

Exhibit "E"

By-Laws of Association

MINIMUM STATUTORY REQUIREMENTS FOR CONDOMINIUM MEETINGS

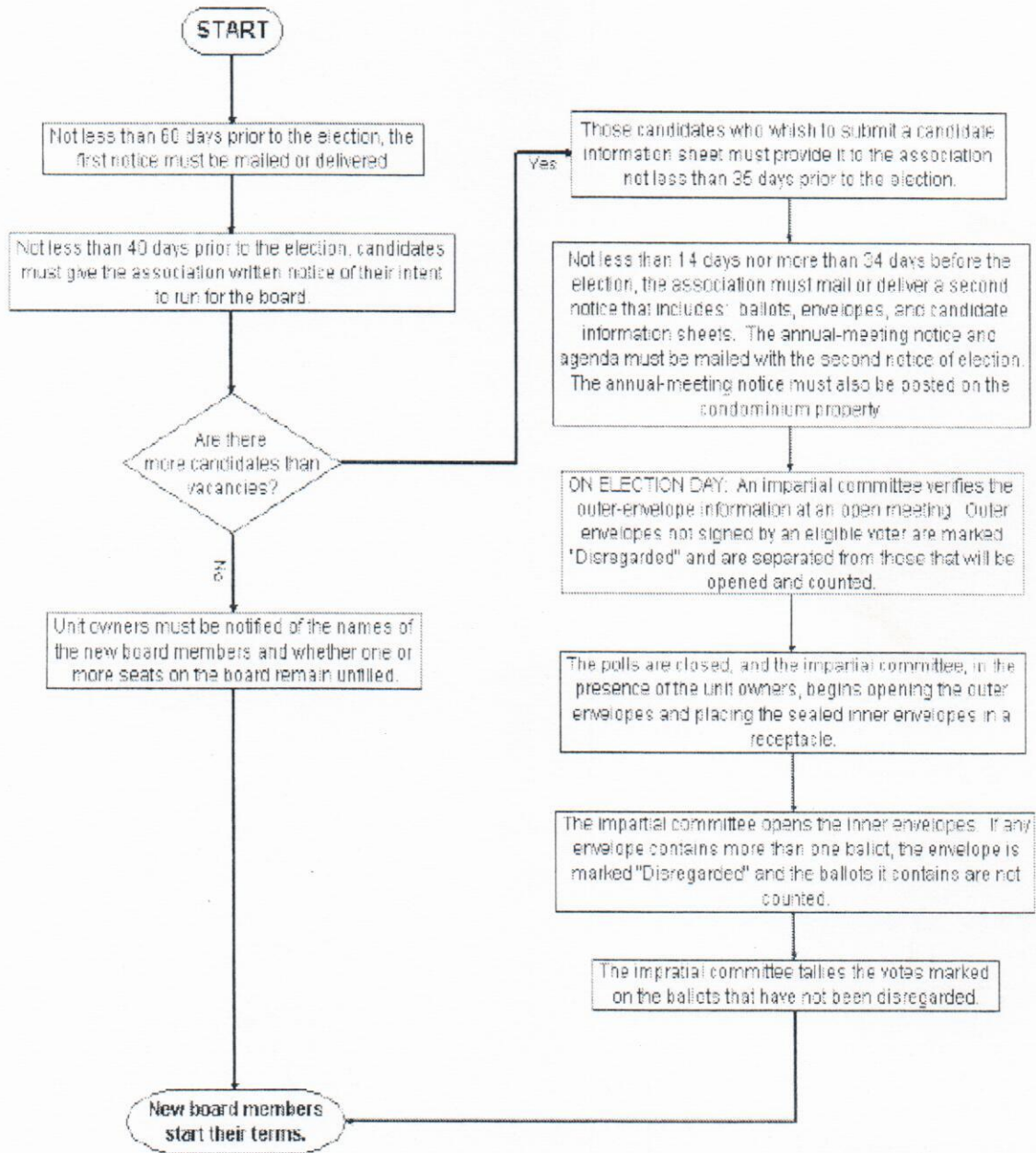
(See condominium documents for possible additional requirements)

The Condominium Act sets the minimum requirements for posting notices. This handout is only a guideline for the notice requirements for meetings in accordance with the Condominium Act. Please refer to your association's condominium documents for possible additional requirements.

<i>Type of Meeting</i>	<i>Type of Notice</i>	<i>Timing of Notice</i>	<i>Statutory Reference</i>
Board of Directors	Post conspicuously on condominium property	48 Hours Prior (except in emergency)	§ 718.112(2)(c), F.S.
Board of Directors to Consider Regular Assessments	Post conspicuously on condominium property - must describe nature of assessments	48 Hours Prior (except in emergency)	§ 718.112(2)(c), F.S.
Board of Directors to Consider Non-Emergency Special Assessments	Mail, deliver or electronically transmit to unit owners and post conspicuously on condominium property (retain affidavit executed by person providing notice)	14 Days Prior	§ 718.112(2)(c), F.S.
Board of Directors to Consider Rules Regarding Unit Use	Mail, deliver or electronically transmit to unit owners and post conspicuously on condominium property (retain affidavit executed by person providing notice)	14 Days Prior	§ 718.112(2)(c), F.S.
Annual Meeting of Unit Owners	Mail, deliver or electronically transmit to unit owners and post conspicuously on condominium property (retain affidavit executed by person providing notice)	14 Days Prior	§ 718.112(2)(d), F.S.
Election	Mail, deliver or electronically transmit a first notice of election	60 Days Prior	§ 718.112(2)(d), F.S.
	Mail, deliver or electronically transmit a second notice of election	14 Days Prior	
Budget Meeting	Mail, deliver or electronically transmit to unit owners a copy of proposed budget (retain affidavit executed by person providing notice)	14 Days Prior	§ 718.112(2)(e), F.S.
Meeting to Consider Substitute Budget (when adopted budget exceeds 115% of previous year's assessments)	Mail, deliver or electronically transmit to each unit owner	14 Days Prior	§ 718.112(2)(e), F.S.
Committee Meetings (except a committee that does not take final action on behalf of the board or make recommendations regarding the budget, if exempted by the bylaws)	Same as for board meeting with similar agenda	Same as for board meeting with similar agenda	§ 718.112(2)(c), F.S.

ELECTION FLOW CHART

NOTE: This chart summarizes the election procedures prescribed by the Condominium Act and the Cooperative Act. If your association has properly adopted alternate election procedures, this flow chart may not apply. For more information, see "alternate Election Procedures" in the Election Brochure.



Revised 11/03

**BY-LAWS OF OCEAN RESERVE
CONDOMINIUM ASSOCIATION, INC.**

A corporation not for profit organized
under the laws of the State of Florida

1. **Identity.** These are the By-Laws of OCEAN RESERVE CONDOMINIUM ASSOCIATION, INC. (the "Association"), a corporation not for profit Incorporated under the laws of the State of Florida, and organized for the purposes set forth in its Articles of Incorporation.
 - 1.1 The principal office of the Association shall be 19370 Collins Avenue, Sunny Isles Beach, Florida 33160, or such other place as may be subsequently designated by the Board of Directors.
 - 1.2 The seal of the Association shall bear the name of the corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.
2. **Definitions.** For convenience, these By-Laws shall be referred to as the "By-Laws" and the Articles of Incorporation of the Association as the ("Articles"). The other terms used in these By-Laws shall have the same definitions and meanings as those set forth in the Declaration for South Palm Place Condominium Homes, unless herein provided to the contrary, or unless the context otherwise requires.
3. **Meetings.**
 - 3.1 **Annual Meeting.** The annual members' meeting shall be held on July 1st of each year or such other date determined by the Board of Directors, at the place and at the time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and, to the extent possible, no later than twelve (12) months after the last preceding annual meeting. The purpose of the meeting shall be, except as provided herein to the contrary, to elect Directors, and to transact any other business authorized to be transacted by the members, or as stated in the notice of the meeting sent to Unit Owners in advance thereof. Unless changed by the Board of Directors, the first annual meeting shall be held in the month of July following the year in which the Declaration is filed.
 - 3.2 **Special Meetings.** Special members' meetings shall be held at such place as provided herein for annual meetings, and may be called by the President or by a majority of the Board of Directors of the Association, and must be called by the President or Secretary upon receipt of a written request from a majority of the members of the Association. The business conducted at a special meeting shall be limited to that stated in the notice of the meeting. Special meetings may also be called by Unit Owners in the manner provided for in the Condominium Act.
 - 3.3 **Participation by Unit Owners.** Subject to reasonable restrictions as may be adopted from time to time by the Board of Directors, Unit Owners shall have the

right to speak at the annual and special meetings of the Unit Owners, committee meetings and Board meetings with reference to all designated agenda items.

- 3.4 **Notice of Meeting; Waiver of Notice.** Notice of a meeting of members (annual or special), stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary. A copy of the notice shall be posted at a conspicuous place on the condominium Property. Notices of the meetings of members shall be hand delivered or sent by regular mail to each Unit Owner, unless the Unit Owner waives in writing the right to receive notice of such meeting. The delivery or mailing shall be to the address of the member as it appears on the roster of members. The posting and mailing of the notice for either special or annual meetings, which notice shall include an agenda, shall be mailed or delivered not less than fourteen (14) days, nor more than sixty (60) days, prior to the date of the meeting. Further, the notice for the annual meeting shall be posted in a conspicuous place for fourteen (14) continuous days preceding the meeting.

Notice of specific meetings may be waived before or after the meeting and the attendance of any member (or person authorized to vote for such member), either in person or by proxy, shall constitute such member's waiver of notice of such meeting, and waiver of any and all objections to the place of the meeting, the time of the meeting or the manner in which it has been called or convened, except when his (or his authorized representative's) attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

An officer of the Association, or the manager or other person providing notice of the meeting shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association, affirming that notices of meetings were posted and mailed or hand delivered in accordance with this Section and the Condominium Act, to each Unit Owner at the appropriate address for such Unit Owner. No other proof of notice of a meeting shall be required.

- 3.5 **Quorum.** A quorum at members' meetings shall be attained by the presence, either in person or by proxy (limited or general), of persons entitled to cast thirty percent (30%) of the votes of members.

3.6 **Voting.**

- (a) **Number of Votes.** The Owners of Units shall be entitled to cast one (1) vote for each Unit owned. The vote of a Unit shall not be divisible.
- (b) **Majority Vote.** The acts approved by a majority of the votes present in person or by proxy at a meeting at which a quorum has been attained shall be binding upon all Unit Owners for all purposes, except where otherwise provided by law, the Declaration, the Articles or these By-Laws.
- (c) **Voting Member.** If a Unit is owned by one person, that person's right to vote shall be established by the roster of members. If a Unit is owned by more than one person, those persons (including husbands and wives)

shall decide among themselves as to who shall cast the vote of the Unit. In the event that those persons cannot so decide, no vote shall be cast. A person casting a vote for a Unit shall be presumed to have the authority to do so unless the President or the Board of Directors is otherwise notified. If a Unit is owned by a corporation, partnership, trust or other entity, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by an appropriate officer for a corporation, by the general partner for a partnership or by a trustee for a trust and filed with the Secretary of the Association. Such person need not be a Unit Owner. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the vote for a Unit may be revoked by any record owner of an undivided interest in the Unit. If a certificate designating the person entitled to cast the vote for a Unit for which such certificate is required is not on file or has been revoked, the vote attributable to such Unit shall not be considered in determining whether a quorum is present nor for any other purpose, and the total number of authorized votes in the Association shall be reduced accordingly until such certificate is filed. The Association shall be entitled to rely on any certificate on file and shall not be required to look outside the document to confirm the validity of any signatures thereon or compliance with any applicable corporate procedures which may or may not have been followed. The Association shall be entitled to assume the authority and enforceability of any certificate on file and the signor of any such certificate shall be deemed to have the authority to bind the respective corporate entity.

- 3.7 **Proxies.** Votes to be cast at meetings of the Association membership may be cast in person or by proxy. Except as may be permitted by the Condominium Act, Unit Owners may not vote by general proxy, but may vote by limited proxies substantially conforming to the limited proxy form approved by the Division. Limited proxies shall be permitted for votes taken to: waive or reduce reserves; waive financial statements; amend the Declaration, Articles or By-Laws; or for any other matter requiring or permitting a vote of Unit Owners. No proxy, limited or general, may be used in the election of Board members, unless permitted by the Condominium Act. General proxies may be used for other matters for which limited proxies are not required and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. A proxy may be made by any person entitled to vote, but shall only be valid for the specific meeting for which originally given and any lawful adjourned meetings thereof. In no event shall any proxy be valid for a period longer than 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 person executing it. A proxy must be in writing, signed by the person authorized to cast the vote for the Unit (as above described), name the person(s) voting by proxy and the person authorized to vote for such person(s) and filed with the Secretary before the appointed time of the meeting, or before the time to which the meeting is adjourned. Each proxy shall contain the date, time and place of the meeting for which it is given and, if a limited proxy, shall set forth the matters on which the proxy holder may vote and the manner in which the vote is to be cast. There shall be no limitation on the number of proxies which may be held by any person including a designee of the

Developer. If a proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in its place.

3.8 **Adjourned Meetings.** If any proposed meeting cannot be organized because a quorum has not been attained, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present, provided notice of the newly scheduled meeting is given in the manner required for the giving of notice of a meeting. Except as required above, proxies given for the adjourned meeting shall be valid for the newly scheduled meeting unless revoked for reasons other than the new date of the meeting.

3.9 **Order of Business.** If a quorum has been attained, the order of business at annual members' meetings, and, if applicable, at other members' meetings, shall be:

- (a) Collection of election ballots, if any;
- (b) Call to order by President;
- (c) Appointment by the President of a chairman of the meeting (who need not be a member or a director);
- (d) Proof of notice of the meeting or waiver of notice;
- (e) Appointment of inspectors of election;
- (f) Tabulation of votes for Directors;
- (g) Reading or waiver of reading of minutes;
- (h) Reports of officers;
- (i) Reports of committees;
- (j) Unfinished business;
- (k) New business;
- (l) Adjournment.

Such order may be waived in whole or in part by direction of the chairman.

3.10 **Minutes of Meeting.** The minutes of all meetings of Unit Owners shall be kept in a book available for inspection by Unit Owners or their authorized representatives and Board members at any reasonable time. The Association shall retain these minutes for the duration specified in the Condominium Act.

3.11 **Action Without A Meeting.** Anything to the contrary herein notwithstanding, to the extent lawful, any action required or which may be taken at any annual or special meeting of members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken,

4.3 **Vacancies and Removal.**

- (a) Except as to vacancies resulting from removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors at any Board meeting, provided that all vacancies in directorships to which Directors were appointed by the Developer pursuant to the provisions of paragraph 4.13 hereof shall be filled by the Developer without the necessity of any meeting.
- (b) Any Director elected by the members (other than the Developer) may be removed by concurrence of a majority of the voting interests of the members at a special meeting of members called for that purpose or by written agreement signed by a majority of all voting interests. The vacancy in the Board of Directors so created shall be filled in accordance with the procedures specified in the Condominium Act.
- (c) Anything to the contrary herein notwithstanding, until a majority of the Directors are elected by members other than the Developer of the Condominium, neither the first Directors of the Association, nor any Directors replacing them, nor any Directors named by the Developer, shall be subject to removal by members other than the Developer. The first Directors and Directors replacing them may be removed and replaced by the Developer without the necessity of any meeting.
- (d) If a vacancy on the Board of Directors results in the inability to obtain a quorum of directors in accordance with these By-Laws, any Owner may apply to the Circuit Court within whose jurisdiction the Condominium lies for the appointment of a receiver to manage the affairs of the Association in accordance with the procedures specified in the Condominium Act.

4.4 **Term.** Except as provided herein to the contrary, the term of each Director's service shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and has taken office, or until he is removed in the manner elsewhere provided. Notwithstanding the foregoing, any Director designated by the Developer shall serve at the pleasure of the Developer and may be removed and replaced by the Developer at any time.

4.5 **Organizational Meeting.** The organizational meeting of newly-elected or appointed Directors shall be held within ten (10) days of their election or appointment. The directors calling the organizational meeting shall give at least two (2) days advance notice thereof, stating the time and place of the meeting, and shall conspicuously post notice of the meeting for forty-eight (48) continuous hours preceding the meeting.

4.6 **Meetings.** 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. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegraph, and shall be transmitted at least three (3) days prior to the meeting.

Meetings of the Board of Directors and any Committee thereof at which a quorum of the members of that Committee are present shall be open to all Unit Owners.

The right to attend such meetings includes the right to speak at such meetings with respect to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration and manner of Unit Owner statements. Adequate notice of such meetings, which notice shall specifically incorporate and identification of agenda items, shall be posted conspicuously on the Condominium Property at least forty-eight (48) continuous hours preceding the meeting, except in the event of an emergency. Any item not included on the notice of meeting may be taken up on an emergency basis by at least a majority plus one of the members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Notwithstanding the foregoing, written notice of any meeting of the Board at which non-emergency special assessments, or at which amendment to rules regarding unit use will be considered shall be mailed or delivered to all Unit Owners and posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. Special meetings of the Directors may be called by the President, and must be called by the President or Secretary at the written request of one third (1/3) of the Directors or where required by the Condominium Act.

- 4.7 **Waiver of Notice.** Any Director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the due receipt by said Director of notice. Attendance by any Director at a meeting shall constitute a waiver of notice of such meeting, and a waiver of any and all objections to the place of the meeting, to the time of the meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting, or promptly upon arrival at the meeting, any objection to the transaction of affairs because the meeting is not lawfully called or convened.
- 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 acts of the Board of Directors, except when approval by a greater number of Directors is specifically required by the Declaration, the Articles or these By-Laws.
- 4.9 **Adjourned Meetings.** If, at any proposed meeting of the Board of Directors, 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, provided notice of such newly scheduled meeting is given as required hereunder.
- 4.10 **Written Approval of Minutes.** The written approval of a Director of the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the approval of that Director of the business conducted at the meeting, but such approval shall not allow the applicable Director to be counted as being present for purposes of quorum and shall not be used as a vote for or against action taken at such meeting.

- 4.11 **Presiding Officer.** The presiding officer at the Directors' meetings shall be the President (who may, however, designate any other Unit Owner to preside).
- 4.12 **Committees.** The Board may by resolution also create Committees and appoint persons to such Committees and vest in such Committees such powers and responsibilities as the Board shall deem advisable.
- 4.13 **Proviso.** Notwithstanding anything to the contrary contained in these By-Laws, the board shall consist of three directors during the period that the Developer is entitled to appoint a majority of the Directors, as hereinafter provided. The Developer shall have the right to appoint all of the members of the Board of Directors until Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association. When Unit Owners other than the Developer own fifteen (15%) percent or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Directors. Unit Owners other than the Developer are entitled to elect not less than a majority of the members of the Board of Directors (a) three years after fifty (50%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (b) three months after ninety (90%) percent of the Units that will be operated ultimately by the Association have been conveyed to purchasers; (c) when all of the Units that will be operated ultimately by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business; (d) when some of the units have been conveyed to purchasers, and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or (e) seven (7) years after recordation of the Declaration of Condominium in the public records; whichever occurs first. The Developer is entitled (but not obligated) to elect at least one (1) member of the Board of Directors as long as the Developer holds for sale in the ordinary course of business five percent (5%) of the Units that ultimately will be operated by the Association. Following the time the Developer relinquishes control of the Association, the Developer may exercise the right to vote any Developer-owned Units in the same manner as any other Unit Owners except for purposes of reacquiring control of the Association or selecting the majority members of the Board of Directors.

15% ←

Within seventy-five (75) days after the Unit Owners other than the Developer are entitled to elect a member or members of the Board of Directors, the Association shall call, and give not less than sixty (60) days' notice of a meeting of the Unit Owners to elect such member or members of the Board of Directors. The meeting may be called and the notice given by the Unit Owners if the Association fails to do so.

At the time Unit Owners other than the Developer elect a majority of the members of the Board of Directors of the Association 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 or controlled by the Developer as specified in the Condominium Act. Not more than ninety (90) days

after such event, Developer shall also deliver all financial records as required by the Condominium Act.

5. **Authority of the Board.**

5.1 **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may take all acts, through the proper officers of the Association, in executing such powers, except such acts which by law, the Declaration, the Articles or these By-Laws may not be delegated to the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, without limitation (except as limited elsewhere herein), the following:

- (a) Operating and maintaining all Common Elements and the Association Property.
- (b) Determining the expenses required for the operation of the Association and the Condominium.
- (c) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements and the Association Property.
- (d) Adopting and amending rules and regulations concerning the details of the operation and use of the Condominium and Association Property.
- (e) Maintaining bank accounts on behalf of the Association and designating the signatures required therefor.
- (f) Purchasing, leasing or otherwise acquiring title to, or an interest in, property in the name of the Association, or its designee, for the use and benefit of its members. The power to acquire personal property shall be exercised by the Board and the power to acquire real property shall be exercised as described herein and in the Declaration.
- (g) Purchasing, leasing or otherwise acquiring Units or other property, including, without limitation, Units at foreclosure or other judicial sales, all in the name of the Association, or its designee.
- (h) Selling, leasing, mortgaging or otherwise dealing with Units acquired, and subleasing Units leased, by the Association, or its designee.
- (i) Organizing corporations and appointing persons to act as designees of the Association in acquiring title to or leasing Units or other property.
- (j) Obtaining and reviewing insurance for the Condominium and Association Property.
- (k) Making repairs, additions and improvements to, or alterations of, Condominium Property and Association Property, and repairs to and restoration of Condominium and Association Property, in accordance with the provisions of the Declaration after damage or destruction by fire or

other casualty, or as a result of condemnation or eminent domain proceedings or otherwise.

- (l) Enforcing obligations of the Unit Owners, allocating profits and expenses and taking such other actions as shall be deemed necessary and proper for the sound management of the Condominium.
- (m) Levying fines against appropriate Unit Owners for violations of the rules and regulations established by the Association to govern the conduct of such Unit Owners. No fine shall be levied except after giving reasonable notice and opportunity for a hearing to the affected Unit Owner and, if applicable, his tenant, licensee or invitee. No fine shall exceed the highest amount permitted by the Condominium Act from time to time.
- (n) Borrowing money on behalf of the Association or the Condominium when required in connection with the operation, care, upkeep and maintenance of Common Elements or the acquisition of real property, and granting security interests in assessments or Association owned property, all in accordance with Florida law and the Declaration of Condominium.
- (o) Contracting for the management and maintenance of the Condominium and Association Property and authorizing a management agent (who may be an affiliate of the Developer) to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals; collection of Assessments, preparation of records, enforcement of rules and maintenance, repair, and replacement of the Common Elements and Association Property 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 powers and duties granted by the Declaration, the Articles, these By-Laws and the Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.
- (p) At its discretion authorizing Unit Owners or other persons to use portions of the Common Elements or Association Property for private parties and gatherings and imposing reasonable charges for such private use.
- (q) Exercising (i) all powers specifically set forth in the Declaration, the Articles, these By-Laws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a Florida corporation not-for-profit.
- (r) Contracting with and creating or joining in the creation of special taxing districts, joint councils and the like.
- (s) Responding to complaints of Unit Owners in accordance with all requirements of applicable law.

6. Officers.

- 6.1 Executive Officers. The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary (none of whom need be

Directors), all of whom shall be elected by the Board of Directors and who may be peremptorily removed at any meeting by concurrence of a majority of all of the Directors. A person may hold more than one office, except that the President may not also be the Secretary. No person shall sign an instrument or perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall deem necessary or appropriate to manage the affairs of the Association. Officers, other than designees of the Developer, must be Unit Owners (or authorized representatives of corporate/partnership/trust Unit Owners).

6.2 **President.** The President shall be the chief executive officer of the Association. He shall have all of the powers and duties that are usually vested in the office of president of an association. The President may also concurrently serve as the Treasurer of the Association.

6.3 **Vice-President.** The Vice-President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He also shall assist the President and exercise such other powers and perform such other duties as are incident to the office of the vice president of an Association and as may be required by the Directors or the President.

6.4 **Secretary.** The Secretary shall keep the minutes of all proceedings of the Directors and the members. The Secretary shall attend to the giving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix to instruments requiring the seal when duly signed. The Secretary shall keep the records of the Association, except those of the Treasurer, and perform all other duties incident to the office of the secretary of an association and as may be required by the Directors or the President.

6.5 **Treasurer.** The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. The Treasurer shall keep books of account for the Association in accordance with good accounting practices, which, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. The Treasurer shall submit a treasurer's report to the Board of Directors at reasonable intervals and shall perform all other duties incident to the office of treasurer and as may be required by the Directors or the President. All monies and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board of Directors. The Treasurer may also serve as the President of the Association.

6.6 **Developer Appointees.** Until such time as the Developer relinquishes control of the Association to Unit Owners, no officer appointed by the Developer may be removed except as provided in Section 4.13 hereof and by law.

7. **Compensation.** Neither Directors nor officers shall receive compensation for their services as such, but this provision shall not preclude the Board of Directors from employing a Director or officer as an employee of the Association, nor preclude contracting with a Director or officer for the provision of a service to the Association.

Reserves
Budget

8. **Resignations.** Any Director or officer may resign his post at any time by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date unless withdrawn. The acceptance of a resignation shall not be required to make it effective. The conveyance of all Units owned by any Director or officer (other than appointees of the Developer or officers who are not required to be Unit Owners) shall constitute a written resignation of such Director or officer.

Attach

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

9.1 **Fiscal Year.** The fiscal year of the Association shall be the calendar year unless otherwise designated in the discretion of the Board of Directors.

9.2 **Budget.**

(a) **Adoption by Board; Items.** The Board of Directors shall from time to time, and at least annually, prepare a budget for the Association (which shall detail all accounts and items of expense and contain at least all items required by the Condominium Act), determine the amount of Assessments payable by the Unit Owners to meet the expenses of the Association and allocate and assess such expenses against the Unit Owners in accordance with the provisions of the Declaration. In addition, if the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements, the budget or a schedule attached thereto shall show amounts budgeted therefor. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance (to the extent required by law). Reserves shall not be required if the members of the Association have, by a majority vote at a duly called meeting of members, determined for a specific fiscal year to provide no reserves or reserves less adequate than required hereby. Prior to transfer of control of the Association to Unit Owners other than the Developer, the Developer may vote to waive reserves or reduce the funding of the reserves for the first two (2) fiscal years of operation of the Association, beginning with the fiscal year in which the initial Declaration is recorded, after which time, reserves may only be waived or reduced upon the vote of a majority of non-Developer voting interests present at a duly called meeting of the Association. Any vote to waive or reduce reserves shall be effective for only one (1) annual budget and a new vote shall be taken each fiscal year that a waiver or reduction shall apply to the current budget. If a meeting of Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

The adoption of a budget for the Association shall comply with the requirements hereinafter set forth:

- (i) **Notice of Meeting.** A copy of the proposed budget of Common Expenses shall be mailed or hand delivered to each Unit Owner not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting.
 - (ii) **Special Membership Meeting.** If a budget is adopted by the Board of Directors which requires Assessments against such Unit Owners in any year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, as hereinafter defined, upon written application of ten percent (10%) of the Unit Owners received within twenty-one (21) days after adoption of the budget, a special meeting of the Unit Owners shall be held within sixty (60) days after adoption of the budget. Each Unit Owner shall receive, at least fourteen (14) days prior to such special meeting, notice of said meeting hand delivered to each Unit Owner or mailed to each Unit Owner at the address last furnished to the Association. At the special meeting, Unit Owners shall consider and adopt a budget. The adoption of said budget shall require a vote of Owners of not less than 50% of all the Units (including Units owned by the Developer). If a meeting of the Unit Owners has been called as aforesaid and a quorum is not obtained or a substitute budget has not been adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled.
 - (iii) **Determination of Budget Amount.** In determining whether a budget requires Assessments against Unit Owners in any year exceeding one hundred fifteen percent (115%) of Assessments for the preceding year, there shall be excluded in the computations any authorized provisions 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 of the Association which are not anticipated to be incurred on a regular or annual basis, and there shall be excluded further from such computation Assessments for improvements to the Condominium Property.
- (b) **Adoption by Membership.** In the event that the Board of Directors shall be unable to adopt a budget for a fiscal year in accordance with the requirements of Section 9.2.(a) above, the Board of Directors may call a special meeting of Unit Owners for the purpose of considering and adopting such budget, which meeting shall be called and held in the manner provided for such special meetings in said subsection, or propose a budget in writing to the members, and if such budget is adopted by the members, upon ratification by a majority of the Board of Directors, it shall become the budget for such year.

9.3 **Assessments.** Assessments against Unit Owners for their share of the items of the budget shall be made for the applicable fiscal year annually at least twenty

(20) days preceding the year for which the Assessments are made. Such Assessments shall be due in equal installments, payable in advance on the first day of each month (or each quarter at the election of the Board) of the year for which the Assessments are made. If annual Assessments are not made as required, Assessments shall be presumed to have been made in the amount of the last prior Assessments, and monthly (or quarterly) installments on such Assessments shall be due upon each installment payment date until changed by amended Assessments. In the event the annual Assessments prove to be insufficient, the budget and Assessments may be amended at any time by the Board of Directors, subject to the provisions of Section 9.2 hereof, if applicable. Unpaid Assessments for the remaining portion of the fiscal year for which amended Assessments are made shall be payable in as many equal installments as there are full months (or quarters) of the fiscal year left as of the date of such amended Assessments, each such monthly (or quarterly) installment to be paid on the first day of the month (or quarter), commencing the first day of the next ensuing month (or quarter). If only a partial month (or quarter) remains, the amended Assessments shall be paid with the next regular installment in the following year, unless otherwise directed by the Board in its resolution.

- 9.4 **Special Assessments.** Special Assessments may be levied as provided in the Declaration and shall be paid in such manner as the Board of Directors of the Association may require in the notice of such Assessments. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in the notice of adoption of same. However, upon completion of such specific purpose or purposes, any excess funds will be considered Common Surplus, and may, at the discretion of the Board, either be returned to the Unit Owners or applied as a credit towards future assessments.
- 9.5 **Depository.** The depository of the Association shall be such bank or banks in the State of Florida as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from those accounts shall be made only by checks signed by such person or persons as are authorized by the Directors.
- 9.6 **Late Charges and Acceleration of Installments Upon Default.** Assessments and installments thereof not paid within ten (10) days from the date when they are due shall bear interest at the highest lawful rate from the date due until paid. In addition to the above stated interest, the Association may charge an administrative late fee in an amount not to exceed the highest amount provided for in the Condominium Act (as it may be amended from time to time) on Assessments and installments thereof not paid when due. As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid and after a claim of lien is filed and forty-five (45) days' prior written notice has been provided to the applicable Owner, the Association may declare the Assessment installments for the remainder of the budget year to be accelerated and such amount shall thereupon be immediately due and payable.
- 9.7 **Fidelity Bonds.** The association shall obtain and maintain adequate insurance or fidelity bonding of all persons who control or disburse funds of the association. The insurance policy or fidelity bond must cover the maximum of funds that will be in the custody of the association or its management agent at any one time.

As used in this paragraph, the term "persons who control or disburse funds of the association" includes, but it is not limited to, those individuals authorized to sign checks and the president, secretary, and treasurer of the association. The association shall bear the cost of bonding.

- 9.8 **Accounting Records and Reports.** The Association shall maintain accounting records in the State, according to accounting practices normally used by similar associations. The records shall be open to inspection by Unit Owners or their authorized representatives at reasonable times and written summaries of them shall be supplied at least annually. The records shall include, but not be limited to: (a) a record of all receipts and expenditures, and (b) an account for each Unit designating the name and current mailing address of the Unit Owner, the amount of Assessments, the dates and amounts in which the Assessments come due, the amount paid upon the account and the dates so paid, and the balance due. Written summaries of the records described in clause (a) above, in the form and manner specified below, shall be supplied to each Unit Owner annually.

Within ninety (90) days following the end of the fiscal year, the Board shall mail, or furnish by personal delivery, to each Unit Owner either (a) a complete financial report of actual receipts and expenditures for the previous fiscal year; or (b) a complete set of financial statements for the preceding fiscal year prepared in accordance with generally accepted accounting principles, unless the Division adopts alternate standards, in which case such standards shall be followed; or (c) such other financial report as may be required by Section 718.111(13) of the Florida Statutes for the previous fiscal year. The report shall show the amount of receipts by accounts and receipt classifications and shall show the amount of expenses by accounts and expense classifications, including, if applicable, but not limited to, the following:

- (a) Costs for 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 repair;
- (h) Insurance costs;
- (i) Administrative and salary expenses; and
- (j) Reserves for capital expenditures, deferred maintenance and any other category for which the Association maintains a reserve account or accounts.

- 9.9 **Application of Payment.** All payments made by a Unit Owner shall be applied as provided in these By-Laws and in the Declaration or as otherwise determined by the Board.
- 9.10 **Notice of Meetings.** Notice of any meeting where Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.
10. **Roster of Unit Owners.** Each Unit Owner shall file with the Association a copy of the deed or other document showing his ownership. The Association shall maintain such information. The Association may rely upon the accuracy of such information for all purposes until notified in writing of changes therein as provided above. Only Unit Owners of record on the date notice of any meeting requiring their vote is given shall be entitled to notice of and to vote at such meeting, unless prior to such meeting other Owners shall produce adequate evidence, as provided above of their interest and shall waive in writing notice of such meeting.
11. **Parliamentary Rules.** Except when specifically or impliedly waived by the chairman of a meeting (either of members or directors), Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Condominium Act, the Declaration, the Articles or these By-Laws; provided, however, that a strict or technical reading of said Robert's Rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.
12. **Amendments.** Except as may be provided in the Declaration to the contrary, these By-Laws may be amended in the following manner:
- 12.1 **Notice.** Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.
- 12.2 **Adoption.** A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board of Directors or by not less than one-third (1 /3) of the members of the Association. The approval must be by not less than a majority of the votes of all members of the Association represented at a meeting at which a quorum has been attained.
- 12.3 **Proviso.** No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Developer or mortgagees of Units without the consent of said Developer and mortgagees in each instance. Any consent required of mortgagees of Units shall not be unreasonably withheld. No amendment shall be made that is in conflict with the Articles or Declaration. No amendment to this Section shall be valid.
- 12.4 **Execution and Recording.** A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of these By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Developer alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Developer. The amendment shall be effective when the certificate

and a copy of the amendment is recorded in the Public Records of this County with an identification on the first page of the amendment of the Records Book and Page of said Public Records where the Declaration is recorded.

13. **Official Records.** The official records of the Association shall be maintained in the Association's office or such other location within the state as designated by the Board of Directors. The official records of the Association shall be open to inspection by any Association member or the authorized representative of such member at all reasonable times in accordance with the requirements of the Condominium Act. The right to inspect the records includes the right to make or obtain copies, at a reasonable expense, if any, of the Association member. The Association may adopt reasonable rules regarding the time, location, notice and manner of record inspections and copying.
14. **Disputes.** Without limiting any other remedies which may be available in law or equity, those disputes which are governed by mandatory non-binding arbitration proceedings as specified in Section 718.1255, Florida Statutes shall be governed by the procedures set forth therein.
15. **Construction.** Wherever the context so permits, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.
16. **Captions.** The captions herein are inserted only as a matter of convenience and for reference and in no way define or limit the scope of these By-Laws or the intent of any provision hereof.
17. **Certificate of Compliance.** A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board of Directors as evidence of compliance of the Units to applicable fire and life safety code.
18. **Limited Power to Convey.** The Association shall have a limited power to convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

The foregoing was adopted as the By-Laws of Ocean Reserve Condominium Association, Inc., a corporation not for profit under the laws of the State of Florida, as of this _____ day of _____, 2005.

Approved:

Name:

Title: