

EXHIBIT "B"

**ARTICLES OF INCORPORATION
OF
VACATION VILLAS AT FANTASYWORLD TIME-SHARE OWNER'S ASSOCIATION, INC.**

THE UNDERSIGNED hereby associate themselves together for the purpose of forming a corporation not-for-profit under Chapter 617, Florida Statutes, and certify as follows:

ARTICLE I - NAME AND ADDRESS

The name and address of the corporation shall be **VACATION VILLAS AT FANTASYWORLD TIME-SHARE OWNER'S ASSOCIATION, INC.**, 751 Third Avenue, New Smyrna Beach, Volusia County, Florida, 32169 (hereafter the "Association").

ARTICLE II - PURPOSE

1. The purpose for which the Association is organized is to manage, operate and maintain the time-share plan known as **VACATION VILLAS AT FANTASYWORLD**, as defined in the Declaration of Time-Share Plan thereof (hereafter "Declaration"), hereinafter referred to as the "Time-Share Plan," in which persons ("Owners") obtain time-share ownership interests or "Unit Weeks" in **VACATION VILLAS AT FANTASYWORLD**.

2. The Association is organized for the purpose of providing a convenient means of administering the Time-Share Plan by the Owners.

3. 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, but not limited to,

the following:

a. To adopt a budget and to make and collect assessments against members to defray the costs of the Time-Share Plan;

b. To use the proceeds of said assessments in the exercise of its powers and duties;

c. To maintain, manage, repair, replace and operate the Time-Share Units included in the Time-Share Plan;

d. To reconstruct improvements after casualty and construct any further improvements to the Time-Share Units included in the Time-Share Plan;

e. To make and amend rules and regulations respecting the use of Time-Share Units included in the Time-Share Plan and their appurtenant use rights in the **FANTASYWORLD CLUB VILLAS** resort;

f. To approve or disapprove proposed purchasers, lessees, mortgagees and any proposed occupants of a Time-Share Unit who are not part of the Owner's immediate family;

g. To enforce by legal means the provisions of the various Time-Share Plan documents, including, but not limited to, the Declaration, these Articles, the By-Laws of the Association and the Rules and Regulations of the Association; h. To contract for the management of the Time-Share Plan and to delegate to such contractor all powers and duties of the Association except such powers and duties as are specifically required by the various Time-Share Plan documents to be exercised by the Association.

Notwithstanding anything herein to the contrary, the Association shall exercise only such powers as are in furtherance of the purposes of exempt organizations as set forth in Section 501(c)(7) of the Internal Revenue Code and its regulations as the same may now exist or as they may be hereinafter amended from time to time.

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 members in accordance with the provisions of the Time-Share Plan documents.

4. The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Time-Share Plan documents and the Declaration.

ARTICLE IV - MEMBERS

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

1. All owners, as that term is defined in the Declaration, shall be members of the Association, and no other persons or entities shall be entitled to membership. An Owner shall be entitled to one vote for each Unit Week which he may own.

2. Changes in membership in the Association shall be established by the recording in the Public Records of Osceola County, Florida of a deed or other instrument establishing a change of record title to a Unit Week in the Time-Share Plan, 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 and the membership of the prior Owner shall be terminated.

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

ARTICLE V - DIRECTORS

1. The affairs of the Association shall be managed by a board of not less than three (3) nor more than five (5) Directors as shall be determined by the By-Laws. In the absence of such determination the board shall consist of three (3) Directors.

2. Directors of the Association shall be appointed or elected at the annual meeting of the members in the manner determined by the By-Laws.

ARTICLE VI - 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, Secretaries and Treasurers as the Board of Directors shall from time to time determine. Such officers shall be elected by the Board of Directors from among the Board of Directors at its first meeting following the annual meeting of the members of the Association. Officers shall serve without compensation at the pleasure of the Board of Directors.

The same person may hold two or more offices. The names of the Officers who shall serve until their successors are designated by the Board of

Directors are as follows:

<u>NAME</u>	<u>OFFICE</u>
STEVEN P. KOSMAS	President
NICHOLAS G. KOSMAS	Vice President
R. PAUL KOSMAS	Secretary/Treasurer

ARTICLE VII - INDEMNIFICATION

Every director and every officer of the Association shall be indemnified against all expenses and liabilities, including attorneys' fees reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or which he may become involved by reason of his 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 duties; provided, however, that in the event of a settlement the indemnification herein shall apply only when the Board of Director has approved such settlement and reimbursement as being for 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.

ARTICLE VIII - BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors 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 Owners other than the Developer. Thereafter, the By-Laws may be altered, amended or rescinded by not less than two-thirds (2/3) of all the directors and by not less than one third (1/34) vote of the members of the Association, in the manner provided by the By-Laws.

ARTICLE IX - AMENDMENT

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 members other than the Developer, proposal of an amendment and approval thereof shall require only the affirmative action of two-thirds (2/3) of the

entire membership of the Board of Directors, and no meeting of the members nor any approval thereof need be had.

3. In addition to the procedure set forth in Section 2 above, a resolution approving a proposed amendment may be proposed by either the Board of Directors or by the Association, 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 a majority vote of the members of the Association at a duly called meeting of the Association. Directors and members not present at the meeting considering the amendment may express their approval in writing to the offices of the Association within ten (10) days after such meeting.

4. An amendment when adopted shall be effective when filed with the Secretary of State of the State of Florida and recorded in the Public Records of Osceola County, Florida.

ARTICLE X - TERM

The term of the Association shall continue until such time as the Time-Share Plan has been terminated in accordance with the Declaration.

ARTICLE XI - SUBSCRIBER

The name and address of the subscriber to these Articles of Incorporation is **JAMES M. KOSMAS, Attorney at Law**, 751 Third Avenue, New Smyrna Beach, Volusia County, Florida, 32169.

ARTICLE XII - DIRECTORS

The names and address of the persons who shall comprise the first Board of Directors, until such successors are qualified and elected are, as follows:

<u>NAME</u>	<u>ADDRESS</u>
STEVEN P. KOSMAS	751 Third Avenue, New Smyrna Beach, FL 32169
NICHOLAS G. KOSMAS	751 Third Avenue, New Smyrna Beach, FL 32169
R. PAUL KOSMAS	751 Third Avenue, New Smyrna Beach, FL 32169

ARTICLE XIII - QUORUM

One fourth (1/4) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of members. The affirmative vote of a majority of the members represented at a meeting in which a quorum is present shall be the act of the members, unless the vote of a greater number is required by these Articles or the By-Laws.

ARTICLE XIII - REGISTERED AGENT

The Corporation hereby appoints **JAMES M. KOSMAS, Attorney at Law,** as its Registered Agent to accept service of process within this state, with the registered office at 751 Third Avenue, New Smyrna Beach, Volusia County, Florida, 32169.

IN WITNESS WHEREOF, the subscriber has hereto affixed his signature this 16th day of April, 1991.

JAMES M. KOSMAS

**STATE OF FLORIDA
COUNTY OF VOLUSIA**

I HEREBY CERTIFY that on this day before me, an officer duly qualified to take acknowledgments, personally appeared **JAMES M. KOSMAS,** to me known to be the person described in and who executed the foregoing instrument, and he acknowledged before me that he executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 16th day of April, 1991.

Notary Public, State of Florida
My Commission Expires: