

AMENDMENT
TO
BY-LAWS
FOR
OCEAN WINDS, INC.

In accord with PARAGRAPH 9, AMENDMENTS, the By-Laws for Ocean Winds, Inc., may be amended in the manner as outlined in PARAGRAPH 14.1 - .6 OF THE DECLARATION OF CONDOMINIUM OF OCEAN WINDS, A CONDOMINIUM, which provides that amendments must be adopted by not less than a majority of the board members and not less than 75% of the members of the association,

THEREFORE IT IS RESOLVED THAT PARAGRAPH 7.6 AUDIT be amended to read as follows: "A REVIEW OF THE ACCOUNTS OF THE ASSOCIATION SHALL BE MADE AT THE DISCRETION OF THE BOARD OF DIRECTORS BY A CERTIFIED PUBLIC ACCOUNTANT, AND A COPY OF THE REVIEW REPORT SHALL BE FURNISHED EACH MEMBER."

The above amendment to the By-Laws of Ocean Winds, Inc. was adopted at a membership meeting convened on January 31, 1990, at which twenty-one units were represented, by roll call vote whereby there were twenty votes in favor of the amendment and one vote against the amendment. The minutes of said meeting are a part of the permanent records of Ocean Winds, Inc.

President

Frank J. Marinova

Date 3/30/90

Attest

Theresa E. Sharpe

Date 3.30.90

NOTARY

I hereby certify that on this date the person indicated above and known by me, appeared before me and willingly signed this document.

Notary Public

Theresa E. Sharpe

My Commission Expires: NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: JULY 30, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS

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VOLUSIA COUNTYAmendment to By-Laws of Ocean Winds, Inc.
A Condominium Corporation

WHEREAS, Unit Owners have assumed control of Ocean Winds, Inc., A Condominium Corporation; and

WHEREAS, Unit Owners wish to amend the By-Laws of said corporation; and

WHEREAS, paragraph nine (9) Amendment of the By-Laws of said corporation states: "The By-Laws may be amended in the manner set forth in the Declaration of Condominium"; and

WHEREAS, paragraph fourteen (14) of the Declaration of Condominium Amendments provides that a resolution adopting a proposed amendment must receive approval of the following "14.2.....a resolution adopting a proposed amendment must bear the approval of not less than a majority of the board of directors and seventy five percent (75%) of the members of the association. Directors and members not present at the meetings considering the amendment may express their approval, in writing, delivered to the Secretary before such meetings."

NOW, THEREFORE, by affirmative vote of not less than a majority of the entire membership of the board of directors and by not less than 75% of the votes of the entire membership of the association, the following is adopted as an amendment to the By-Laws of Ocean Winds, Inc.:

1. Amend paragraph 3.1 of the Ocean Winds, Inc., By-Laws (recorded in Official Record Book 2110, Public Records of Volusia County, Florida) to read as follows: (added words underlined, deleted words struck out)

"3.1 The annual meeting shall be held at the office of the Condominium Association at 7:30 P.M. Eastern Standard Time, ~~on the first Tuesday in November, in the month of January~~ at a date and time to be determined by the Board of directors, each year for the purpose of electing directors and of transacting any other business authorized to be transacted by the members; provided, however, ~~if that day is a legal holiday, the meeting shall be held at the same hour on the next day.~~ The annual meeting may be waived by a unanimous consent of the members in writing; provided, the board of directors shall have the discretion to hold the annual meeting at any other time during the first two (2) weeks of November of each year which they deem to be more convenient to the members of the association."

As Vice-President of Ocean Winds, Inc., I hereby certify that the foregoing Amendment was approved by not less than a majority of the board of directors and approved by not less than 75% of the votes of the entire membership at the annual meeting of the members on November 4, 1987.

12-9-88
Date

Jeanne Cozic
Signed - Jeanne Cozic, Vice President

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State of Florida
County of Volusia

Before me, a Notary Public duly authorized in the state and county named above to take acknowledgments, personally appeared Jeanne Cozic to me known to be the person who executed the foregoing instrument, and she acknowledged before me that she executed it in the name of and for Ocean Winds, Inc. and that she was authorized by that corporation to do so.

WITNESS my hand and official seal in the county and state named above this 26th day of June 1988.

Janet L. Daphne
Notary Public
State of Florida

Notary Public, State of Florida
My Commission Expires Aug. 6, 1991
Bonded For Loss From Insurance Co.

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BY-LAWS

OF

OCEAN WINDS, INC.

A CONDOMINIUM CORPORATION

1. Identity. These are the By-Laws of OCEAN WINDS, INC., herein called the "Association", a nonprofit corporation as provided in Chapter 718, Florida Statutes and organized pursuant to Chapter 617, Florida Statutes, for the purpose of administering OCEAN WINDS, INC., and OCEAN WINDS, a condominium, being situate in Volusia County, Florida, upon the following-described land, to-wit:

Lots 1 through 3, inclusive, Block 6, ORTONA, as recorded in Map Book 9, Page 144; AND Also, Lots 1 and 2, Block C, ORTONA, as recorded in Map Book 5, Page 32; all of the Public Records of Volusia County, Florida, and all improvements thereon.

1.1 Office. The office of the Association shall be at 1215 Louisiana Avenue, Post Office Drawer 1268, Winter Park, Florida 32790.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the corporation shall bear the name of the corporation, the word, "Florida", the words, "Corporation not for profit", and the year of incorporation.

2. Members.

2.1 Qualification. The members of the Association shall consist of all the record owners of apartments.

2.2 Change of Membership. After receiving the approval of the Association as required in the Declaration of Condominium, change of membership in the Association shall be established by recording in the Public Records of Volusia County, Florida, a deed or other instrument establishing a record title to an apartment in the condominium and the delivery to the Association of a certified copy of such

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instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

2.3 Voting Rights. The owner of record of each unit in the condominium shall be entitled to one (1) vote as a member of the Association, and the matter of exercising such voting right shall be determined by these By-Laws. The term "majority" is used in these By-Laws and other condominium instruments in reference to voting by apartment owners, Association members and Board of Directors as being more than fifty percent (50%).

2.4 Designation of Voting Representative. If an apartment is owned by one person his right to vote shall be established by the record title to his apartment. If an apartment is owned by more than one person, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast the vote for the apartment shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the apartment concerned. A certificate designating the person entitled to cast the vote of an apartment may be revoked by any owner there.

2.5 Approval or Disapproval of Matters. Whenever the decision of an apartment owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if at an Association meeting, unless the joinder of record owners is specifically required by the Declaration or these By-Laws.

2.6 Restraint Upon Assignment of Shares in Assets. 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 apartment.

3. Members' Meetings.

3.1 Annual Members' Meetings. The annual members' meeting shall be held at the office of the Association at

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7:30 p.m., Eastern Standard Time, on the first Tuesday in November of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day. The annual meeting may be waived by a unanimous agreement of the members in writing. Provided, the Board of Directors shall have the discretion to hold the annual meeting at any other time during the first two (2) weeks of November of each year which they may deem to be more convenient to the members of the Association.

3.2 Special Members' Meetings. Special members' meetings shall be held whenever called by a majority of the Board of Directors and must be called by such Directors upon receipt of a written request from members entitled to cast seventy-five percent (75%) of the votes of the entire membership.

3.3 Notice of All Members' Meetings. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given unless waived in writing. Such notice shall be in writing and furnished to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by affidavit of the person giving the notice. A copy of the written notice of the meeting shall be posted in a conspicuous place on the condominium property at least fourteen (14) days prior to each annual meeting of members. The notices of meetings shall be mailed certified U.S. mail, return receipt requested with the post office receipt of mailing being retained as proof of such mailing. Notice of meeting may be waived before or after meetings.

3.4 Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the Association. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Declaration Condominium or these By-Laws. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

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3.5 Proxies. Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and any lawfully adjourned meetings thereof and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it.

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

3.7 Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers.
- (e) Reports of Committees.
- (f) Election of Directors.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

3.8 Minutes of Meetings. The Association shall maintain minutes of each meeting in a businesslike manner and provide each member with access thereto. The minutes of all meetings of unit owners and the Board of Directors shall be kept in a book available for inspection by unit owners,

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or their authorized representatives, and board members at any reasonable time. The association shall retain these minutes for a period of not less than seven (7) years.

4. Board of Directors.

4.1 Membership. The affairs of the Association shall be managed by a Board of no less than three (3) Directors nor more than five (5). Each Director shall be a person entitled to cast a vote in the Association, except as provided in Section 4.2(d) of these By-Laws.

4.2 Election of Directors.

(a) Members of the Board of Directors shall be elected by a majority of the owners present at the annual meeting of the members of the Association, and entitled to vote.

(b) Except as to vacancies provided by removal of Directors by members, vacancies on the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

(c) Any Director may be removed by concurrence of a majority of the members of the Association at a special meeting of the members called for that purpose. The vacancy on the Board of Directors so created shall be filled by the members of the Association at the same meeting.

(d) The Developer shall be vested with the power to designate the initial Board of Directors, who need not be members entitled to vote in the Association. The unit owners other than the Developer shall be entitled to elect one-third (1/3) of the members of the Board of Directors at such time as the Developer has conveyed fifteen percent (15%) or more of the units in the condominium, as provided in the Articles of Incorporation.

(e) The unit owners other than the Developer shall be entitled to elect a majority of the members of the Board of Directors:

(1) Within three (3) years after the Developer has conveyed fifty percent (50%) of the units in the condominium to individual purchasers; or

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(2) Within three (3) months after the Developer has conveyed ninety percent (90%) of the units in the condominium to individual purchasers; or

(3) When all of the units in the condominium have been completed and some of the units have been sold and none of the remaining units are being offered for sale by the Developer in the ordinary course of business;

(f) Anything herein to the contrary notwithstanding, from and after the time the unit owners other than the Developer are entitled to elect a majority of the members of the Board of Directors, and for so long as the Developer shall hold for sale in the ordinary course of business at least five percent (5%) of the total number of units in the condominium, the Developer shall be entitled to designate or elect at least one (1) Director.

(g) Prior to or within a reasonable time after unit owners other than the Developer elect a majority of the members of the Board of Directors of the Association, not to exceed sixty (60) days, the Developer shall relinquish control of the Association and shall deliver to the Association all property of the unit owners and of the Association held by or controlled by the Developer, including, but not limited to, the following items, if applicable, as to each condominium operated by the Association:

(1) Original Declaration, Association Articles of Incorporation, By-Laws, all amendments to the foregoing, minute books, and Regulations;

(2) Resignation of officers and members of Board of Directors;

(3) An audit and accounting, which need not be certified, for all Association funds performed by an auditor independent of the Developer, including capital accounts, reserve accumulations in accordance with Section 718.504(20)(c)1k, and contributions. The Developer shall be liable to the Association for all of these funds that are not properly expended. The Developer shall bear all expenses of the Association and of the operation of the condominium in excess of assessments or payments collected or due from other unit owners by or to the Association or the Developer for such period of time as the Developer shall guarantee the maximum level of assessments which may be collected from other unit owners;

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(4) Association funds or control thereof;

(5) All tangible personal property that is represented by the Developer to be part of the common elements or that is ostensibly part of the common elements or that is property of the Association, and inventories of these properties;

(6) Insurance policies;

(7) Certificates of occupancy, if any, are available to Developer;

(8) Roster of unit owners and their addresses and telephone numbers;

(9) Leases;

(10) Employment contracts, if any;

(11) Service contracts, if any;

(12) Other contracts.

(13) Any permits issued by governmental bodies in force or issued within one year prior to the date the unit owners other than the Developer take control of the Association.

(14) All written warranties of the contractor, sub-contractors, suppliers, and manufacturers, if any, that are still effective.

4.3 Term. The term of each Director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided.

4.4 Organization Meeting. The organizational meeting of a newly-elected Board of Directors 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 organization meeting shall be necessary.

4.5 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, and shall be open to all unit owners. Notice of regular meetings shall be given or delivered to each Director, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting, and except in emergency, notice of such meetings shall be posted conspicuously on the condominium property forty-eight (48) hours in advance for the attention of unit owners. Notice of any meeting of the Board of Directors where assessments against unit owners are to be considered for any reason shall specifically contain the statement that assessments will be considered and the nature of any such assessments.

4.6 Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three (3) days' notice of the meeting shall be given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

4.7 Waiver of Notice. 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.

4.8 Quorum. A quorum at Directors' meetings shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the act of the Board of Directors, except where approval by a greater number of Directors is required by the Declaration of Condominium or these By-Laws.

4.9 Adjourned Meetings. If at any meetings of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 Joinder in Meeting by Approval of Minutes. The joinder of a Director in action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

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4.11 Presiding Officer. The presiding officer of Directors' meetings shall be the President. In the absence of the President, the Directors present shall designate one of their number to preside.

4.12 Directors' Fees. Directors' fees, if any, shall be determined by the members of the Association; provided, Directors designated by the Developer shall never, under any circumstances, be entitled to Directors' fees.

5. Powers and Duties of Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, and these By-Laws, shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically required. Such powers and duties of the Directors shall include, but not be limited to, the following, subject, however, to the provisions of the Declaration of Condominium and these By-Laws.

5.1 Assess. To make and collect assessments against members to defray the costs and expenses of the condominium.

5.2 Disburse. To use the proceeds from assessments in the exercise of its powers and duties.

5.3 Maintain. To maintain, repair, replace and operate the condominium property.

5.4 Insure. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members as unit owners, as well as liability insurance for the protection of the Directors of the Association.

5.5 Reconstruct. To reconstruct improvements after casualty and further improve the condominium property.

5.6 Regulate. To make and amend reasonable rules and regulations respecting the use of the property in the condominium in the manner provided by the Declaration of Condominium.

5.7 Approve. To approve or disapprove of the transfer, mortgage and ownership of apartments in the manner provided by the Declaration of Condominium.

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5.8 Management Contract. The Association may contract for the management and maintenance of the condominium property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as, but not limited to, the submission of proposals, collection of assessments, preparation and maintenance of records, enforcement of rules, and the maintenance, repair and replacement of the common elements with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the power and duties granted by the condominium documents and the Condominium Act, including, but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

5.9 Payments of Liens. To pay taxes and assessments which are liens against any part of the condominium other than individual apartments and the appurtenances thereto, and to assess the same against the apartments subject to such liens.

5.10 Enforce. To enforce by legal means provisions of the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, the By-Laws, and the regulations for the use of the property in the condominium.

5.11 Utilities. To pay the cost of all power, water, sewer, and other utility services rendered to the condominium and not billed to owners of individual apartments.

5.12 Employment. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

6. Officers.

6.1 Officers and Election. The executive officers of the Association shall be a President, who shall be a Director, a Vice-President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices except

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that the President shall not also be the Secretary or an Assistant Secretary. The Board of Directors shall from time to time elect such other officers and designate their powers and duties as the Board shall find necessary to properly manage the affairs of the Association.

6.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of an Association, including, but not limited to the power to appoint committees from among the members from time to time, as he may, in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall serve as chairman of all Board and members' meetings.

6.3 Vice-President. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

6.4 Secretary and Assistant Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary shall perform duties of the Secretary when the Secretary is absent. The duties of the Secretary may be fulfilled by a manager employed by the Association.

6.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices and provide for collection of assessments; and he shall perform all other duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

6.6 Compensation. The compensation, if any, of all officers shall be fixed by the members at their annual

meeting. No officer who is a designee of the Developer shall receive any compensation for his services as such.

6.7 Indemnification of Directors and Officers. Every Director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party or in 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 these duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or officer may be entitled.

7. Fiscal Management. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions.

7.1 Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, when authorized and approved by the Board of Directors.

(a) Current Expense. Current expense shall include all receipts and expenditures to be made within the year for which the receipts are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expense for the succeeding year or to fund reserves.

(b) Reserve for Deferred Maintenance. Reserve for deferred maintenance shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for Replacement. Reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(d) Betterments. Reserve to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.

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7.2 Budget. The Board of Directors shall adopt a budget for each calendar year which shall include the estimated funds required to defray the current expenses and may provide funds for the foregoing reserves.

(a) A copy of a proposed annual budget of common expenses shall be mailed to the apartment owners not less than thirty (30) days prior to the meeting at which the budget will be considered, together with a notice of that meeting. The apartment owners shall be given written notice of the time and place at which such meeting of the Board of Directors to consider the budget shall be held, and such meeting shall be open to the apartment owners. Notice of any meeting of the Board of Directors where assessments against unit owners are to be considered for any reason shall specifically contain the statement that assessments will be considered and the nature of any such assessments. If a budget is adopted by the Board of Directors which requires assessment against the apartment owners in any fiscal year exceeding 115% of such assessments for the preceding year, upon written application of ten percent (10%) of the apartment owners, a special meeting of the apartment owners shall be held upon not less than ten (10) days' written notice to each apartment owner, but within thirty (30) days of the delivery of such application to the Board of Directors or any member thereof, at which special meeting apartment owners may consider and enact a revision of the budget, or recall any and all members of the Board of Directors and elect their successors. In either case, the Board of Directors may, in any event, propose a budget to the apartment owners at a meeting of members or by writing and if such budget or proposed budget be approved by the apartment owners at the meeting, or by a majority of their whole number by a writing, such budget shall not thereafter be reexamined by the apartment owners in the manner hereinabove set forth nor shall the Board of Directors be recalled under the terms of this section. In determining whether assessments exceed 15% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the condominium property or in respect of anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis. There shall be excluded from such computation, assessments for betterments to the condominium property or assessments for betterments to be imposed by the Board of Directors. Provided, however, that so long as the Developer

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is in control of the Board of Directors, the Board shall not impose an assessment for a year greater than 115% of the prior fiscal or calendar year's assessment without approval of a majority of the apartment owners.

(b) The proposed annual budget of the Board of Directors shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, the provisions of Florida Statute 718.504(20). In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, 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 life and estimated replacement costs of each reserve item. The foregoing sentence shall not apply to budgets in which the members of the Association have by a 2/3 vote at a duly called meeting of the Association determined for a fiscal year to provide no reserves or reserves less adequate than required by the foregoing sentence.

7.3 Assessments. Assessments against the apartment owners for their shares of the items of the budget shall be made in advance on or before December 20, preceding the year for which the assessments are made. Such assessments shall be due in twelve (12) equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due on the first day of the month next succeeding the month in which such amended assessment is made or as otherwise provided by the Board of Directors. The first assessment shall be determined by the Board of Directors of the Association.

7.4 Acceleration of Assessment Installments Upon Default. If an apartment owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the

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assessment upon notice to the apartment owner, and then the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than ten (10) days after the delivery of the notice to the apartment owner, or if such notice be by registered or certified mail, not less than twenty (20) days after the mailing, whichever shall first occur.

7.5 Depository. The depository of the Association will be such banks in Volusia County, Florida, as shall be designated from time to time by the Directors and in which the withdrawal monies from such accounts shall be only by checks signed by such persons as authorized by the Directors. Provided, however, that the provisions of a management agreement between the Association and a manager relative to the subject matter of this section shall supersede the provisions hereof.

7.6 Audit. An audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than April 1 of the year following the year for which the audit is made. The Board of Directors shall cause to be mailed or furnished by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the prior calendar year. 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, but not limited to, the following:

- (a) Costs of security;
- (b) Professional and management fees and expenses;
- (c) Taxes;
- (d) Costs for recreation facilities;
- (e) Expenses for refuse collection and utility services;
- (f) Expenses for lawn care;
- (g) Costs for building maintenance and repairs;

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- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) General reserves, maintenance reserves, and depreciation reserves.

7.7 Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from all officers or members of the Board of Directors who control or disburse funds of the Association. The amount of such bonds shall be determined by the Directors. The premiums on such bonds shall be paid by the Association.

8. Parliamentary Rules. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declaration of Condominium or these By-Laws.

9. Amendment. The By-Laws may be amended in the manner set forth in the Declaration.

The foregoing were adopted as the By-Laws of OCEAN WINDS, INC., a condominium corporation and a nonprofit corporation under the laws of the State of Florida, at the first meeting of the Board of Directors on the 13th day of November, 1979.

APPROVED:


President


Secretary