines shall be made at the office of the Management Company or at such other location as designated by the Management Company from time to time. Payments made in the form of checks shall be made to the order of such party as the Management Company shall designate.

27. Weapons. No explosives, firearms, or weapons of any kind shall be permitted in any Unit or Vacation Home or anywhere on the Condominium Property without the approval of the Board.

28. Non-Payment of Assessment. Any Owners who are delinquent in payment of their assessments may be denied access, check-in and occupancy of a Vacation Home in accordance with Section 721.13(6), Florida Statutes, until all delinquent assessments are paid in full. In addition, the Board or the Management Company may rent the delinquent Owner's Vacation Home in accordance with Section 721.13(6), Florida Statutes. Assessments and installments on such assessments paid on or before fifteen (15) days after the date when due shall not bear interest, but all sums not paid on or before fifteen (15) days after the date when due shall bear interest at the highest rate permitted by law from the date when due until paid. In addition to such interest, the Association may charge an administrative late fee on delinquent accounts in an amount not to exceed the amount permitted under Florida law. In addition, the Association may authorize the Management Company to charge a non-sufficient funds fee on all returned checks or dishonored electronic debits in an amount not to exceed the amount permitted under Florida law.

29. Right of Occupancy - Holdover Owners. In the event Owners, their lessees, guests, exchangers or invitees fail to vacate a Vacation Home upon the expiration of any reserved use period each year, as may be required by the rules and regulations governing occupancy of the Vacation Home or as otherwise established by the Management Company, such persons shall be deemed a "holdover owner" or, to the extent permitted by law and at the election of the Association or Management Company, such person shall be deemed not to be exercising his/her Ownership Interest but rather deemed a "trespasser", in which case the Association or Management Company shall be entitled to exercise the remedies available to it under Chapter 509, Florida Statutes. It shall be the responsibility of the Association to take such steps as may be necessary to remove such holdover owner from the Vacation Home, and to assist the holder of any subsequent reservation who may be affected by the holdover owner's failure to vacate to find alternate accommodations during such holdover period.

a. In addition to such other remedies as may be available to it, the Association shall have the right to secure, at its expense, alternate accommodations for any holder of a subsequent reservation who may not occupy the Vacation Home due to the failure to vacate of any holdover owner. Such accommodations shall be as similar to the reserved Vacation Home as possible. The holdover owner shall be charged for the cost of such

alternate accommodations, any other costs incurred due to the holdover owner's failure to vacate, and an administrative fee of One Hundred Dollars (\$100.00) per day or the maximum amount permitted by applicable law, whichever is less, during this period of holding over. In the event it is necessary that the Association contract for a period greater than the actual period of holding over, in order to secure alternate accommodations as set forth above, the entire period shall be the responsibility of the holdover owner, although the Fifty Dollars (\$50.00) per day administrative fee shall cease upon actual vacating by the holdover owner.

b. The Association shall submit a bill to the holdover owner in accordance with this rule. Before the Association may levy a fine against a party for violation of any of the provisions of the Condominium Documents, the Association must afford the party reasonable notice of the levy and a right to a hearing as required under Florida law.

c. The foregoing provisions shall not abridge the Association's right to take such other action as is provided by law including, without limitation, eviction proceedings. Further, the foregoing provisions shall not limit the Association's right to take any action permitted by Florida law against trespassers who are not Owners.

30. No Private Watercraft. No boats, jet-skis, waverunners or watercraft of any kind shall be used, stored or brought onto the Condominium Property by any Owner, lessee, guest, exchanger or invitee except in such areas and under such conditions as may be determined by the Board from time to time.

31. Security. Owners shall at all times lock and secure their unattended motor vehicles parked or located upon the Condominium Property, and they shall not leave any valuables in plain sight within or upon such vehicles. During their occupancy, Owners shall at all times lock and secure all doors, windows, balconies or other points of possible entry with respect to their accommodations (except when any such point of entry is in use by Owners or their lessees, guests, exchangers or invitees). Neither the Management Company nor the Association shall be responsible for the safekeeping or protection of personal property brought onto the Condominium Property.

32. Check-in, Check-Out Times. Check-in time for all Disney Vacation Club Resorts is 4:00 p.m. Check-out time for all Disney Vacation Club Resorts is 11:00 a.m. The front desk must be notified and approve any exceptions to these times.

33. Owner shall bear in their entirety any expense for repair or replacement occasioned by the specific use or abuse by any Owner or any lessee, guest, exchanger, tenant, or invitee of said Owner.

34. Non-Smoking Policy. Smoking in any accommodations, common areas, limited common areas, commercial areas, or any other areas (including but not limited to balconies, sidewalks, entrances, driveways, passages, vestibules, and stairways) of the Condominium Property, other than those areas specifically designated for smoking, is expressly prohibited. The Association may charge a fee for any violation of this policy in an amount to be determined at the sole discretion of the Association and the Management Company.

35. Violations of Condominium Rules and Regulations. If and to the extent that any of the foregoing, Condominium Rules and Regulations are violated, the Association and the Management Company shall have the right to exercise all rights and remedies available under applicable law against those individuals or entities violating the Condominium Rules and Regulations. In addition, if and to the extent that any violations, in the Board's judgment, (1) involve safety or security, (2) are crimes, or (3) adversely affect the reasonable enjoyment of the Condominium Property by other owners; those individuals committing such violations may be removed from the Condominium Property to the fullest extent permitted by law.

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This instrument prepared by
and return to:

Kurt P. Gruber, Esquire
BAKER & HOSTETLER
2300 Sun Bank Center
200 South Orange Avenue
Post Office Box 112
Orlando, Florida 32802
(407) 649-4000

Orange Co FL 5711728
08/06/96 01:29:51pm
OR Bk 5101 Pg 592
Rec 51.00

MASTER COTENANCY AGREEMENT

THIS AGREEMENT is entered into on the Commencement Date as defined below by and among DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, whose address is 200 Celebration Place, Celebration, Florida 34747 ("DVD"); DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation, whose address is 200 Celebration Place, Celebration, Florida 34747 ("DVCMC"); DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, whose address is 200 Celebration Place, Celebration, Florida 34747 ("Association"); and the several owners of Ownership Interests as tenants-in-common in each Condominium Unit in Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, more specifically described below (individually, "Cotenant" and collectively, "Cotenants").

WITNESETH:

WHEREAS, DVD is the developer of Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium (the "Condominium"), according to the Declaration of Condominium thereof as recorded in Official Records Book 5101, Page 147, Public Records of Orange County, Florida, and all amendments thereto (the "Declaration") pursuant to which "Units" and "Common Elements" have been created as provided for and defined in the Declaration; and

WHEREAS, DVD is offering undivided tenant-in-common interests ("Ownership Interests") in each Unit in the Condominium calculated in accordance with Exhibit "A" attached hereto, and has made such Ownership Interests subject to a vacation ownership plan pursuant to Chapter 721, Florida Statutes (the "Vacation Ownership Plan"); and

WHEREAS, pursuant to the Declaration, the Association has the responsibility and obligation to operate and manage the Condominium; and

WHEREAS, the Association has assigned its responsibilities and obligations to operate and manage the Condominium to DVCMC pursuant to the terms of a property management agreement (the "Property Management Agreement") and the Disney Vacation Club Membership Agreement for Disney's BoardWalk Villas (the "Membership Agreement"); and

WHEREAS, DVD, to implement the Vacation Ownership Plan, has provided for the creation of a central reservation system and related services (the "Disney Vacation Club" or "Club"); and

WHEREAS, the Club includes the operation of a reservation system for the assignment and use of accommodations in each Unit designed for separate occupancy and use ("Vacation Homes") and the facilities of the Condominium pursuant to the priorities, restrictions and limitations established by DVCMC from time to time in accordance with the Vacation Ownership Plan (the "Home Resort Reservation Component"); and

WHEREAS, the respective Ownership Interest of each Cotenant, including DVD, is symbolized by a number of Home Resort Vacation Points calculated in accordance with Exhibit "A" attached hereto; and

WHEREAS, DVD will retain the ownership of a certain undivided interest in each Unit in the Condominium for its own use and benefit, and such Ownership Interests will be symbolized by a number of Home Resort Vacation Points calculated in accordance with Exhibit "A" attached hereto; and

WHEREAS, pursuant to the Declaration, each Unit in the Condominium will contain a certain number of Vacation Homes and the number of Vacation Homes may vary from Unit to Unit; and

WHEREAS, pursuant to the Declaration and to the Membership Agreement, each Cotenant must make a reservation through the Home Resort Reservation Component in order to use a Vacation Home within a Unit, regardless of the Unit in which the Cotenant has an Ownership Interest; and

WHEREAS, in order to facilitate: (i) the Vacation Home reservation process within each Unit; (ii) the reservation process among all Units in the Condominium; (iii) the proper allocation and discharge of all of the duties and obligations appurtenant to Unit ownership pursuant to the Declaration, pursuant to Chapter 718, Florida Statutes, and pursuant to Chapter 721, Florida Statutes; and (iv) the reservation process regarding the Vacation Homes and facilities of the Condominium, DVD and the other Cotenants, the Association, and DVCMC hereby agree as follows:

1. Definitions. All terms used in this Agreement shall have the same meaning as the identical terms used in the Declaration unless otherwise defined herein or unless the context otherwise requires.

2. Allocation of Unit Expenses and Liabilities. Each Unit in the Condominium will be assessed at least annually for its share of the Common Expenses of the Condominium pursuant to the Declaration. Each Unit will also be assessed for ad valorem taxes by Orange County, Florida. Pursuant to Chapter 718 and the Declaration, the Cotenants as the owners of a Unit are jointly and severally liable for all Common Expenses of the Condominium attributable to that Unit. The Cotenants are also generally jointly and severally liable for all assessed taxes, including ad valorem taxes, for which the failure to pay can give rise to the placing of a lien against the entire Unit. However, for purposes of this Agreement, the Cotenants agree that each individual Cotenant, including DVD, will be severally liable for that proportion of these and any other expenses or taxes that may be assessed against the Unit, or for which the Cotenants may become liable by virtue of their Ownership Interest in the Unit, that equals the Ownership Interest owned in the Unit. No Cotenant shall be liable for any assessment made against any other Cotenant pursuant to this paragraph, and any failure of a Cotenant to promptly pay the Cotenant's several share of such expenses, taxes or liabilities shall constitute a default hereunder pursuant to paragraph 7 below.

3. Allocation of Unit Rents, Profits and Casualty or Condemnation Proceeds. As provided in the Declaration and in the Membership Agreement, each Cotenant must make a reservation prior to using any Vacation Home within any Unit, and any rents derived from the use of a reserved Vacation Home by a Cotenant (or DVD) will inure to the exclusive benefit of the person holding the reservation and securing the rental; therefore, it is not contemplated that any rents will be derived from any Unit that will inure to the benefit of the Cotenants as a whole, and no common rental pools shall be established with regard to the Unit. Subject to DVD's right of first

refusal as set forth in the Declaration, each Cotenant is free to convey his or her Ownership Interest in a Unit, and any proceeds derived from the sale of an Ownership Interest by a Cotenant (or DVD) will inure to the exclusive benefit of the person or entity selling the Ownership Interest; therefore, it is not contemplated that any proceeds derived from the conveyance of any Ownership Interest in a Unit will inure to the benefit of the Cotenants as a whole. However, as more particularly set forth in the Declaration, the Cotenants agree that each individual Cotenant, including DVD, will be entitled to share in any proceeds that are produced by or allocable to the Unit as a whole, including the proceeds of any insurance or eminent domain award, in that proportion that equals the Ownership Interest owned in the Unit. DVD, the Association and DVCMC are not obligated to provide any rental or resale assistance to any Cotenant. Any rental by a Cotenant of a Vacation Home or sale by a Cotenant of an Ownership Interest will occur, if at all, solely through the efforts of such Cotenant. The Declaration shall govern as to each Cotenant's rights with respect to any proceeds arising out of casualty to the Unit or as to a taking of the Unit in condemnation.

4. Voting Certificate.

Pursuant to this Agreement, Cotenants of Ownership Interests in each Unit hereby designate DVD as their authorized voting representative at all meetings of the Association.

Pursuant to the Declaration and Chapter 718, each Unit is allocated a vote in the affairs of the Association, and where a Unit is owned by more than one person, the Cotenant of the Unit must execute a Voting Certificate to designate the Cotenant authorized to cast the Unit's vote in meetings of the Association and to represent the Unit in all Association matters as the Voting Representative. By the acceptance of a deed conveying an Ownership Interest in a Unit, each Cotenant hereby designates DVD as the Voting Representative. In exercising this authority, DVD agrees to act at all times on behalf of the Cotenants as a whole pursuant to its fiduciary duties under Chapter 721. DVD also agrees that it will not cast the Unit's vote in any of the following respects without the prior concurrence of the Cotenants who own sixty percent (60%) of the Ownership Interests in the Unit:

- a. waiver of any material rights of the Association or of the Cotenants against DVD or any of its affiliates;
- b. waiver or reduction of required replacement reserves;
- c. any increase in the Association's annual operating budget in excess of one hundred fifteen percent (115%) of the previous year's budget, excluding reserves and ad valorem taxes;
- d. any increase in the calculation of compensation paid to DVCMC under the Property Management Agreement;
- e. reallocation of the undivided interests in the Common Elements of the Condominium appurtenant to each Unit other than the reallocation that results from the addition of phases to the Condominium pursuant to Article XVIII of the Declaration;
- f. amendment of the Declaration or of the Articles of Incorporation or the Bylaws of the Association in any manner that is materially adverse to the Cotenants as a whole; or

g. voluntary termination of the Condominium, or any proposition not to reconstruct, repair or replace any portion of any Unit or Common Elements after casualty.

Subject to the provisions of paragraph 9 below, DVD shall continue to serve as the Voting Representative of the Unit until such time as the Cotenants who own sixty percent (60%) of the Ownership Interests in the Unit concur in writing that DVD should be removed from this position; however, during any period of time in which DVD owns in excess of forty percent (40%) of the Ownership Interests in a given Unit, the Cotenants who own sixty percent (60%) of the Ownership Interests in that Unit (other than the Ownership Interests owned by DVD in that Unit) may remove DVD as the Voting Representative of the Unit. Should DVD be removed from this position for any reason, the provisions of this Agreement shall continue in full force and effect, and the Cotenants shall elect one of their number to serve as the Voting Representative of the Unit until such time as that person resigns or is replaced pursuant to the provisions of this paragraph. In all events, the Cotenant of each Unit must have elected a Voting Representative pursuant to this paragraph at all times until such time that the Condominium has been terminated.

5. Turnover of Association Control. Pursuant to the provisions of Chapter 718 and the Declaration, DVD shall give each Cotenant not less than thirty (30) and not more than forty (40) days advance written notice of those meetings of the Association at which Cotenants other than DVD are entitled (i) to elect no less than one-third (1/3) of the members of the board of directors of the Association (the "Board"); and (ii) to elect no less than a majority of the Board, unless applicable law is subsequently amended to permit a longer period of control of the board of directors by DVD. DVD shall be authorized to cast the vote of the Unit at these meetings in such manner as DVD determines to be appropriate pursuant to paragraph 4 above unless DVD is otherwise directed in advance in writing by the Cotenants who own sixty percent (60%) of the Ownership Interests in the Unit; however, during any period of time in which DVD owns in excess of forty percent (40%) of the Ownership Interests in a given Unit, the Cotenants who own sixty percent (60%) of the Ownership Interests in that Unit (other than the Ownership Interests owned by DVD in that Unit) may instruct DVD as to the manner in which the Unit's vote will be cast.

For purposes of calculating when the Cotenants other than DVD are entitled to elect directors, the percentages set forth in Section 718.301, Florida Statutes, shall be deemed to apply to the aggregate number of Ownership Interests in Units that have been conveyed to purchasers.

6. Vacation Home Reservations. Subject to the provisions of paragraph 9 below, the Cotenants agree that the Association shall serve as the reservation manager for the Unit in which they own. The Association is hereby granted the authority to establish reservation procedures for the assignment and use of Vacation Homes within that Unit. Under the authority granted herein, the Association shall assign the use of Vacation Homes within a Unit to the Cotenants of that Unit and to the Cotenants in other Units in the Condominium and to assign the Cotenants the use of Vacation Homes in other Units in the Condominium, through the Home Resort Reservation Component. The Association's authority to perform these functions has been delegated to DVCMC pursuant to the Membership Agreement. In the event that the Membership Agreement is terminated, the Association shall retain its authority to establish reservation procedures for the assignment and use of Vacation Homes in a Unit by the Cotenants who own in that Unit, as well as to establish reservation procedures, which may or may not be identical to those set forth in the Membership Agreement, by which use of all Units and Vacation Homes in the Condominium shall be determined.

7. Assessment Collections. Subject to the provisions of paragraph 9 below, the Cotenants agree that the Association shall serve as the assessment collection manager for the Unit for the purpose of ensuring that all Common Expenses and taxes assessed against the Unit pursuant to paragraph 2 above are timely remitted. The Association has assigned these duties to DVCMC under the Property Management Agreement. As part of its

duties, DVCMC shall notify each Cotenant of his or her share of such expenses and shall provide for a reasonable time no less than thirty (30) days after receipt of the statement within which the Cotenant must pay his or her share to DVCMC. The failure of any Cotenant to promptly pay his or her share of expenses and/or taxes to DVCMC shall constitute a default under this Agreement, and the defaulting Cotenant shall be subject to the remedies in favor of non-defaulting Cotenants set forth in paragraph 8 below and to the remedies in favor of the Association pursuant to the Declaration.

8. Rights Against Defaulting Cotenant. Upon the default of a Cotenant pursuant to paragraph 7 above, DVD has the right but not the obligation to pay the amounts due from the defaulting Cotenant to DVCMC prior to the end of the then current fiscal year of the Association if collection attempts made by DVCMC are unsuccessful. Each Cotenant agrees that upon such payment by DVD, DVD shall acquire a lien upon the Ownership Interest in the Unit owned by the defaulting Cotenant. The lien shall secure the amount of monies paid by DVD to DVCMC on behalf of the defaulting Cotenant together with interest thereon at the highest rate permitted by law and together with the costs and reasonable attorneys' fees incurred by DVD in the collection of such sums from the defaulting Cotenant. The lien may be foreclosed upon the Ownership Interest of the defaulting Cotenant in the manner generally prescribed for the foreclosure of mortgages under Florida law. In the event DVD elects not to exercise its right pursuant to this paragraph, any other Cotenant may tender the amounts due to DVCMC and acquire the lien described herein. Defaulting Cotenants may also be subject to legal actions for recovery of assessments as a personal liability and subject to the termination of their reservation rights pursuant to Florida law.

9. Insolvency or Bankruptcy. In the event DVD, the Association or DVCMC files for protection from creditors under any state or federal law or becomes the debtor in a bankruptcy proceeding, voluntarily or involuntarily, the filing party shall be deemed to have automatically resigned from its positions hereunder as Voting Representative, reservation manager and/or assessment collection manager for the Unit as the case may be. If necessary, the Cotenants shall thereafter elect a successor Voting Representative pursuant to paragraph 4 above.

10. Execution and Joinder by Cotenant; Commencement Date. Cotenants shall evidence their acceptance of the terms and conditions of this Agreement by the acceptance of a deed for the purchase of an Ownership Interest in a Unit and the recordation of such deed among the Public Records of Orange County, Florida, incorporating these terms and conditions therein by reference. The "Commencement Date" shall be the date of the first deed so recorded.

11. Waiver of Partition. The Cotenants hereby agree that no action for partition of any Unit or Vacation Home in the Condominium shall lie.

12. Notices. Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made to DVD, the Association or DVCMC: (i) when deposited, postage prepaid, in the United States mail, certified or registered mail with a return receipt requested, addressed to the party at the address shown above; (ii) when delivered personally to the party at the address specified above; (iii) when deposited with a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A party may designate a different address for receiving notices hereunder by notice to the other parties. Unless otherwise provided herein, all notices or information required to be delivered to Cotenants by the Association shall be delivered by the Association to DVD. DVD shall provide the Cotenants with all notices required by Florida law, and all such notices shall be deemed given if delivered by regular U.S. mail to the Cotenant at the last known address of the Cotenant pursuant to the books and records maintained by DVCMC, or if provided to the Cotenants as a part of a newsletter or other periodic report directly by DVD or through the Association or DVCMC as the Management Company.

13. Governing Law; Successors in Title. This Agreement shall be governed by and construed under the laws of the State of Florida and shall run with the land, inuring to the benefit and burden of the successors in title of the parties including all trustees in bankruptcy; therefore, this Agreement shall not be cancelled until such time as the Condominium is terminated. Wherever used, the singular shall include the plural and the plural, the singular.

14. Captions and Paragraph Headings. Captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or content of this Agreement nor the intent of any provision hereof.

15. No Partnership or Joint Venture. It is the express intent of the parties that neither this Agreement nor any provision hereof be deemed or construed to create a partnership or joint venture by or between any and all parties hereto.

16. Severability. In the event that any clause or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any other provision of this Agreement.

17. Amendment.

This Agreement may be amended by the concurrence of Cotenants owning seventy-five percent (75%) of the total Ownership Interests in a given Unit as to that Unit by an instrument in writing recorded among the Public Records of Orange County, Florida.

However, during any period of time in which DVD owns in excess of twenty-five percent (25%) of the undivided interests in a given Unit, the Cotenants who own seventy-five percent (75%) of the undivided interests in that Unit (other than the undivided interests owned by DVD in that Unit) may amend this Agreement as to that Unit. If required by any public body or by applicable law, DVD may unilaterally amend this Agreement by an instrument in writing executed by DVD and recorded among the Public Records of Orange County, Florida. DVD shall notify the Cotenants of any such unilateral amendment, the purpose therefor, and the nature of the public body or law that required same.

18. Waiver of Jury Trial; Venue of Actions. The parties hereby waive any right they may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against another party concerning the interpretation, construction, validity, enforcement or performance of this Agreement or any other agreement or instrument executed in connection with this Agreement. In the event any such suit or legal action is commenced by a party, the other parties hereby agree, consent and submit to the personal jurisdiction of the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party hereby waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

IN WITNESS WHEREOF, DVD, the Association and DVCMC have executed these presents this 28th day of June, 1996.

WITNESSES

"DVD"

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: _____

Print Name: _____

As its: Sr. Vice President

Leigh A. Nieman

Print Name: Leigh A. Nieman

J. Greene

Print Name: J. GREENE

"DVCMC"

DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation

By: _____

Print Name: _____

As its: Treasurer

Leigh A. Nieman

Print Name: Leigh A. Nieman

J. Greene

Print Name: J. GREENE

DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation

By: _____

Print Name: _____

As its: Treasurer

Leigh A. Nieman

Print Name: Leigh A. Nieman

J. Greene

Print Name: J. GREENE

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority authorized to take acknowledgments in the state and county aforesaid, appeared Kenneth N. May, the se. Vice Pres of DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, and he acknowledged that he executed the foregoing instrument on behalf of the corporation pursuant to due authority therefrom. He is personally known to me ~~or has produced~~ as identification.

WITNESS my hand and seal this 29 day of July, 1996.

J Greene
(Notary Signature)

(NOTARY SEAL)



J GREENE
My Commission CC529634
Expires Feb. 01, 2000

(Notary Name Printed)
NOTARY PUBLIC
Commission No. _____

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority authorized to take acknowledgments in the state and county aforesaid, appeared Patrick J. Grismer, the Treasurer of DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation, and he acknowledged that he executed the foregoing instrument on behalf of the corporation pursuant to due authority therefrom. He is personally known to me ~~or has produced~~ as identification.

WITNESS my hand and seal this 29 day of July, 1996.

J Greene
(Notary Signature)

(NOTARY SEAL)



J GREENE
My Commission CC529634
Expires Feb. 01, 2000

(Notary Name Printed)
NOTARY PUBLIC
Commission No. _____

STATE OF FLORIDA)
) SS.
COUNTY OF ORANGE)

BEFORE ME, the undersigned authority authorized to take acknowledgments in the state and county aforesaid, appeared S. Pampferaro, the Treasurer of DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, and she acknowledged that she executed the foregoing instrument on behalf of the corporation pursuant to due authority therefrom. She is personally known to me ~~or has produced~~ _____ as identification.

WITNESS my hand and seal this 29 day of July, 1996.



J GREENE
My Commission CS529634
Expires Feb 01, 2000

(NOTARY SEAL)

J. Greene
(Notary Signature)

(Notary Name Printed)
NOTARY PUBLIC
Commission No. _____

EXHIBIT "A"

REAL ESTATE INTEREST AND POINT FORMULATION

Vacation Ownership Plan
Real Estate Interest Formulation

In order to efficiently manage the use of Vacation Homes by the Cotenants in the best interests of the Cotenants as a whole, the Ownership Interest in a Unit owned by a given Cotenant shall be symbolized for administrative convenience only as a number of Home Resort Vacation Points as calculated below. The specific Ownership Interest owned by a given Cotenant in a given Unit shall be calculated based upon the expectations of the Cotenant regarding use of a specific type of Vacation Home during a specific time of year for a specific number of days within the Condominium as follows:

(a) DVD shall initially assign each day during the calendar year to a "season" grouping based upon relative projected Cotenant use demand. DVD may create as many season groupings as it determines are necessary and desirable.

(b) A "demand factor" shall be determined for the selected types of Vacation Homes (i.e., Studio Vacation Homes; One-Bedroom Vacation Homes; Two-Bedroom Vacation Homes, which cannot be locked-off into One-Bedroom or Studio Vacation Homes; and Grand Villa Vacation Homes, as those terms are defined in the Membership Agreement) across each season grouping based upon relative projected Cotenant use demand. In determining the demand factor, elements such as location, view, comparable rental values for similar accommodations, and other such elements typically considered by a real estate appraiser in formulating such a determination shall be considered.

(c) Each demand factor for each selected type of Vacation Home shall be multiplied by the number of calendar days which have been assigned to each season grouping, yielding the total "demand days per year" for each selected type of Vacation Home during each season grouping.

(d) The total demand days per year for each respective selected type of Vacation Home shall be added together to yield a total of demand days per year for all season groupings for all Studio Vacation Homes, One-Bedroom Vacation Homes, Two-Bedroom Vacation Homes and Grand Villa Vacation Homes.

(e) The total number of Suite Vacation Homes in a given Unit is then multiplied by the total demand days per year for all Suite Vacation Homes; the total number of One-Bedroom Vacation Homes in that Unit is then multiplied by the total demand days per year for all One-Bedroom Vacation Homes; the total number of Two-Bedroom Vacation Homes in that Unit is then multiplied by the total demand days per year for all Two-Bedroom Vacation Homes; and the total number of Grand Villa Vacation Homes in that Unit is then multiplied by the total demand days per year for all Grand Villa Vacation Homes and all four (4) products are then added together to yield the total demand days per year for that Unit.

(f) After the calculations required in subparagraphs (b) through (e) above have been completed, the Cotenant's Ownership Interest in the Unit in question is determined by multiplying the demand factor assigned to that selected type of Vacation Home during that season grouping pursuant to subparagraph (b) above by the number of days of desired use, yielding the total number of demand days in that Unit that will relate to the Cotenant's Ownership Interest. The Cotenant's specific Ownership Interest in that Unit is the quotient of the total number of demand days in that Unit that relate to the Cotenant's Ownership Interest divided by the total demand days per year for that Unit calculated pursuant to subparagraph (e) above.

Recorded - Martha O. Haynie

Vacation Ownership Plan
Home Resort Vacation Point Formulation

DVD shall initially determine the number of Home Resort Vacation Points that will be symbolic of a given Ownership Interest in a given Unit as follows:

(a) The percentage Ownership Interest in question is multiplied by the total number of square feet in the Unit in which it is owned to determine the total square footage relating to that Ownership Interest.

(b) The total square footage relating to that Ownership Interest is then multiplied by a constant to yield the number of Home Resort Vacation Points which are symbolic of that Ownership Interest. The constant shall equal a number that will result in all Home Resort Vacation Points appearing as whole numbers with no decimals for administrative convenience.

DVCMC shall initially determine the number of Home Resort Vacation Points that will correspond to the use of a given Vacation Home during a given day each year within the Condominium based upon relative projected use demand by allocating the total number of Home Resort Vacation Points in all Units as determined above to each day in each Vacation Home in each Unit pursuant to the terms and conditions of the Membership Agreement. During any period of time in which the Vacation Ownership Plan continues in operation, DVCMC shall also determine any reallocation of Home Resort Vacation Points for the Condominium pursuant to the terms and conditions of the Membership Agreement. Pursuant to the Declaration and this Agreement, during any period of time in which the Vacation Ownership Plan is no longer in operation, the Association shall have the authority to establish reservation procedures by which use of the Units and Vacation Homes in the Condominium among all of the Cotenants shall be determined, which procedures shall set forth how the then-existing Home Resort Vacation Point allocation should be revised from time to time based upon actual Cotenant use demand experienced. In any event, the total number of Home Resort Vacation Points can never exceed the total number of Ownership Interests in Units of which they are symbolic.

(Exhibit "H" to Declaration)

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DVC RESORT AGREEMENT

FOR

DISNEY'S BOARDWALK VILLAS

THIS DVC RESORT AGREEMENT ("**Agreement**") is made and entered into the day and date set forth below by and among BUENA VISTA TRADING COMPANY, a Florida corporation, having offices and its principal place of business at 1375 Buena Vista Drive, 4th Floor North, Lake Buena Vista, Florida, 32830 ("**BVTC**"); DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation, having offices and its principal place of business at 200 Celebration Place, Celebration, Florida 34747 ("**DVCMC**"); DISNEY VACATION DEVELOPMENT, INC., a Florida corporation having offices and its principal place of business at 200 Celebration Place, Celebration, Florida 34747 ("**DVD**"); and DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation, having offices at 200 Celebration Place, Celebration, Florida 34747 (the "**Association**").

RECITALS

WHEREAS, DVD has developed a resort project known as Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, located in Orange County, Florida ("**Disney's BoardWalk Villas**") subject to a vacation ownership plan pursuant to Chapter 721, Florida Statutes (the "**Vacation Ownership Plan**"); and

WHEREAS, DVD has provided for a central reservation system and related services (the "**Club**") which includes the operation of an exchange system by BVTC (the "**DVC Reservation Component**") through which the owners of ownership interests in Disney's BoardWalk Villas ("**Owners**") and in any other vacation resorts that are entitled to access and use the DVC Reservation Component ("**DVC Resorts**") have the ability to voluntarily reserve the use of available accommodations and related facilities of any DVC Resort in accordance with and as restricted by rules and regulations established by BVTC from time to time; and

WHEREAS, the Association is the owners' association for Disney's BoardWalk Villas pursuant to Chapter 718, Florida Statutes; and

WHEREAS, DVCMC and the Association have entered into that certain property management agreement and that certain membership agreement for the purpose of the Association assigning to DVCMC all of the Association's management and assessment collection duties, obligations and responsibilities (except those which cannot be delegated as a matter of law), including the Association's responsibility for managing the use of the accommodations and related facilities of Disney's BoardWalk Villas in accordance with and as restricted by the Vacation Ownership Plan; and

WHEREAS, DVD, the Association, DVCMC and BVTC desire to enter into this Agreement for the purpose of enabling Disney's BoardWalk Villas to become a DVC Resort and for BVTC to coordinate activities and perform services associated therewith in accordance with the provisions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby agree as follows:

AGREEMENT

I. Definitions

The following definitions of terms used in this Agreement shall prevail unless the context requires a different meaning:

- 1.1 Agreement shall mean this DVC Resort Agreement for Disney's BoardWalk Villas and any rules and regulations promulgated by BVTC from time to time hereunder.
- 1.2 Annual Dues means that portion of Disney's BoardWalk Villas Estimated Budgets that has been assessed against an individual Owner's Ownership Interest together with the Owner's proportionate share of the ad valorem taxes for the Ownership Interest.
- 1.3 Applicable Law shall mean the law of the jurisdiction where the DVC Resort referred to is located, as of the date of this Agreement unless BVTC determines otherwise.
- 1.4 Association shall mean Disney's BoardWalk Villas Condominium Association, Inc., a not-for-profit Florida corporation, and its successors and assigns, which is responsible for the operation and management of Disney's BoardWalk Villas under Applicable Law.
- 1.5 BVTC shall mean Buena Vista Trading Company, a Florida corporation, its successors and assigns. BVTC is an exchange company registered under Chapter 721.
- 1.6 Chapter 721 shall mean Chapter 721, Florida Statutes, as it is constituted on the date of this Agreement.
- 1.7 Club shall mean the Disney Vacation Club. The Club is not a legal entity or association of any kind, but rather is a service name for the services and benefits appurtenant to and the restrictions imposed upon the use and enjoyment of Ownership Interests. These services presently include, among other things, the operation of a central reservation system consisting of the reservation component for the Vacation Ownership Plan and the DVC Reservation Component.
- 1.8 Club Member shall mean the owner of record of an Ownership Interest.
- 1.9 Disclosure Document shall mean the disclosure statement promulgated or amended by BVTC in accordance with Section 721.18, Florida Statutes, and containing the rules and regulations that BVTC in its sole discretion determines are necessary or desirable from time to time in order to enforce the provisions of this Agreement in accordance with Applicable Law. The terms and conditions of the Disclosure Document are incorporated herein by this reference.
- 1.10 Disney's BoardWalk Villas Documents shall mean all of the documents, by whatever names denominated, and any amendments thereto, which create and govern the rights and relationships of the Club Members in Disney's BoardWalk Villas as required or allowed by Applicable Law.
- 1.11 Disney's BoardWalk Villas Estimated Budgets shall mean the operating and capital reserves budgets that establish the estimated annual common expenses and reserves of Disney's BoardWalk Villas.
- 1.12 Disney's BoardWalk Villas shall mean Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium, according to the Declaration of Condominium thereof and all amendments thereto.

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- 1.13 Disney Vacation Club shall mean the Club.
- 1.14 DVCMC shall mean Disney Vacation Club Management Corp., a Florida corporation, its successors and assigns.
- 1.15 DVC Reservation Component shall mean the exchange component of the Club central reservation system through which Vacation Homes in any DVC Resort may be reserved using DVC Vacation Points pursuant to priorities, restrictions and limitations established by BVTC from time to time and as set forth in the Disclosure Document.
- 1.16 DVC Resort shall mean each resort, including Disney's BoardWalk Villas, which is entitled to access and use the DVC Reservation Component and other applicable Club services and benefits provided by BVTC by virtue of and pursuant to the terms and conditions of a DVC Resort Agreement.
- 1.17 DVC Resort Agreement shall mean the agreement pursuant to which a resort becomes and remains a DVC Resort in accordance with the terms and conditions of such agreement.
- 1.18 DVC Vacation Points shall mean Vacation Points utilized by a Club Member to make a reservation through the DVC Reservation Component at a DVC Resort.
- 1.19 DVD shall mean Disney Vacation Development, Inc., a Florida corporation, its successors and assigns, and the developer of Disney's BoardWalk Villas.
- 1.20 Home Resort shall mean any DVC Resort in which a Club Member owns an Ownership Interest which is symbolized by Home Resort Vacation Points.
- 1.21 Home Resort Priority Period shall mean the period of time at each DVC Resort during which only Club Members having an Ownership Interest at that DVC Resort are entitled to request a reservation for the Vacation Homes at that DVC Resort through the vacation ownership plan at that DVC Resort.
- 1.22 Home Resort Vacation Points shall mean Vacation Points symbolizing an Ownership Interest at a Home Resort which Vacation Points may be used to reserve Vacation Homes at that Home Resort where that Ownership Interest is held.
- 1.23 Ownership Interest shall mean a property interest in a Unit in a DVC Resort.
- 1.24 The TWDC Companies shall mean TWDC and all subsidiaries and affiliates of TWDC, including DVD, DVCMC and BVTC.
- 1.25 TWDC shall mean The Walt Disney Company, a Delaware corporation, its successors and assigns.
- 1.26 Unit shall mean that portion of a DVC Resort which is subject to exclusive ownership by one or more persons pursuant to Applicable Law.
- 1.27 Vacation Home shall mean those portions of a Unit designed and intended for separate use and occupancy.
- 1.28 Vacation Ownership Plan is the arrangement pursuant to Applicable Law and the documents establishing the DVC Resort under Applicable Law whereby a Club Member receives an Ownership Interest in a Unit in a DVC Resort under which the exclusive right of use, possession or occupancy of all Units in the DVC Resort circulates among the various Club Members at that DVC Resort on a recurring basis during the term of the plan.

1.29 Vacation Point shall mean the symbolic unit of measuring the respective rights of a Club Member to enjoy the benefits of the Club Member's Ownership Interest within the Club.

II. Assignment

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2.1 The Association, on its own behalf and on behalf of all of the Club Members at Disney's BoardWalk Villas, hereby enters into and agrees to be bound by the terms and conditions of this Agreement with the purpose of engaging BVTC to arrange for the assignment of the possession and use of Disney's BoardWalk Villas Vacation Homes by Club Members from other DVC Resorts and the possession and use of Vacation Homes at other DVC Resorts by Club Members from Disney's BoardWalk Villas through the DVC Reservation Component. In this regard, the Association shall be deemed to be the "corporate member" entitled to act on behalf of the Club Members with respect to all provisions of this Agreement. Each Club Member at Disney's BoardWalk Villas shall expressly evidence acceptance of the terms and conditions of this Agreement and the Disclosure Document by acceptance of a deed conveying an Ownership Interest in a Unit.

2.2 DVD hereby enters into this Agreement for the purpose of expressing its consent to and acceptance of the terms and conditions of this Agreement.

2.3 DVCMC, as the management company for Disney's BoardWalk Villas, hereby enters into this Agreement for the purpose of expressing its consent to and acceptance of the terms and conditions of this Agreement. Whatever obligations are imposed upon the Association by this Agreement, the reference to the Association shall include DVCMC as the management company authorized to act on behalf of the Association to the extent contemplated under the Disney's BoardWalk Villas Documents.

2.4 BVTC for itself and its successors and assigns hereby agrees to assume all of the responsibilities and duties set forth above, and to faithfully discharge all of its obligations as assigned hereunder.

2.5 The parties agree that the rights assigned to BVTC pursuant to this Agreement are exclusive to BVTC.

III. Acknowledgments

3.1 DVCMC, DVD, BVTC and the Association hereby acknowledge the following:

a. That the DVC Reservation Component shall be operated by BVTC pursuant to the terms of this Agreement and the Disclosure Document, as the same may be amended from time to time.

b. That membership in the Club is an appurtenance to each Ownership Interest at Disney's BoardWalk Villas in accordance with the terms of the Disney's BoardWalk Villas Documents and this Agreement and may not be partitioned therefrom.

c. That the Club does not own any property or assets, and that Club Members will acquire no legal or beneficial interest in any of The TWDC Companies or their assets, including the Club, and no right or interest in the property, contract rights or business of The TWDC Companies. Furthermore, Club Members will not be entitled to any share of income, gain or distribution by or of The TWDC Companies and will not acquire any voting rights in respect of The TWDC Companies.

d. That DVD is only obligated to develop and construct the phases of Disney's BoardWalk Villas initially declared as part of Disney's BoardWalk Villas and described in the Disney's BoardWalk

Villas Documents. DVD has the right, in its sole discretion, to add other land, units and facilities, whether or not developed by The TWDC Companies, as part of Disney's BoardWalk Villas.

e. That BVTC has the right to remove a DVC Resort, including Disney's BoardWalk Villas, as a DVC Resort in accordance with Section 6.3 below, in which case the Club Members at the remaining DVC Resorts will not be able to reserve the use of accommodations at the deleted resort through the DVC Reservation Component and owners at the deleted resort will not be able to reserve the use of Vacation Homes through the DVC Reservation Component.

f. That the discretion to associate other resorts as DVC Resorts and the terms and conditions of such association and the right to delete existing DVC Resorts belongs solely to BVTC and neither the Association, DVCMC nor the individual Club Members will be entitled to participate in BVTC's decision in this regard.

g. That the relationship between DVCMC, the Association and BVTC, together with the handling of all of the services and benefits provided by BVTC for the Club Members at Disney's BoardWalk Villas, constitutes legitimate business of the Association.

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IV. Covenants of DVD, DVCMC and the Association

4.1 DVD agrees to notify BVTC, at least annually, of DVD's execution and delivery of deeds to each Club Member at Disney's BoardWalk Villas indicating that DVD has transferred an Ownership Interest in Disney's BoardWalk Villas to the Club Member.

4.2 The Association agrees that at the time that DVD transfers its control of Disney's BoardWalk Villas to the Association as set forth in the Disney's BoardWalk Villas Documents, Disney's BoardWalk Villas shall continue to be a DVC Resort pursuant to the provisions of and in accordance with the terms and conditions of this Agreement.

4.3 DVD, DVCMC and the Association represent and warrant to BVTC that: (a) DVD owns or leases, or shall own or lease prior to marketing or commencement of sales, the real estate and improvements constituting Disney's BoardWalk Villas; and (b) each Club Member owning an Ownership Interest in Disney's BoardWalk Villas shall acquire, possess and enjoy the right to use his or her Ownership Interest in accordance with information contained in the deed submitted for each Club Member and in accordance with the Disney's BoardWalk Villas Documents. DVD, DVCMC and the Association shall immediately notify BVTC of any change or any other fact or circumstance affecting BVTC's delivery of services and benefits to Club Members at Disney's BoardWalk Villas, including the termination of any existing management company for Disney's BoardWalk Villas.

V. Operation and Management of Reservation Rights.

5.1 All reservations made by Club Members among the DVC Resorts using the DVC Reservation Component shall be made in accordance with the Disclosure Document as promulgated and/or amended from time to time by BVTC. BVTC reserves the right to amend the Disclosure Document in its sole discretion and as it determines is necessary or desirable in order to operate and manage the services and benefits made available through BVTC; provided, however, that the Disclosure Document will only be amended as permitted under Applicable Law.

5.2 DVD, DVCMC and the Association acknowledge and understand that the operation and management of the DVC Reservation Component is based upon a Vacation Point structure. Under this structure, each Ownership Interest is symbolized by a number of Home Resort Vacation Points under the Vacation Ownership

Plan for the DVC Resort representing the reservation power of that Ownership Interest in that DVC Resort's Vacation Ownership Plan. These Home Resort Vacation Points may be used as DVC Vacation Points if the Club Member voluntarily participates in the DVC Reservation Component by making a reservation at other DVC Resorts. Home Resort Vacation Points may not be used as DVC Vacation Points except in connection with making a reservation through the DVC Reservation Component. The number of DVC Vacation Points required to reserve Vacation Homes at a DVC Resort will be determined annually by BVTC in its sole discretion; however, in no event will BVTC reallocate DVC Vacation Points by more than 20% for any use day from year to year except for specially designated days of high demand as set forth in the Disclosure Document.

5.3 DVD, DVCMC and the Association acknowledge and understand that different Home Resort Priority Periods may exist at each DVC Resort; provided, however, that in no event shall BVTC associate a resort as a DVC Resort if such resort has a Home Resort Priority Period of less than one (1) month.

5.4 DVD, DVCMC and the Association acknowledge and agree that all personal property related to BVTC's operation of the DVC Reservation Component, including all computer hardware and software and intellectual property, is and always shall be the personal property of BVTC; provided, however, that in the event that this Agreement is terminated or suspended, the rights of the parties to use the DVC Reservation Component for the Club will be governed by the provisions of Article VIII. below.

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VI. Other DVC Resorts

6.1 In the event BVTC associates one or more additional resorts as DVC Resorts, the DVC Resort Agreement executed to effect such association shall be substantially similar to this Agreement in all material respects under the circumstances pertaining to each such additional DVC Resort.

6.2 The parties agree that BVTC shall have the following rights with respect to the addition of resorts as DVC Resorts:

a. BVTC may elect to associate other resort properties as DVC Resorts from time to time. These other DVC Resorts, if any, may be located within or outside the United States of America. Furthermore, it is contemplated that all resorts that may be associated as DVC Resorts from time to time will be developed by DVD or another affiliate or subsidiary of The TWDC Companies and managed by DVCMC; however, BVTC in its sole discretion reserves the right to enter into a DVC Resort Agreement with other resorts that have not been developed by DVD or any of The TWDC Companies and that may or may not be managed by DVCMC.

b. The association of additional DVC Resorts is not subject to the approval of DVCMC, the Association or any Club Member, and any decision to associate DVC Resorts, including the terms and conditions under which the DVC Resort is associated, will be made by BVTC subject to the express written approval of DVD. In making a decision to associate additional DVC Resorts, BVTC shall use its best efforts, in good faith and based upon all available evidence under the circumstances, to further the best interests of the Club Members taken as a whole with respect to the Club Members' opportunity to use and enjoy all of the Vacation Homes and related facilities made available through the DVC Reservation Component. In this regard, BVTC will consider such factors as size, capacity, furnishings, maintenance impact, location (including geographic, topographic and scenic considerations), recreational capabilities, and demand and availability for Club Member use and enjoyment.

c. In the event other resorts are associated as DVC Resorts, the addition of the DVC Resort will result in the addition of new Club Members who will have the opportunity to make reservations for the use of Vacation Homes and related facilities through the DVC Reservation Component under the same terms and conditions as existing Club Members, including the Club Members at Disney's BoardWalk Villas, and may also result in an increase in the Annual Dues assessed against each Ownership Interest. If other DVC Resorts are associated,

demand for use may vary among the various DVC Resorts and the level of Club Member demand for the use of a particular DVC Resort may increase over the level of use demand that existed at the time of purchase by a particular Club Member such that the ability of a Club Member to reserve use at a high demand DVC Resort at a particular time may be impacted. However, new Club Members' reservation requests will also be subject to the Home Resort Priority Period for each DVC Resort, and in no event shall the addition of a DVC Resort result in a greater than "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05(23), Florida Statutes. In addition, the inclusion of new resorts as DVC Resorts will afford existing Club Members with more DVC Resort Vacation Homes and location reservation opportunities and options.

d. BVTC does not anticipate that the rules and regulations governing reservations among the DVC Resorts will be affected by adding additional resorts as DVC Resorts. However, BVTC has reserved the right to amend the Disclosure Document and DVC Vacation Point schedules to take into account the location and anticipated relative use demand of the added DVC Resort as may be necessary and as it deems necessary or desirable in order to enforce the provisions of this Agreement and the Disclosure Document as permitted under Applicable Law.

6.3 The parties agree that any deletion of a DVC Resort shall be governed by the following:

a. In the event of a deletion of any DVC Resort that results in Vacation Homes or related facilities of such DVC Resort being unavailable for use by Club Members, BVTC shall notify DVD, DVCMC, the Association and all affected Club Members of such unavailability of use within thirty (30) days after the related event of casualty, eminent domain action or automatic deletion.

b. BVTC may, in its sole discretion, delete all or a portion of an existing DVC Resort due to casualty where any of the affected Vacation Homes or related facilities are not reconstructed or replaced.

(1) By execution of this Agreement, DVCMC and the Association agree to obtain and maintain casualty insurance as to all Vacation Homes, related facilities and furnishings located upon Disney's BoardWalk Villas in an amount equal to the replacement cost of such Vacation Homes, related facilities and furnishings as required by Chapter 721. BVTC shall not be liable for any costs associated with obtaining or maintaining such insurance.

(2) DVD, DVCMC, and the Association further agree that any insurance proceeds resulting from a casualty at Disney's BoardWalk Villas shall be applied to the reconstruction or replacement of the Vacation Homes or related facilities; or, in lieu thereof, disbursed to affected Club Members at Disney's BoardWalk Villas as their share of the non-reconstructed or replaced Unit, in accordance with the Disney's BoardWalk Villas Documents, resulting in their withdrawal from participation in the DVC Reservation Component so that Club Members will not be requesting reservations for available Vacation Homes on a greater than "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05(23), Florida Statutes. The decision whether or not to reconstruct or replace shall be made as promptly as possible under the circumstances.

(3) Any replacement of Vacation Homes or related facilities of Disney's BoardWalk Villas due to casualty shall be made so as to provide Club Members with an opportunity to enjoy a substantially similar vacation experience as was available with the deleted Vacation Homes or related facilities, as determined by BVTC in its sole discretion. In determining whether the replacement Vacation Homes and related facilities will provide a substantially similar vacation experience, BVTC shall consider all relevant factors, including some or all of the following: size, capacity, furnishings, maintenance costs, location (geographic, topographic and scenic), demand and availability for Club Member use, and recreational capabilities. BVTC reserves the right, in its sole discretion, to reject replacement Vacation Homes and related facilities that do not meet its association criteria, including the high standards of quality and customer service established by BVTC for all DVC Resorts from time to time.

c. BVTC may, in its sole discretion, delete all or a portion of any existing DVC Resort where an eminent domain action has taken place and where any of the affected Vacation Homes or related facilities are not replaced.

(1) In the event of a taking of all or a portion of the Vacation Homes and related facilities of a DVC Resort by eminent domain, DVD, DVCMC, and the Association agree that any proceeds resulting from such taking shall be applied to the replacement or acquisition of additional similar Vacation Homes and related facilities; or in lieu thereof, disbursed to affected Club Members at Disney's BoardWalk Villas as their share of the non-replaced Unit, in accordance with the Disney's BoardWalk Villas Documents, resulting in their withdrawal from participation in the DVC Reservation Component so that Club Members will not be requesting reservations for available Vacation Homes on a greater than "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05(23), Florida Statutes.

(2) Any replacement of Vacation Homes or related facilities due to a taking by eminent domain shall be made upon the same basis as replacements made due to casualty as set forth above.

d. BVTC may, in its sole discretion, delete an existing DVC Resort pursuant to the specific termination rights contained in each individual DVC Resort Agreement. A DVC Resort will also be automatically deleted upon the expiration or earlier termination of the term of its Vacation Ownership Plan.

e. During any reconstruction, repair or replacement period, or as a result of a decision not to reconstruct or replace (if permitted under the documents establishing the DVC Resort under Applicable Law), Club Members may temporarily request reservations for available Vacation Homes on a greater than "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05(23), Florida Statutes. If available, DVCMC and the Association may acquire business interruption insurance for securing replacement Vacation Homes or related facilities or expend Association funds to secure replacement Vacation Homes or related facilities during any reconstruction, replacement or acquisition period.

f. In the event that a DVC Resort is deleted, all Club Members at the deleted DVC Resort will no longer be able to participate in the DVC Reservation Component so as to maintain no greater than a "one-to-one purchaser to accommodation ratio," as that term is defined in Section 721.05(23), Florida Statutes. A Club Member at a deleted DVC Resort will not be able to make reservations at other DVC Resorts unless the Club Member owns an Ownership Interest at a non-deleted DVC Resort; however, the Club Member will continue to have reservation rights in the resort where the Club Member owns his or her Ownership Interest in accordance with the terms of the resort's Vacation Ownership Plan.

6.4 Without first receiving the express written consent of DVD, BVTC shall not offer any external exchange programs to Club Members other than as contemplated under this Agreement.

VII. BVTC Fees

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7.1 In consideration for providing the services contemplated under this Agreement and in lieu of charging individual transaction fees to Club Members, BVTC shall be entitled to receive an amount equal to the rental proceeds, if any, in excess of the amount paid to the Association under the Disney's BoardWalk Villas Documents resulting from the rental of unreserved Vacation Homes (in accordance with the reservation priorities set forth in the Disney's BoardWalk Villas Documents) equal to the costs incurred by BVTC to provide the services contemplated under this Agreement plus 5% of the amount of the costs to provide the services contemplated under this Agreement. BVTC shall provide DVCMC with an annual accounting of the costs that it incurs in the performance of the services contemplated under this Agreement. DVCMC shall receive, hold and remit these proceeds due to BVTC in accordance with the terms of the Disney's BoardWalk Villas Documents. The proceeds contemplated to

be remitted to BVTC pursuant to this Section shall be payable in arrears and shall be due on January 1st of the next year and past due on January 31st of that year. BVTC's right to receive these proceeds shall cease upon the termination of this Agreement.

7.2 In lieu of individual membership fees, the Association, as the "corporate member" on behalf of all Club Members at Disney's BoardWalk Villas, shall remit to BVTC each calendar year, an amount equal to \$1.00 for each Club Member at Disney's BoardWalk Villas. This "corporate membership fee" shall be payable in arrears and shall be due on January 1st of the next year and past due on January 31st of that year. The fee shall be based upon the number of Club Members owning Ownership Interests at Disney's BoardWalk Villas as of December 31st of the year for which the fee is due. Upon the termination of this Agreement, BVTC shall be entitled to receive a prorated "corporate membership fee" through the termination date and based upon the number of Club Members owning Ownership Interests at Disney's BoardWalk Villas as of the effective date of termination.

7.3 A Club Member's failure to pay his or her Annual Dues shall not relieve the Association from its obligations to timely pay the entire amount of proceeds or fees due to BVTC hereunder.

7.4 By execution of this Agreement, DVCMC and the Association authorize BVTC to prohibit Club Members who are delinquent in the payment of their Annual Dues, as set forth in the Disney's BoardWalk Villas Documents, from accessing the DVC Reservation Component or checking in to a Vacation Home at a DVC Resort reserved through the DVC Reservation Component as permitted under and in accordance with Applicable Law and until such time as the delinquency is paid in full.

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VIII. Termination, Suspension and Remedies

8.1 Termination of this Agreement can occur as follows:

a. This Agreement will automatically terminate upon:

(1) the declaration of bankruptcy or insolvency of any of DVD, DVCMC or the Association according to law or if any general assignment shall be made of DVD's, DVCMC's or the Association's property for the benefit of creditors; provided, however, that BVTC shall have the right, in its sole discretion, to continue the Agreement as to the parties that have not been declared bankrupt or insolvent or made the subject of a general assignment for the benefit of creditors; or

(2) the deletion of the entire Disney's BoardWalk Villas in accordance with Section 6.3 above.

b. The parties may terminate participation in this Agreement:

(1) by the mutual written agreement of the parties, effective upon the date agreed to by the parties; or

(2) in the event of a material breach of any of the terms, conditions, covenants, representations or warranties contained in this Agreement upon written notice to the breaching party stating the grounds for such termination, unless the breaching party cures the asserted breach to the reasonable satisfaction of the party giving such notice within thirty (30) days of the date of notice.

c. BVTC may immediately terminate its participation in this Agreement, by giving written notice to DVD, DVCMC and the Association, upon BVTC's determination, in its sole discretion, that DVD, DVCMC or the Association have failed to manage, operate and maintain Disney's BoardWalk Villas in a manner consistent

with the high standards of quality and customer service established by BVTC for all DVC Resorts from time to time, including the employment or termination by DVD and/or Association of Disney's BoardWalk Villas' management company without BVTC's consent.

8.2 Unless sooner terminated as provided in this Agreement, the term of this Agreement shall expire on January 31, 2042, or upon the earlier termination of the Vacation Ownership Plan for Disney's BoardWalk Villas. In the event that the Vacation Ownership Plan is extended beyond January 31, 2042, pursuant to the terms of the Disney's BoardWalk Villas Documents and at BVTC's election, the term of this Agreement shall automatically be extended for the additional term unless sooner terminated as provided in this Agreement.

8.3 Upon termination of this Agreement, the following events shall occur:

a. DVD shall immediately discontinue the offering of Ownership Interests with appurtenant rights in the DVC Reservation Component in accordance with the terms of this Agreement to prospective purchasers; and

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b. DVD, DVCMC and the Association shall immediately cease using and thereafter abstain from using all personal property belonging to BVTC and related to the operation and functioning of the DVC Reservation Component, including all computer hardware or software or intellectual property. DVD, DVCMC and the Association shall return same to BVTC all personal property belonging to BVTC within fifteen (15) days after termination of this Agreement, subject to any transition periods required under Chapter 721. No property right in or privilege to use BVTC materials is created by this Agreement which will extend beyond the expiration or termination of this Agreement. The terms of this Section shall survive the termination of this Agreement.

8.4 Upon termination of this Agreement, BVTC shall honor all reservations and reservation privileges of Club Members from other DVC Resorts reserving Vacation Homes at Disney's BoardWalk Villas that are confirmed or accrued prior to termination and shall honor all reservations and reservation privileges of Club Members at Disney's BoardWalk Villas reserving Vacation Homes at other DVC Resorts that are confirmed or accrued prior to termination of this Agreement. DVD, DVCMC and the Association shall honor all confirmed reservations and reservation privileges of Club Members from other DVC Resorts reserving Vacation Homes at Disney's BoardWalk Villas that are confirmed or accrued prior to termination. The terms of this Section shall survive the termination of this Agreement.

8.5 Notwithstanding any provisions contained in this Agreement to the contrary, BVTC reserves the right to elect to suspend the participation of Disney's BoardWalk Villas as a DVC Resort under this Agreement rather than electing to terminate this Agreement. The terms and conditions governing such suspension shall be determined by BVTC in its sole discretion. Upon the termination of such suspension period, Disney's BoardWalk Villas shall be entitled to resume participation as a DVC Resort under this Agreement subject to any terms and conditions established by BVTC.

8.6 In the event that DVD, DVCMC or the Association fails to perform its services under this Agreement and such failure results in a Club Member with a confirmed reservation at Disney's BoardWalk Villas being wrongfully denied access to a Vacation Home, then DVD, DVCMC or the Association shall immediately correct such denial of access at its own expense.

8.7 Each party acknowledges that damages cannot adequately compensate the other parties for a breach of any of the provisions of this Agreement, and, therefore, the parties agree that each party shall be entitled to a remedy of specific performance or injunctive relief, as appropriate, in the event of a breach or threatened breach of any such provisions by any other party, in addition to any other appropriate legal or equitable remedies.

8.8 Each party agrees to indemnify and hold harmless the other parties from and against all claims, demands, obligations, deficiencies, judgments, damages, suits, losses, penalties, expenses, costs (including

attorneys' and other professionals' fees) and liabilities of any kind, type or nature whatsoever directly or indirectly resulting from, arising out of or in connection with this Agreement or the operation of its business as a result of any acts or omissions by it or any of its directors, officers, partners, employees, representatives, agents, brokers, salespersons or associates.

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IX. Assignment

9.1 BVTC reserves the right, and DVD, DVCMC and the Association acknowledge BVTC's right, to assign BVTC's rights and duties under this Agreement to a wholly owned subsidiary of BVTC, the parent corporation of BVTC, or a corporation under common ownership or control with BVTC. Upon such assignment and assumption, BVTC shall be released from all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the other parties.

9.2 DVD reserves the right, and DVCMC, BVTC and the Association acknowledge DVD's right, to assign DVD's rights and duties under this Agreement to a wholly owned subsidiary of DVD, the parent corporation of DVD or a corporation under common ownership or control with DVD. Upon such assignment and assumption DVD shall be released from all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the other parties.

9.3 DVCMC reserves the right, and DVD, BVTC and the Association acknowledge DVCMC's right, to assign DVCMC's rights and duties under this Agreement to a wholly owned subsidiary of DVD, the parent corporation of DVCMC or a corporation under common ownership or control with DVCMC. Upon such assignment and assumption DVCMC shall be released from all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the other parties.

9.4 The parties hereby agree that the Association shall not have the right to assign its rights and duties under this Agreement to any third party other than DVCMC.

X. General

10.1 This Agreement shall become effective on the date it is accepted by BVTC, as set forth below, and shall continue in force and effect until such time as it is terminated pursuant to Article VIII. above.

10.2 Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) when deposited, postage prepaid, in the United States mail, certified or registered mail with a return receipt requested, addressed to the party at the address shown above; (ii) when delivered personally to the party at the address specified above; (iii) when deposited with a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above; or (iv) when delivered by facsimile transmission with confirmed receipt of transmission. A party may designate a different address for receiving notices hereunder by notice to the other parties.

10.3 The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. All references in this Agreement to particular recitals and sections are references to recitals and sections of this Agreement. The recitals set forth at the beginning of this Agreement are true and correct and are incorporated herein by this reference.

10.4 In the event that any clause or provision of this Agreement is held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provision shall not affect any other provision of this

Agreement. Failure of any party to insist on strict compliance with the provisions of this Agreement shall not constitute waiver of that party's right to demand later compliance with the same or other provisions of this Agreement.

10.5 This Agreement constitutes the entire understanding and agreement among the parties concerning the subject matter of this Agreement. This Agreement may be modified only by a writing executed by the parties with the same formality with which this Agreement has been executed. All understandings among the parties are merged into this Agreement, and there are no representations, warranties, covenants, obligations, understandings or agreements, oral or otherwise, in relation thereto among the parties other than those incorporated herein.

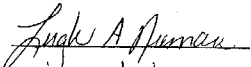
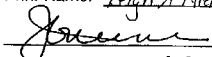
10.6 This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Florida. The parties hereby waive any right they may have under any Applicable Law to a trial by jury with respect to any suit or legal action which may be commenced by or against the other concerning the interpretation, construction, validity, enforcement or performance of this Agreement or any other agreement or instrument executed in connection with this Agreement. In the event any such suit or legal action is commenced by any party, the other parties hereby agree, consent and submit to the personal jurisdiction of the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party hereby waives all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

10.7 This Agreement and all of its provisions shall be binding upon and inure to the benefit of the parties and their successors and assigns. In no event shall the terms and conditions of this Agreement be deemed in any way to inure to the benefit of any person or party not expressly made a party hereto except for permitted successors or assigns to parties hereto.

10.8 In the event that BVTC shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, act of God, or any other reason beyond BVTC's control, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

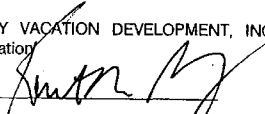
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the dates set forth below.

WITNESSES


Print Name: Leigh A. Numan

Print Name: J. GREENE

"DVD"

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: 
Print Name: Kenneth N. M...
As its: Sr. Vice President

OR Bk 5101 Pg 258
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WITNESSES

Leigh A. Nieman
Print Name: Leigh A Nieman

J. Greene
Print Name: J. GREENE

WITNESSES

Leigh A. Nieman
Print Name: Leigh A Nieman

J. Greene
Print Name: J. GREENE

WITNESSES

Leigh A. Nieman
Print Name: Leigh A Nieman

J. Greene
Print Name: J. GREENE

Print Name: _____

AGREED TO AND ACCEPTED THIS 28th DAY OF JUNE, 1996.

"DVCMC"

DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation

By: Patrick J. Grismer

Print Name: Patrick J Grismer

As its: Treasurer

"Association"

DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation

By: Elaine Ferraro

Print Name: Elaine Ferraro

As its: Treasurer

"BVTC"

BUENA VISTA TRADING COMPANY, a Florida corporation

By: Cheryl H. Levine

Print Name: Cheryl H Levine

As its: Director/Assistant Secretary

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(Exhibit "G" to the Declaration)

DISNEY VACATION CLUB MEMBERSHIP AGREEMENT

FOR

OR Bk 5101 Pg 235
Orange Co FL 5711668

DISNEY'S BOARDWALK VILLAS

THIS AGREEMENT is entered into on the day and date set forth below by and among DISNEY VACATION DEVELOPMENT, INC., a Florida corporation ("**DVD**"), whose address is 200 Celebration Place, Celebration, Florida 34747; DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation ("**DVCMC**"), whose address is 200 Celebration Place, Celebration, Florida 34747; and DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation (the "**Association**"), whose address is 200 Celebration Place, Celebration, Florida 34747.

WITNESSETH:

WHEREAS, DVD has established a vacation ownership plan pursuant to Chapter 721, Florida Statutes (the "**Vacation Ownership Plan**"), for Disney Vacation Club at Disney's BoardWalk Villas, a leasehold condominium (the "**Condominium**"); and

WHEREAS, pursuant to the Declaration of Condominium for the Condominium (the "**Declaration**"), the Association has the responsibility, obligation and authority to operate the Vacation Ownership Plan for the Condominium; and

WHEREAS, DVD has provided for a "central reservation system" and related services (the "**Club**") which includes the operation of a reservation system for the Condominium by DVCMC (the "**Home Resort Reservation Component**") through which the several Owners in the Condominium reserve the use of the accommodations of the Condominium pursuant to the priorities, restrictions and limitations of the Vacation Ownership Plan established by DVCMC from time to time; and

WHEREAS, the Association is desirous of entering into this Agreement for the purpose of assigning its responsibilities and obligations for operating the Vacation Ownership Plan to DVCMC as described herein and for the purpose of assuring that the quality of the operation of the Vacation Ownership Plan is maintained as described herein; and

WHEREAS, DVCMC is desirous of accepting such assignment and furnishing the necessary services for the Association; and

WHEREAS, the parties desire to enter into this Agreement for the purpose of defining and implementing the operation of the Vacation Ownership Plan and the Home Resort Reservation Component.

NOW, THEREFORE, in consideration of the covenants, conditions and obligations contained herein and other good and valuable consideration received by the parties, it is agreed by and among the parties as follows:

I. DEFINITIONS

The terms used in this Agreement shall be defined in accordance with the Declaration unless otherwise defined herein or the context otherwise requires. In addition, the following definitions of terms used in this Agreement shall also apply:

1.1 Agreement shall mean this Disney Vacation Club Membership Agreement for Disney's BoardWalk Villas and the Home Resort Rules and Regulations promulgated by DVCMC from time to time hereunder.

1.2 Annual Dues means that portion of the Condominium Estimated Budgets that has been assessed against an individual Owner's Ownership Interest together with the Owner's proportionate share of the ad valorem taxes for the Ownership Interest.

1.3 Banking shall mean the act of a Club Member in deferring the use of all or a portion of the Club Member's Home Resort Vacation Points from the current Use Year into the next succeeding Use Year.

1.4 Borrowing shall mean the act of a Club Member in using all or a portion of the Club Member's Home Resort Vacation Points from the next succeeding Use Year in the current Use Year for the purpose of making a reservation.

1.5 Breakage shall mean those Use Days which have not been reserved by Club Members prior to the commencement of the Breakage Period, the use of which may only be reserved by Club Members pursuant to the priorities set forth in Paragraph 4.3 below.

1.6 Breakage Period shall mean the period, as set forth in the Home Resort Rules and Regulations from time to time, preceding a given Use Day.

1.7 Club Member shall mean the owner of record of an Ownership Interest.

1.8 Condominium Estimated Budgets shall mean the operating and capital reserves budgets that establish the estimated annual common expenses and reserves of the Condominium.

1.9 External Exchange Company shall mean any company that owns, operates or owns and operates an External Exchange Program.

1.10 External Exchange Documents shall mean all information provided to Club Members, from time to time, regarding the operation of any External Exchange Program, including the disclosures required by Section 721.18, Florida Statutes.

1.11 External Exchange Program shall mean the contractual arrangement between DVCMC, the Association, or individual Club Members or an External Exchange Company or Companies under which Club Members may request and reserve, under certain conditions, the use of accommodations in resorts other than the Condominium or other DVC Resorts.

1.12 Full Kitchen shall mean a kitchen that includes, at a minimum, a dishwasher, range, sink, oven and refrigerator.

1.13 Grand Villa Vacation Home shall mean a Vacation Home containing three (3) bedrooms, three (3) bathrooms and a Full Kitchen.

1.14 Home Resort Rules and Regulations shall mean the rules and regulations which DVCMC, in its sole discretion, determines are necessary or desirable from time to time in order to enforce the provisions of this Agreement in accordance with applicable law.

1.15 Multiple Club Member shall mean a Club Member consisting of a business entity or two (2) or more natural persons owning a single Ownership Interest.

1.16 One-Bedroom Vacation Home shall mean a Vacation Home containing one (1) bedroom, one (1) bathroom and a Full Kitchen.

1.17 Studio Vacation Home shall mean a Vacation Home containing one (1) bedroom, one (1) bathroom and equipped with a microwave, under counter refrigerator, and sink.

1.18 Transfer shall mean the assignment by one Club Member of the use of his or her Home Resort Vacation Points to another Club Member during a given Use Year.

1.19 Two-Bedroom Vacation Home shall mean a Vacation Home containing two (2) bedrooms, two (2) bathrooms and a Full Kitchen. Two-Bedroom Vacation Homes may be locked-off into One-Bedroom and Studio Vacation Homes as a use convenience only.

1.20 Use Day shall mean a twenty-four (24) hour period (or such lesser period as may be designated by DVCMC from time to time) in a Vacation Home subject to use reservation by Club Members.

1.21 Use Year shall mean, for each Unit, the twelve (12) month period beginning on the first day of the month designated by DVD in each purchase agreement selling an Ownership Interest to a Club Member in that Unit and in each deed conveying an Ownership Interest to a Club Member in that Unit. All Ownership Interests in a given Unit shall have the same Use Year. The Use Year shall continue for successive twelve (12) month periods for so long as the Vacation Ownership Plan continues. Any Ownership Interest purchased to supplement a Club Member's existing Ownership Interest must have the same Use Year as the Ownership Interest it supplements.

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II. ASSIGNMENT

The Association, on its own behalf and on behalf of all of the Owners, hereby enters into and agrees to be bound by the terms and conditions of this Agreement and assigns to DVCMC, to the exclusion of all persons, all the powers and duties of the Association (except those that cannot be assigned as a matter of law) relating to the operation of the Vacation Ownership Plan for the Condominium. DVCMC hereby accepts such assignment and further agrees to operate the Vacation Ownership Plan and the Home Resort Reservation Component in accordance with the provisions of the Condominium Documents. Each Owner shall expressly evidence acceptance of the terms and conditions of this Agreement and the Home Resort Rules and Regulations by acceptance of a deed conveying an Ownership Interest in a Unit. DVD enters into this Agreement for the purpose of expressing its consent to and acceptance of the terms and conditions of this Agreement.

III. OPERATION OF THE VACATION OWNERSHIP PLAN.

3.1 Operation of the Home Resort Reservation Component. The purpose of this Agreement is to define the operation of the Vacation Ownership Plan for the Condominium by DVCMC. Club Members at the Condominium accessing Vacation Homes in accordance with the Vacation Ownership Plan and through the Home Resort Reservation Component must do so pursuant to the terms and conditions of this Agreement and the Home Resort Rules and Regulations.

3.2 Vacation Points. For administrative convenience in the operation of the Club and in the determination of the respective rights of Club Members to enjoy the services and benefits associated with membership in the Club, the Ownership Interest of each Club Member will be symbolized by a number of Home Resort Vacation Points rather than by the specific percentage of the Club Member's Ownership Interest in a Unit. Club Members will be permitted to use their Home Resort Vacation Points each Use Year to make a reservation in the Condominium.

3.3 Home Resort Vacation Point Reservation Values. A certain number of Home Resort Vacation Points have been or will be established by DVCMC in its sole discretion for the use of each Vacation Home in the Condominium during each Use Day, with variations that will take into account, among other factors, anticipated seasonal and geographical demand factors and the related actual use demand of Club Members experienced in the operation of the Club. The number of Home Resort Vacation Points that a Club Member has will remain fixed and will always be symbolic of the Club Member's Ownership Interest. The total number of Home Resort Vacation Points required to reserve all Vacation Homes during all Use Days in the Condominium must always equal, and be symbolic of, the total number of Ownership Interests owned by Club Members in the Condominium.

In order to meet the Club Members' needs and expectations as evidenced by fluctuations in Use Day demand at the Condominium experienced by DVCMC during a given calendar year, DVCMC may, in its sole discretion, increase or decrease the Home Resort Vacation Point requirements for reservation of a given Use Day within a given Vacation Home during the given calendar year by any amount not to exceed twenty percent (20%) of the Home Resort Vacation Points required to reserve that Use Day during the previous calendar year; provided, however, that the total number of Home Resort Vacation Points existing within a given Unit at any time may not be increased or decreased because of any such reallocation. The twenty percent (20%) reallocation limitation shall not apply to increases or decreases in Home Resort Vacation Point reservation requirements relating to designated periods of high demand which do not occur on the same Use Day each year.

Any increase or decrease in the Home Resort Vacation Point reservation requirement for a given Use Day pursuant to DVCMC's right to make this Home Resort Vacation Point adjustment must be offset by a corresponding decrease or increase for another Use Day or Days. Adjustments in excess of twenty percent (20%) in any calendar year will require approval of not less than sixty percent (60%) of all then-existing Club Members at the Condominium. This right to reallocate Home Resort Vacation Points is reserved by DVCMC solely for adjusting the Home Resort Reservation Component to accommodate Club Member demand. However, with respect to the Condominium, each Club Member will always be eligible to reserve at the Condominium, subject to availability: at least one (1) Use Day in a Studio Vacation Home with a Standard View for every fifteen (15) Home Resort Vacation Points; at least one (1) Use Day in a Studio Vacation Home with a Preferred View for every eighteen (18) Home Resort Vacation Points; at least one (1) Use Day in a One-Bedroom Vacation Home with a Standard View for every thirty (30) Home Resort Vacation Points; at least one (1) Use Day in a One-Bedroom Vacation Home with a Preferred View for every thirty-six (36) Home Resort Vacation Points; at least one (1) Use Day in a Two-Bedroom Vacation Home with a Standard View for every forty (40) Home Resort Vacation Points; at least one (1) Use Day in a Two-Bedroom Vacation Home with a Preferred View for every forty-six (46) Home Resort Vacation Points; or at least one (1) Use Day in a Grand Villa Vacation Home for every one hundred (100) Home Resort Vacation Points. A maximum reallocation of Vacation Point reservation requirements could result in a "levelling" of all seasons, such that Home Resort Vacation Point reservation requirements would have no variation based upon seasonality or different times of the year. Similarly, a maximum reallocation of Home Resort Vacation Point reservation requirements could result in a "levelling" of differences in Vacation Point reservation requirements based upon particular Use Days in the week.

Participation in certain External Exchange Programs may be based on a week for week exchange, and require the reservation and deposit of a seven (7) consecutive Use Day period in a One-Bedroom or Two-Bedroom Vacation Home. Therefore, in the event of maximum reallocation as described in the preceding paragraph, a Club Member would be required (absent Banking and Borrowing) to have annual Home Resort Vacation Points of at least 210 Home Resort Vacation Points (7 Use Days X 30 Home Resort Vacation Points per Use Day) to reserve and deposit a One-Bedroom Vacation Home with a Standard View for exchange through the External Exchange Program, to have annual Home Resort Vacation Points of at least 252 Home Resort Vacation Points (7 Use Days X 36 Home Resort Vacation Points per Use Day) to reserve and deposit a One-Bedroom Vacation Home with a Preferred View for exchange through the External Exchange Program, at least 280 Home Resort Vacation Points (7 Use Days X 40 Home Resort Vacation Points per Use Day) to reserve and deposit a Two-Bedroom Vacation Home with a Standard View for exchange through the External Exchange Program, and at least 322 Home Resort Vacation Points (7 Use Days X 46 Home Resort Vacation Points per Use Day) to reserve and deposit a Two-

Bedroom Vacation Home with a Preferred View for exchange through the External Exchange Program. Club Members should refer to the External Exchange Documents for details concerning the requirements for making an exchange through a particular External Exchange Program.

3.4 Home Resort Rules and Regulations. The Home Resort Rules and Regulations promulgated by DVCMC from time to time shall contain detailed information regarding the operation of the Vacation Ownership Plan and the Home Resort Reservation Component, including the following:

- a. The procedures by which a reservation must be made and confirmed;
- b. The procedures for Banking and Borrowing;
- c. The current Home Resort Vacation Point values for each Vacation Home for each Use Day in the Condominium;
- d. The procedures for and limitations upon cancelling confirmed reservations;
- e. The procedures for and limitations upon any wait list;
- f. The procedures for and limitations upon Transfers; and

g. Any other rules and regulations which DVCMC in its sole discretion determines are necessary or desirable from time to time in order to enforce the provisions of this Agreement in a manner that, in DVCMC's reasonable business judgment, will be for the principal purpose of improving upon the quality and operation of the Vacation Ownership Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole. Such rules and regulations may include the implementation of special season preference lists, or other use demand management vehicles. In the event DVCMC implements a special season preference list, persons eligible to appear on this list will have a special reservation priority that will supersede the usual first come, first served reservation procedure to varying extents.

3.5 Excess Availability. The Home Resort Vacation Point values established by DVCMC pursuant to Paragraph 3.3 above will be based upon a 365 Use Day calendar year containing a minimum number of Fridays and Saturdays distributed through high demand periods. Any excess availability that may exist from time to time shall only be used for maintenance purposes by DVCMC and shall not be available for reservation by any Club Member, including DVD.

3.6 DVCMC. The Vacation Ownership Plan and the Home Resort Reservation Component shall be operated by DVCMC pursuant to the terms of this Agreement and pursuant to the Home Resort Rules and Regulations. DVCMC is expressly authorized to take such actions as it deems are necessary and appropriate for the operation of the Vacation Ownership Plan, including the Implementation of all Home Resort Reservation Component duties as outlined in Paragraph 4.2 below.

DVCMC shall also be responsible for all management, maintenance and operation of the Vacation Homes and facilities of the Condominium pursuant to the terms and conditions set forth in the Property Management Agreement. DVCMC further reserves the right to provide site management services for one or more other DVC Resorts. DVCMC shall initially be compensated for services performed under the Property Management Agreement and this Agreement by receiving an annual fee equal to up to an amount equal to twelve percent (12%) of the total operating budget for the initial term of the Property Management Agreement, all exclusive of ad valorem taxes, the management fee and transportation fees.

As additional consideration, the Association hereby assigns to DVCMC any and all rights of the Association to rent unreserved Vacation Homes (in accordance with the reservation priorities of the Breakage Period)

and to receive the proceeds in excess of the following: (i) the rental proceeds equalling an amount up to two and one-half percent (2 1/2%) of the Condominium Estimated Budgets shall be remitted by DVCMC to the Association; and (ii) a portion of the rental proceeds, if any, in an amount equal to Buena Vista Trading Company's ("BVTC's") costs for providing those services as set forth in the DVC Resort Agreement for the Condominium plus five percent (5%) of such costs. The portion of rental proceeds, if any, set forth in (ii) of the preceding sentence shall be remitted by DVCMC to BVTC in consideration for BVTC's performance of such services under the DVC Resort Agreement for the Condominium. In performing its obligations for the Association and BVTC pursuant to (i) and (ii) above, DVCMC shall segregate such funds owed to the Association and BVTC and hold them, respectively, on behalf of the Association and BVTC and not for its own account. Such funds shall be deemed to be the property, respectively, of the Association and BVTC and not of DVCMC upon receipt of such funds by DVCMC.

3.7 DVD Home Resort Vacation Points. DVD does not anticipate the sale to the general public Ownership Interests that equal more than ninety-six percent (96%) of the total amount of undivided percentage interests existing at any time within a Unit, and in no event will DVD sell Ownership Interests that equal more than ninety-eight percent (98%) of the total amount of such undivided percentage interests (although DVD reserves the right to convey its Ownership Interests to a successor developer). All Home Resort Vacation Points assigned to DVD in connection with these Ownership Interests will be governed by the same rules and regulations pertaining to all Club Members.

3.8 Reciprocal Use by DVD and Club Members. At any given time, DVD may own completed Vacation Homes which have not yet been committed to the Vacation Ownership Plan for various reasons. In order to provide Club Members with the greatest possible flexibility in making reservation requests, Club Members may be assigned to occupy both Vacation Homes which are associated with the Vacation Ownership Plan and completed accommodations which have not yet been committed to the Vacation Ownership Plan; however, the total number of accommodations available for Club Member reservation for any given Use Day will never exceed the total number of Vacation Homes existing within the Vacation Ownership Plan on that Use Day. Conversely, DVD may assign its renters or other users of the completed accommodations which have not yet been committed to the Vacation Ownership Plan to occupy both those Vacation Homes which are committed to the Vacation Ownership Plan and those accommodations which are not; however, the number of total Vacation Homes available for DVD renter/user reservation for any given Use Day will never exceed the total number of completed accommodations which have not yet been committed to the Vacation Ownership Plan on that Use Day.

IV. USE OF HOME RESORT VACATION POINTS

4.1 Options in Use of Home Resort Vacation Points. Home Resort Vacation Points may be used by Club Members in any of the following ways during the Use Year: (i) Home Resort Vacation Points may be used to reserve Vacation Home use rights in accordance with the reservation rules set forth in Paragraph 4.2 below and in the Home Resort Rules and Regulations; (ii) Home Resort Vacation Points may be Banked as set forth in Paragraph 4.4 below and in the Home Resort Rules and Regulations; (iii) Home Resort Vacation Points may be Borrowed as set forth in Paragraph 4.5 below and in the Home Resort Rules and Regulations; (iv) Home Resort Vacation Points may be used to reserve accommodations for exchange through an External Exchange Program as set forth in Paragraph 4.7 below and in the Home Resort Rules and Regulations; (v) Home Resort Vacation Points may be Transferred as set forth in Paragraph 4.8 below and in the Home Resort Rules and Regulations; or (vi) a Club Member may voluntarily participate in the DVC Reservation Component by utilizing all or a portion of a Club Member's Home Resort Vacation Points as DVC Vacation Points to make a reservation for available accommodations in other DVC Resorts in accordance with the DVC Resort Agreement.

4.2 Reservations. Club Members shall reserve Vacation Homes pursuant to the following guidelines:

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a. The Use Year. If all of a Club Member's Home Resort Vacation Points for a given Use Year are not used in some manner set forth in Paragraph 4.1 above during that Use Year, any unused balance at the end of the Use Year will automatically expire as set forth in Paragraph 4.9 below. On the first day of each new Use Year, the Club Member will again have a full complement of Home Resort Vacation Points for use during that Use Year, unless the Home Resort Vacation Points were borrowed in the previous Use Year.

b. Reservation Requests. Reservation requests for Vacation Homes by Club Members at the Condominium will be taken on a first come, first served basis. Home Resort Vacation Points available for use in a given Use Year (taking into account Banking and Borrowing activity) may only be used to reserve an available Vacation Home for use within that Use Year. To reserve a given Use Day on a space-available basis, a Club Member must follow the reservation procedures set forth in the Home Resort Rules and Regulations. Club Members are encouraged to submit requests as far in advance as possible to obtain the best choice of Vacation Homes. DVCMC's ability to confirm a reservation request is dependent upon the availability of the requested Vacation Home; therefore, DVCMC cannot guarantee that a particular reservation request can be fulfilled.

In addition to Club Members at the Condominium, Club Members from other DVC Resorts will also have the opportunity to make reservations for a Vacation Home on a first come, first served basis through the DVC Reservation Component upon the expiration of any applicable Home Resort Priority Period. In the case of the Condominium, the Home Resort Priority Period is currently four (4) months. This Home Resort Priority Period will be subject to any special season preference rights set forth in the Home Resort Rules and Regulations. A Club Member from this Condominium seeking a reservation at another DVC Resort through voluntary participation in the DVC Reservation Component will be subject to the Home Resort Priority Period established for that other DVC Resort.

DVCMC reserves the right to extend or decrease the Home Resort Priority Period; provided, however, in no event shall the Home Resort Priority Period be for a period of less than one (1) month prior to the period during which the other Club Members have the right to reserve that Vacation Home during that Use Day. In addition, DVCMC reserves the right to establish a continental or other preference periods in the event resorts located outside of the jurisdictional limits of the United States are associated as DVC Resorts.

c. Confirmations and Cancellations. Reservations shall be confirmed and cancellations shall be processed as set forth in the Home Resort Rules and Regulations. Cancellations and reservation changes may be subject to restrictions or charges as set forth in the Home Resort Rules and Regulations.

d. Annual Dues. Failure to pay all Annual Dues in full when due may result in the initiation of lock-out procedures by DVCMC pursuant to applicable law, resulting (where permitted) in a denial of the right of delinquent Club Members to reserve, check in or use the Vacation Homes and facilities of the Condominium or to voluntarily participate in the DVC Reservation Component by requesting a reservation for accommodations at other DVC Resorts until such time as the delinquency is paid in full. Unsatisfied delinquencies are also subject to procedures under applicable law to foreclose a lien against a Club Member's Ownership Interest.

e. Minimum Stay. DVCMC may require from time to time that a minimum number of consecutive Use Days for a particular season be reserved as set forth in the Home Resort Rules and Regulations. The number of consecutive Use Days required to be reserved shall in no event exceed five (5) Use Days.

4.3 Breakage. If a reservation request for any Vacation Home is not received by the first day of the Breakage Period with respect to a given Use Day, the right to reserve that Vacation Home for that Use Day will thereafter be subject to the priorities set forth in the Home Resort Rules and Regulations. In any event, DVCMC shall always have first priority to reserve the use of any available Use Day within the Breakage Period for purposes of Unit and Vacation Home maintenance. DVCMC in its sole discretion may lengthen or shorten the Breakage Period for all Use Days from time to time if DVCMC, in its reasonable business judgment, determines that such an adjustment will be for the principal purpose of improving upon the quality and operation of the Vacation Ownership

Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole. In no event will DVCMC establish a Breakage Period greater than 90 days or less than 30 days.

4.4 Banking Home Resort Vacation Points. Banking of Home Resort Vacation Points involves the decision by a Club Member during the current Use Year to save all or a portion of the Club Member's Home Resort Vacation Points for use in the next succeeding Use Year.

Banked Home Resort Vacation Points can only be used in the next succeeding Use Year, and once deposited, the Club Member cannot retrieve the Banked Home Resort Vacation Points during the Use Year of deposit. Failure of Club Members to use their Banked Home Resort Vacation Points in the next succeeding Use Year will result in the expiration of those Home Resort Vacation Points as set forth in Paragraph 4.9 below. Banked Home Resort Vacation Points may be used by Club Members for reservations at the Condominium, or other DVC Resorts (as DVC Vacation Points) or for use of the External Exchange Program. Banked Home Resort Vacation Points may not be used for rental or Transfer purposes.

4.5 Borrowing Home Resort Vacation Points. Borrowing of Home Resort Vacation Points involves the decision by a Club Member during the current Use Year to use all or a portion of the Club Member's Home Resort Vacation Points from the next succeeding Use Year during the current Use Year for the purpose of making a reservation.

Borrowed Home Resort Vacation Points can only be used in the Use Year into which they have been Borrowed, and failure of a Club Member to use any Borrowed Home Resort Vacation Points in the current Use Year will result in the expiration of those Home Resort Vacation Points as set forth in Paragraph 4.9 below. Borrowed Home Resort Vacation Points may not be returned to the original Use Year once they have been Borrowed. Borrowed Home Resort Vacation Points may be used by the Club Member for reservations at the Condominium or other DVC Resorts (as DVC Vacation Points) or for use of the External Exchange Program. Borrowed Home Resort Vacation Points may not be used for rental or Transfer purposes.

4.6 Limitation on Banking and Borrowing. A Club Member's ability to either Bank or Borrow at any given time is limited by the level of general Banking and Borrowing that exists at that particular time and by the projected amount of Use Days available for reservation at the Condominium. DVCMC reserves the right, in its sole discretion, to suspend, in whole or in part, or increase or decrease the amount of Banking and/or Borrowing activity at any time from time to time if DVCMC, in its reasonable business judgment, determines that such suspension will be for the principal purpose of improving upon the quality and operation of the Vacation Ownership Plan and furthering the collective enjoyment of the use of the Vacation Homes by Club Members taken as a whole. Club Members will also not be permitted to Bank or Borrow Home Resort Vacation Points in a given Use Year if the Club Members are delinquent in the payment of their Annual Dues. Additional restrictions on Banking and Borrowing are set forth in the Home Resort Rules and Regulations.

4.7 External Exchange Programs. In order to increase the range of vacation options available to Club Members, DVCMC may arrange for Club Members to access External Exchange Programs from time to time. These Programs may include exchange agreements between DVCMC (as a corporate participant or member) and External Exchange Companies for the purpose of affording Club Members with the opportunity to avail themselves of alternative vacation opportunities through the duration of the Vacation Ownership Plan. There can be no assurance, however, that DVCMC will be successful in arranging for ongoing access to any External Exchange Program. Under such circumstances, Club Members may contact a provider of exchange services directly to establish individual exchange privileges. There can be no assurance, however, that an individual Club Member will be able to satisfy the terms and conditions then required by such provider to participate individually in that provider's exchange program. If neither DVCMC nor the individual Club Member is successful in establishing an agreement with a provider of exchange services, the ability of an individual Club Member to request future external exchanges other than to a DVC Resort will cease. Club Members should refer to the Home Resort Rules and Regulations and

External Exchange Documents for procedures and restrictions involved in requesting an exchange into any currently existing External Exchange Program.

4.8 Transfers. Transfers may be made by Club Members from time to time as set forth in the Home Resort Rules and Regulations.

4.9 Expiration of Vacation Points. Failure of Club Members to use their Vacation Points in any given Use Year, however such Vacation Points are obtained, shall result in automatic expiration of all unused Vacation Points without compensation to the Club Members.

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V. RENTALS

5.1 Club Member Rentals. A Club Member may make a reservation to use the Vacation Homes for the Club Member's own use, make their use available to family or friends or guests, or rent them solely through the Club Member's own efforts. DVD's approval of a rental by a Club Member is not required after a reservation has been made in the renter's own name, and Club Members are permitted to rent their occupancy rights on terms and conditions that they may establish. No rental assistance is being offered by The TWDC Companies. All renters must comply with the rules and regulations affecting occupancy, and the renting Club Member will be responsible for the acts or omissions of the renters or any other person or persons permitted by the Club Member to use the Vacation Home. The TWDC Companies do not in any way represent or promote that a particular Vacation Home can be rented, or if it is rented, that any particular rental rate can be obtained for such rental.

5.2 Area Resort Hotels. Club Members should be aware that several resort hotels may be in operation within and around the Condominium, including hotels owned and/or operated by The TWDC Companies, and that DVD will also rent its Ownership Interests to the general public. Accordingly, any Club Members who attempt to rent reserved Vacation Homes for their own account must compete with these resort hotels and DVD for renters without any assistance from The TWDC Companies, and would be at a substantial competitive disadvantage. Club Members should not purchase an Ownership Interest based upon any expectation of deriving any rental or other revenue or profit therefrom.

VI. ANNUAL DUES

6.1 Condominium Estimated Budgets. The Association will promulgate an operating budget and a capital reserves budget each calendar year in the manner required by applicable law. The operating budget shall include the Condominium's share of the operating expenses of the Club attributed to it.

6.2 Assessment and Collection of Annual Dues. DVCMC will assess each Club Member's share of the Condominium Estimated Budgets to each Club Member each year in the ratio that the number of Home Resort Vacation Points assigned to that Club Member's Ownership Interest bears to the total number of Home Resort Vacation Points in the Condominium at that time. Annual Dues will be billed and will be past due as set forth in the Condominium Documents. Each Club Member who has not paid his or her Annual Dues in full by the past due date will be subject to late charges and interest as set forth in the Declaration.

6.3 Club Member Default. In the event a Club Member has not paid his or her Annual Dues after the past due date described in Paragraph 6.2 above, a lien may be placed against the Club Member's Ownership Interest and foreclosed pursuant to applicable law, resulting in the loss of the Club Member's Ownership Interest and the termination of his or her membership in the Club as set forth in the Declaration.

VII. MISCELLANEOUS PROVISIONS

7.1 Compliance; Personal Use; Commercial Purposes. Failure of a Club Member to comply with the terms and conditions of this Agreement, the Home Resort Rules and Regulations or the Condominium Documents may result in the denial of the right of the non-complying Club Member to reserve, check in or use the Vacation Homes and facilities of the Condominium or to voluntarily participate in the DVC Reservation Component by requesting a reservation for accommodations at other DVC Resorts until such time as the Club Member is in compliance. Use of the Vacation Homes and facilities of the Condominium is limited solely to the personal use of Club Members, their guests, invitees, exchangers and lessees and for recreational use by corporations or other similar business entities owning Ownership Interests while staying as a registered guest at the Condominium. Purchase of an Ownership Interest or use of Vacation Homes and facilities of the Condominium for commercial purposes or for any purpose other than the personal use described above is expressly prohibited.

7.2 Amendment of this Agreement. DVCMC, in its sole discretion, may change the terms and conditions of this Agreement and the Home Resort Rules and Regulations. These changes may affect an Owner's right to use, exchange and rent the Owner's Ownership Interest and impose obligations upon the use and enjoyment of the Ownership Interest and the appurtenant Club membership. Such changes may be made by DVCMC without the consent of any Club Member and may adversely affect a Club Member's rights and benefits and increase or decrease the Club Member's costs of ownership. Further, although DVCMC generally is required to make such changes in a manner which, in its reasonable business judgment, improves upon the quality and operation of the Vacation Ownership Plan and furthers the collective enjoyment of its benefits by the Club Members taken as a whole, such changes under some circumstances may not be to the advantage of some Club Members and could adversely affect their ability to secure reservations when and where they want them. Notice of any amendment shall be: (i) mailed by DVCMC to each Club Member or to the designated representative of each Multiple Club Member at the Club Member's or designated representative's last known mailing address prior to its effective date; or (ii) included as a part of a newsletter or other periodic report sent by the Association or DVCMC as the Management Company.

7.3 Governing Law; Waiver of Jury Trial; Venue. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of Florida. Each party hereby waives any right they may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against any other party concerning the interpretation, construction, validity, enforcement or performance of this Agreement or any other agreement or instrument executed in connection with this Agreement. In the event any such suit or legal action is commenced by any party, the other parties hereby agree, consent and submit to the personal jurisdiction of the Circuit Court of the Ninth Judicial Circuit of Florida in and for Orange County, Florida, with respect to such suit or legal action, and each party also hereby consents and submits to and agrees that venue in any such suit or legal action is proper in said court and county, and each party hereby waives any and all personal rights under applicable law or in equity to object to the jurisdiction and venue in said court and county. Such jurisdiction and venue shall be exclusive of any other jurisdiction and venue.

7.4 Notices. Except as may be otherwise provided herein, any notice, demand, request, consent, approval or communication under this Agreement shall be in writing and shall be deemed duly given or made: (i) when deposited, postage prepaid, in the United States mail, addressed to the party at the address shown above (or, in the case of a Club Member or designated representative of a Multiple Club Member, at the address shown on the books and records of DVCMC); (ii) when delivered personally to the party at the address specified above; or (iii) when deposited with a reliable overnight courier service, fee prepaid, with receipt of confirmation requested, addressed to the party as specified above. A party may designate a different address for receiving notices hereunder by notice to the other parties.

7.5 Termination. This Agreement shall automatically expire on January 31, 2042, or upon the earlier expiration of the Vacation Ownership Plan for the Condominium as set forth in the Declaration. In the event the Vacation Ownership Plan for Condominium is extended beyond January 31, 2042, pursuant to the terms of the

Declaration and at the election of the parties, the term of this Agreement shall automatically be extended for the additional term unless sooner terminated as provided in this Agreement.

In the event that the Property Management Agreement is terminated or it expires in accordance with its own terms, this Agreement will terminate, and DVCMC will no longer provide for the operation of the Vacation Ownership Plan. DVCMC also reserves the right to terminate this Agreement in the event that the DVC Resort Agreement for the Condominium is terminated.

In the event that this Agreement terminates, the Association shall have the authority to establish reservation procedures, which may or may not be identical to the reservation procedures set forth in this Agreement, by which use of the Units and Vacation Homes among all of the Club Members at the Condominium shall be determined. In addition, the parties expressly agree that in the event that this Agreement terminates, irrespective of whether the termination is voluntary or involuntary and irrespective of the cause of such termination, the Association and all Club Members shall cease using and thereafter abstain from using any and all personal property belonging to DVCMC, including any and all personal property relating to the operation of the Home Resort Reservation Component, and shall return same to DVCMC within fifteen (15) days from the date of termination.

7.6 Suspension. Notwithstanding any provisions contained in this Agreement to the contrary, DVCMC reserves the right to elect to suspend the operation of the Home Resort Reservation Component at the Condominium rather than electing to terminate this Agreement. The terms and conditions governing such suspension shall be determined by DVCMC in its sole discretion. Upon the termination of such suspension period, the Condominium shall be entitled to resume participation as contemplated under this Agreement subject to any terms and conditions established by DVCMC.

7.7 Recitals. The recitals set forth at the beginning of this Agreement are true and correct and are incorporated herein by this reference.

7.8 Assignment. DVCMC may assign this Agreement to a wholly owned subsidiary of DVCMC, the parent corporation of DVCMC, or a corporation under common ownership and control with BVTC without the consent of the Association. Upon such assignment and assumption DVCMC shall be released from any and all obligations hereunder. Thirty (30) days advance notice of the assignment shall be delivered to the Association.

7.9 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto, and none of the parties have been induced by any other party by representations, promises or understandings not expressed herein, and there are no collateral agreements, stipulations, promises or understandings whatsoever, in any way touching the subject matter of this instrument, or the Instruments referred to herein that are not expressly contained herein or in the Condominium Documents.

7.10 Partial Invalidation. The invalidity in whole or in part of any covenant, promise or undertaking, or any paragraph, subparagraph, sentence, clause, phrase or words, or of any provision of this Agreement shall not affect the validity of the remaining portions hereof.

7.11 Excusable Delays. In the event that DVCMC shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, act of God, or any other reason beyond DVCMC's control, then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

7.12 Remedies; Costs and Fees. DVCMC shall be entitled to pursue any and all legal and equitable remedies for the enforcement of the terms and conditions of this Agreement, including an action for damages, an action for injunctive relief, and an action for declaratory judgment. In any proceeding arising because

of an alleged failure to comply with the terms of this Agreement, the prevailing party shall be entitled to recover the costs of the proceeding, and recover such reasonable attorneys', legal assistant or other professionals' fees as may be awarded by the court, including all appeals and all proceedings in bankruptcy.

IN WITNESS WHEREOF, the parties have executed this Agreement this 28th day of June, 1996.

WITNESSES

Leigh A. Nieman
Print Name: Leigh A. Nieman

J. Greene
Print Name: J. GREENE

Leigh A. Nieman
Print Name: Leigh A. Nieman

J. Greene
Print Name: J. GREENE

Leigh A. Nieman
Print Name: Leigh A. Nieman

J. Greene
Print Name: J. GREENE

"DVD"

DISNEY VACATION DEVELOPMENT, INC., a Florida corporation

By: Kenneth N. May

Print Name: Kenneth N. May

As its: Sr Vice President

"DVCMC"

DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation

By: Patrick Grismer

Print Name: Patrick Grismer

As its: Treasurer

DISNEY'S BOARDWALK VILLAS CONDOMINIUM ASSOCIATION, INC., a Florida not-for-profit corporation

By: Elaine Ferraro

Print Name: Elaine Ferraro

As its: Treasurer

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Orange Co FL 5711668

This Instrument prepared by and return to:
Kenneth M. Borick
Disney Vacation Development, Inc.
200 Celebration Place
Celebration, FL 34747
(407) 566-3000



Orange Co FL 1998-0194293
05/19/98 02:53:10pm
OR Bk 5485 Pg 2534
Rec 10.50

**FIRST AMENDMENT TO
DISNEY VACATION CLUB MEMBERSHIP AGREEMENT
FOR
DISNEY VACATION CLUB AT DISNEY'S BOARDWALK VILLAS**

THIS FIRST AMENDMENT (the "First Amendment") to that certain Disney Vacation Club Membership Agreement for Disney Vacation Club at Disney's BoardWalk Villas, a copy of which is recorded in Official Records Book 5101, Page 235, Public Records of Orange County, Florida (the "Agreement") is hereby made by DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation ("DVCMC"), whose address is 200 Celebration Place, Celebration, Florida 34747 and is effective as of May 16, 1998.

WHEREAS, all terms used in this First Amendment shall have the same meaning ascribed to them as set forth in the Agreement;

WHEREAS, DVCMC has the authority to amend the Agreement from time to time pursuant to the terms of Article 7.2 of the Agreement;

WHEREAS, DVCMC desires to amend Article I, paragraph 1.4, Article IV, paragraphs 4.2.e and 4.5 of the Agreement regarding certain minimum stay requirements and Borrowing guidelines;

NOW THEREFORE, DVCMC provides as follows:

(1) Article I, paragraph 1.4 of the Agreement is amended to read as follows: (additions are double underlined, and deletions are ~~struck through~~):

"1.4 Borrowing shall mean the act of a Club Member in using all or a portion of the Club Member's Home Resort Vacation Points from the next succeeding Use Year ~~in the current Use Year~~ for the purpose of making a reservation in the immediately preceding Use Year."

(2) Article IV, paragraph 4.2.e of the Agreement is amended to read as follows: (additions are double underlined, and deletions are ~~struck through~~):

"e. Minimum Stay. DVCMC may require from time to time that a minimum number of consecutive Use Days for a particular season or special season be reserved as set forth in the Home Resort Rules and Regulations. The number of consecutive Use Days required to be reserved shall in no event exceed five (5) Use Days."

(3) Article IV, paragraph 4.5 of the Agreement is amended to read as follows: (additions are double underlined, and deletions are ~~struck through~~):

"4.5. Borrowing Home Resort Vacation Points. Borrowing of Home Resort Vacation Points involves the decision by a Club Member during the current Use Year to use all or a portion of the Club Member's Home Resort Vacation Points from the next succeeding Use Year during the current to secure a reservation in the immediately preceding Use Year for the purpose of making a reservation."

(4) All other terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, DVCMC has executed this First Amendment as of the date first written above.

WITNESSES:

J Greene
Print Name: J. GREENE

L Neman
Print Name: L. Neman

"DVCMC"
DISNEY VACATION CLUB MANAGEMENT CORP.,
a Florida corporation

By: Matthew T. Gibbs II
Print Name: Matthew T. Gibbs II
As its: Treasurer

STATE OF FLORIDA)
COUNTY OF OSCEOLA) SS.

The foregoing instrument was acknowledged before me this 10th day of May 19 98, by Matthew T. Gibbs, II as Treasurer of DISNEY VACATION CLUB MANAGEMENT CORP., a Florida corporation, on behalf of the corporation. He or she is personally known to me.



J GREENE
My Commission CC629634
Expires Feb 01, 2000

(NOTARY SEAL)

J Greene
Notary Public - State of Florida
Notary Print Name: _____
Commission No.: _____
My Commission Expires: _____

OR Bk 5485 Pg 2535
Orange Co FL 1998-0194293

Recorded - Martha O. Haynie



DOCN 20100302012 B: 10068 P: 7101

06/30/2010 02:24:56 PM Page 1 of 6

Rec Fee: \$22.50

Deed Doc Tax: \$0.00

Intangible Tax: \$0.00

Mortgage Stamp: \$0.00

Martha O. Haynie, Comptroller

Orange County FL

16 - Ret To: DISNEY VACATION DEVELOPE



THIS INSTRUMENT PREPARED BY AND RETURN TO:
John McGowan
c/o Disney Vacation Development, Inc.
1390 Celebration Blvd.
Celebration, Florida 34747

MASTER MORTGAGE AGREEMENT

Master Form Mortgage Agreement
Recorded by Disney Vacation Development, Inc.
1390 Celebration Place
Celebration Florida 34747

Pursuant to Section 695.02, Florida Statutes, DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, hereby records the attached Master Mortgage Agreement.

DISNEY VACATION DEVELOPMENT, INC.

By: [Signature]

Name: Leigh Anne Nieman Assistant Secretary

Title: 6-25-10

STATE OF Florida

COUNTY OF Osceola s.s.

The foregoing instrument was acknowledged before me this 25 day of June, 2010, by Leigh Anne Nieman as Assistant Secretary of DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, on behalf of the corporation. He/she is personally known to me.



[Signature]
(Notary Signature)

Karen L Grip
(Notary Name Printed)

NOTARY PUBLIC - State of Florida
Commission No. DD 616293
MY COMMISSION EXPIRES:

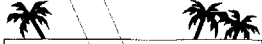
Orange County, FL
06/30/2010 12:24:56 PM
OR Book 10068, Page 7101



THIS INSTRUMENT PREPARED BY AND RETURN TO:

John McGowan
c/o Compliance Department
Disney Vacation Development, Inc.
1390 Celebration Blvd.
Celebration, Florida 34747

MASTER MORTGAGE AGREEMENT



THIS MASTER MORTGAGE AGREEMENT is executed on _____ between undersigned Mortgagor (hereinafter 'Mortgagor') whose post office address is c/o Disney Vacation Development, Inc., 1390 Celebration Blvd., Celebration, Florida 34747, and DISNEY VACATION DEVELOPMENT, INC., a Florida corporation, as Mortgagee (hereinafter 'Mortgagee') whose post office address is 1390 Celebration Blvd., Celebration, Florida 34747.

WHEREAS, from time to time, Mortgagee contemplates conveying title to property situated in Orange County, Florida to third parties (individually a 'Borrower' and collectively 'Borrowers') who will obtain loans from Mortgagee, each of which will be evidenced by a note and secured by a mortgage to be granted to Mortgagee by such Borrowers on the property acquired by such Borrowers; and

WHEREAS, each Borrower shall execute a Short Form Mortgage Agreement (the 'Short Form Mortgage') to secure each Borrower's obligation under their respective note, which Short Form Mortgage shall specifically adopt and incorporate by reference the covenants and agreements contained in this Master Mortgage Agreement (the 'Mortgage'); and

WHEREAS, the Short Form Mortgage and this Mortgage shall secure to Mortgagee (a) the repayment of the indebtedness evidenced by each Borrower's note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith or therewith, and (b) the repayment of any future advances, with interest thereon, made to or for the benefit of each Borrower by Mortgagee pursuant to paragraph 23 hereof (hereinafter 'Future Advances').

Each Short Form Mortgage that incorporates by reference this Mortgage shall be deemed to include the following provisions and all references herein to 'Mortgages' and 'Mortgage' shall be deemed references to 'Lender' and 'Short Form Mortgage Agreement', respectively, in the Short Form Mortgage:

- 1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest on the indebtedness evidenced by the Note and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage. Unless applicable law provides otherwise, all payments received by Mortgagee shall be applied by Mortgagee first, at the option of Mortgagee, in payment of any late charges, costs, expenses and attorneys' fees due under the Note, then in payment of interest payable on the Note, then to the principal of the Note, then to interest and principal on any Future Advances, and then to any other amounts due and payable under the Note or this Mortgage. In the event Borrower shall execute and deliver any further note(s) or mortgage agreement(s) in favor of Mortgagee in connection with the acquisition of an additional ownership interest from Mortgagee, any payments received by Mortgagee from Borrower in respect of the indebtedness owed by Borrower to Mortgagee shall, at Mortgagee's sole option and discretion, be applied first to the indebtedness evidenced by the Note first executed and delivered by Borrower in favor of Mortgagee, and thereafter in the successive chronological order of execution and delivery of each of said further note(s), all in accordance with the payment terms of this paragraph.
- 2. Charges; Liens.** Borrower shall promptly pay, when due, all condominium assessments imposed by the governing body of the Condominium. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, however, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation required by such lien in a manner acceptable to Mortgagee and, if requested by Mortgagee, immediately post with Mortgagee

an amount necessary to satisfy said obligation, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof and, if requested by Mortgagee, immediately post with Mortgagee an amount necessary to satisfy said obligation.

3. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term 'extended coverage' and such other hazards as Mortgagee may require and in such amounts and for such periods as Mortgagee may require; provided, however, that Mortgagee shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. This obligation shall be deemed satisfied so long as the Condominium Association as defined in the Declaration, (hereinafter 'Association') maintains a 'master' or 'blanket' policy which otherwise satisfies the terms hereof and of the Declaration. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or Condominium, whether to a unit or to the common elements, any such proceeds payable to Borrower are hereby assigned to Mortgagee and shall be paid to Mortgagee for application to the sums secured by this Mortgage, with the excess, if any, thereafter paid to Borrower.

4. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Borrower shall perform all of Borrower's obligations under the Declaration, the by-laws and regulations of the Association and all constituent documents. Borrower shall take such actions as may be reasonable to insure that the Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Mortgagee.

5. Protection of Mortgagee's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Mortgagee at Mortgagee's option, upon notice to Borrower may make such appearances, disburse such sums and take such actions as are necessary to protect Mortgagee's interest, including, but not limited to, disbursement of funds to pay reasonable attorneys' fees and to make repairs and entry upon the Property to make such repairs. If Mortgagee required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Mortgagee's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums, if any. Any amounts disbursed by Mortgagee pursuant to this paragraph, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Mortgagee agree to other terms of payment, such amounts shall be payable upon notice from Mortgagee to Borrower requesting payment hereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph shall require Mortgagee to incur any expense or take any action hereunder.

6. Inspection. Mortgagee may make or cause to be made reasonable entries upon and inspections of the Property, provided that Mortgagee shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Mortgagee's interest in the Property.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or the common elements, or for any conveyance in lieu of condemnation, are hereby assigned to Mortgagee and shall be paid to Mortgagee for application to the sums secured by this Mortgage, with the excess, if any, thereafter paid to Borrower.

8. Borrower Not Released. Extension of time for payment or modification of amortization of the sums secured by this Mortgage, granted by Mortgagee to any successor in interest to Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Mortgagee shall not be required to commence proceedings against such successor or to refuse to extend time for payment or otherwise to modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest.

9. Forbearance by Mortgagee. Any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the maturity of the indebtedness secured by this Mortgage.

10. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

11. Successors and Assigns Bound; Joint and Several Liability. Subject to the terms and provisions of paragraph 20 below, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of, Mortgagee and Borrower. All covenants, agreements and undertakings of Borrower shall be joint and several.

12. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by U.S. Mail, postage prepaid; addressed to Borrower at Borrower's address as set forth in the Note or this Mortgage, or at such other address as Borrower may designate by notice to Mortgagee as provided herein, and (b) any notice to Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee's address stated herein or to such other address as Mortgagee may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Mortgagee when given in the manner designated herein.

13. **Severability.** The provisions of this Mortgage are severable. If any provision of this Mortgage shall be held to be invalid or unenforceable in any respect, such provision shall be carried out and enforced only to the extent to which it shall be valid and enforceable, and any such invalidity or unenforceability shall not affect any other provisions of this Mortgage, all of which shall be fully carried out and enforced as if such invalid or unenforceable provision had not been set forth herein.

14. **Governing Law and Waiver of Trial by Jury.** THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED UNDER AND INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND THE COURTS IN THE STATE OF FLORIDA, COUNTY OF ORANGE SHALL BE THE EXCLUSIVE COURTS OF JURISDICTION AND VENUE FOR ANY LITIGATION OR OTHER PROCEEDING THAT MAY BE BASED ON, ARISE OUT OF, UNDER OR IN CONJUNCTION WITH THIS MORTGAGE. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS MORTGAGE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE EXTENDING THE LOAN REPRESENTED BY THE NOTE TO BORROWER.

15. **Headings and Capitalized Terms.** The paragraph headings contained herein are included solely for the convenience of the parties, and shall not be used in construction or interpretation of this Mortgage. Capitalized terms not defined herein shall contain the meaning associated to them in Borrower's Short Form Mortgage Agreement.

16. **Entire Agreement.** This Mortgage and the Note constitute the entire understanding and agreement of Borrower and Mortgagee with regard to the subject matter hereof, and supersede all oral agreements, understandings or representations of the parties. This Mortgage shall not be modified or amended unless such amendment is in writing signed by Borrower and Mortgagee.

17. **Time.** Time is of the essence in the performance by Borrower of each and every obligation of Borrower represented by this Mortgage.

18. **Further Assurances.** Borrower shall, from time to time, execute such additional documents which may reasonably be requested by Mortgagee, to carry out and fulfill the intents and purposes of this Mortgage and the Note.

19. **Gender and Number.** Whenever used in this Mortgage, the singular number shall include the plural, and the use of any gender shall be applicable to all genders. All covenants, agreements and undertakings of Borrower shall be joint and several.

20. **Transfer of the Property Assumption.** If all or any part of the Property or any interest therein is sold or transferred or if any mortgage, lien or other encumbrance shall, during the term of this Mortgage, be recorded against or otherwise attach upon the Property without Mortgagee's prior written consent (which consent may be withheld or granted at Mortgagee's sole discretion), excluding (a) a transfer by devise, descent or operation of law upon the death of a joint tenant or tenant by the entirety, or (b) the lien of real property ad valorem taxes not yet due and payable, Mortgagee may, at Mortgagee's option, declare all the sums secured by this Mortgage to be immediately due and payable. Mortgagee shall have waived such option to accelerate related to sale or transfer if, and only if, prior to the sale or transfer, Mortgagee shall have waived in writing or failed to timely exercise its right of first refusal granted under the Declaration and pursuant to the Purchase Agreement executed by Borrower and Mortgagee in this matter, and Mortgagee and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Mortgagee and that the interest payable on sums secured by this Mortgage shall be at such rate as Mortgagee shall request. If Mortgagee has waived the option to accelerate provided in this paragraph and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Mortgagee, Mortgagee shall release Borrower from all obligations under this Mortgage and the Note. If Mortgagee exercises such option to accelerate, Mortgagee shall mail Borrower notice of acceleration in accordance with paragraph 12 hereof. Such notice shall provide a period of not less than ten (10) days from the date the notice is mailed within which Borrower shall pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Mortgagee may, without further notice or demand on Borrower, invoke any remedies permitted hereunder, at law or in equity.

21. **Acceleration; Remedies.** Except as provided in paragraph 20 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Mortgagee, prior to acceleration, shall mail notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure

such breach; and (3) a date, not less than fifteen (15) days from the date the notice is mailed to Borrower, by which date such breach must be cured. Such notice, at Mortgagee's sole option, may also state that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage or foreclosure by judicial or trustee (non-judicial) proceedings and sale of the Property. The notice, at Mortgagee's sole option, may also require that any past due amounts shall be payable by cashier's or certified check. If the breach is not cured on or before the date specified in the notice, Mortgagee at Mortgagee's sole and absolute discretion, subject to any right of reinstatement to which Borrower is entitled under applicable law, may declare, without further demand or notice of any kind, all of the sums secured by this Mortgage to be immediately due and payable and may foreclose this Mortgage by judicial, or trustee (non-judicial) proceedings pursuant to applicable law. Mortgagee shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, court costs and costs of documentary evidence, abstracts, title reports, recording costs and documentary and other transfer taxes. If Borrower fails to make timely payments under the obligations secured by this Mortgage, or is otherwise deemed in uncured default of this Mortgage, the lien against the Property created by this Mortgage may be foreclosed in accordance with either a judicial foreclosure procedure or a trustee foreclosure procedure and may result in Borrower's loss of the Property. If the Mortgagee initiates a trustee foreclosure procedure, Borrower shall have the option to object and the Mortgagee may proceed only by filing a judicial foreclosure action.

22. Assignment of Rental; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Mortgagee the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 21 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration or abandonment of the Property, Mortgagee shall be entitled upon written notice, to enter upon, take possession of and manage the Property and to collect the rents of the Property, including those past due. All rents collected shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, management fees, court costs and reasonable attorney's fees, and then to the sums secured by this Mortgage. Alternatively, Mortgagee may seek the appointment of a receiver to manage and collect rents from the Property. If a receiver is appointed, any income from rents from the Property shall be applied first to the costs of receivership, and then in the order set forth above.

23. Future Advance. Upon request by Borrower, Mortgagee, at Mortgagee's sole and absolute discretion within twenty (20) years from the date of this Mortgage, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed two hundred percent (200%) of the original principal amount of the Note.

24. Mortgagee's Prior Consent. Borrower shall not, except after notice to Mortgagee and with Mortgagee's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium or vacation ownership plan, or for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Declaration, by-laws or code of regulations of the Association or equivalent constituent documents of the Condominium which are for the express benefit of Mortgagee; or (iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Association unacceptable to Mortgagee.


25. Borrower's Representations and Warranties. As a material inducement to Mortgagee to lend Borrower the indebtedness evidenced by the Note, Borrower hereby represents and warrants to Mortgagee the following: (i) the Property is not in any wise intended, whether as of the date hereof or at any time hereafter, to constitute any form of 'homestead' under Florida law, and any such desire or intent is hereby waived, released and remised; (ii) Borrower has not acquired the Property for any use or purpose other than for personal use as required by the Declaration; and (iii) Borrower, by acquisition of the Property, has no desire or intent to be or become a legal domiciliary of the State of Florida, or any political subdivision thereof (including, without limitation, Reedy Creek Improvement District), and any such desire or intent is hereby waived, released and remised.

26. Release. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Borrower and Borrower shall pay all costs of recordation, if any.

27. Attorneys' Fees. As used in this Mortgage and in the Note, the term attorneys' fees shall also include attorneys' fees, if any, which may be awarded by an appellate court.

28. Add-on Contracts. In the event Borrower (or any party comprising Borrower or of which Borrower is comprised) executes and delivers any further note(s) or mortgage agreement(s) in favor of Mortgagee in connection with the acquisition of an additional ownership interest from Mortgagee, or for some other purpose, then Borrower agrees that: (i) any default or event of default under any such further note(s) or mortgage agreement(s) shall automatically and without further notice constitute a default under this Mortgage as fully as if such default or event of default arose directly under this Mortgage; (ii) any default or event of default under this Mortgage shall automatically and without further notice constitute a default under any such further note(s) and mortgage agreement(s) as fully as if such

default or event of default arose directly under such further note(s) and mortgage agreement(s); and (ii) the lien of this Mortgage shall automatically and without further action spread over and encumber any such additional ownership interest as fully as if such additional ownership interest comprised the Property initially encumbered by this Mortgage, and Borrower hereby mortgages, grants and conveys any such additional ownership interest to Mortgagee.

 _____

MORTGAGOR

 _____

MORTGAGOR

STATE OF _____)
COUNTY OF _____) s.s.:

The foregoing instrument was acknowledged before me this _____ day of _____, by _____, who is/are personally known to me or who has produced _____ and _____ as identification.

(Notary Signature)
Notary Public - State of _____
Notary Print Name _____
My Commission Expires: _____

J:\DATA\Compliance\DVC RESORTS\Master Mortgage\May 2010\Master Mortgage 05 01 2010 (clean).doc

COOPY