

BY-LAWS OF  
THE TIFFANY CONDOMINIUM ASSOCIATION, INC.  
A Florida Non Profit Corporation  
A Membership Corporation

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1. IDENTITY. These are the By-laws of THE TIFFANY CONDOMINIUM ASSOCIATION, INC. hereinafter referred to as the "Association", a corporation not for profit under the laws of the State of Florida, organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, hereinafter referred to as "Condominium Act", for the purposes of operating that certain property submitted to the condominium form of ownership known as THE TIFFANY, A CONDOMINIUM, hereinafter referred to as "Condominium".

1.1 The Office of the Association shall be at 555 West Granada Boulevard, Suite C-12, Ormond Beach, Florida.

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

1.3 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. MEMBERS' MEETINGS.

2.1 The Annual Members' Meeting shall be held at the office of the Association on the second Saturday of May of each year at a time designated by the Board of Directors, for the purpose of electing directors and 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 on the next day that is not a holiday.

2.2 Special Members' Meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members entitled to cast ten percent (10%) of the voting interests of the entire membership.

2.3 Notice of all Members' Meetings stating the time and place and the object for which the meeting is called shall be given by the President or Vice President or Secretary. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) prior to the date of the meeting. Additionally, a notice shall be posted on the condominium property in a conspicuous place at least fourteen (14) days in advance of the meeting date. Notice of meeting may be waived according to Florida Statute 718.112. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with this provision, to each unit owner at the address last furnished to the Association. Any approval by unit owners called for by this chapter, or the applicable Declaration or By-laws, including, but not limited to, the approval requirement in §718.111(12), shall be made at a duly noticed meeting of unit owners and shall be subject to all requirements of this chapter or the applicable condominium documents relating to unit owner decision making except that unit owners may take action by written agreement, without meetings, on matters for which action by written agreement without meetings is expressly allowed by the applicable By-laws or Declaration or any Florida statute which provides for the unit owner action. Unit owners may waive notice of specific meetings if allowed by the applicable By-laws or Declaration, or any Florida statute.

2.4 A Quorum at Members' Meetings shall consist of persons entitled to cast a majority of the voting interests of the entire membership. The acts approved by a majority of the voting interests 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 of Condominium, the Articles of Incorporation or these By-laws.

2.5 Voting.

(a) In any meeting of members, the owners of each condominium unit shall be entitled to cast one voting interest. The total number of voting interests eligible to be cast in any meeting of members of the Association shall be equal to the number of units that have been submitted to condominium ownership with a maximum of 29 votes, with each apartment owner having an equal voting interest in the affairs of the Association.

(b) If a condominium unit is owned by one person, his right to a voting interest shall be established by the record title to his unit. If any condominium unit is owned by more than one person, the person entitled to cast the voting interest for the condominium unit shall be designated by a certificate signed by all of the record owners of the condominium unit and filed with the Secretary of the Association. If a condominium unit is owned by a corporation, trust, real estate investment trust, or other entity, the natural person entitled to cast the voting interest for the condominium unit shall be designated by a certificate signed by the President or the Vice President and attested by the Secretary or Assistant Secretary of the corporation, trust, real estate investment trust or other entity, and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate signed by all of the record owners or until a change in the ownership of the condominium unit concerned. A certificate designating the person entitled to cast the voting interest of a condominium unit may be revoked by any owner of that condominium unit. If such a certificate is not on file, the voting interest of such owner shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.6 Proxies. Voting interests may be cast in person or by proxy. Any proxy given shall be effective only for the

specific meeting for which originally given and any lawfully adjourned meetings thereof. 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 is was given. Every proxy shall be revocable at any time at the pleasure of the unit owner executing it.

2.7 Adjourned Meetings. If any meeting of the 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.

2.8 The Order of Business at annual members meetings, and as far as practical at 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) Appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournments.

2.9 Minutes. Minutes of the Association meetings shall be kept in a book available for inspection by any unit owner, or an authorized representative of any unit owner, and any board member, at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

### 3. DIRECTORS.

3.1 Membership. The affairs of the Association shall be managed by a Board of Directors who shall be members of the Association, excepting that the first Board of Directors shall

consist of three directors who need not be members of the Association, except as hereinafter provided in sub-paragraph 3.2(g). The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided, however, that the Board shall always consist of an odd number of members, and provided, further, that following the term of office of the first Board of Directors, the Board shall never consist of less than three (3) members. Any increase or decrease in the number of members on the Board shall be effective as of the date of the next regular election.

3.2 Election of Directors shall be conducted in the following manner:

(a) Election of directors shall be held at the annual members' meeting.

(b) The Board of Directors may, at its discretion, designate a nominating committee of not less than three (3) nor more than five (5) members. In the event the Board shall elect to designate such a committee, the committee shall be designated not less than thirty (30) days prior to the annual election meeting, and shall be charged with the duty of nominating one person for each director to be elected, provided, however, additional nominations shall be received from the floor prior to elections at the annual election meeting.

(c) The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the voting interests cast, each person voting being entitled to cast his voting interests for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

(d) Except as to vacancies created by removal of directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining directors.

(e) Any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all voting interests. A special meeting of the unit owners to recall a member or members of the board of directors may be called by ten percent of the unit owners giving notice of the meeting as required for a meeting of voting interests, and the notice shall state the purpose of the meeting.

If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective immediately, and the recalled member or members of the board of administration shall turn over to the board any and all records of the Association in their possession, within 72 hours after the meeting.

If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing shall be served on the Association by certified mail. The board of administration shall call a meeting of the board within 72 hours after receipt of the agreement in writing and shall either certify the written agreement to recall a member or members of the board, in which case such member or members shall be recalled effective immediately and shall turn over to the board within 72 hours, any and all records of the Association in their possession, or proceed as described in subparagraph 3.

If the board determines not to certify the written agreement to recall a member or members of the board, or if the recall by a vote at a meeting is disputed, the board shall, within 72 hours, file with the division a petition for binding arbitration pursuant to the procedures of § [REDACTED]. For purposes of this section, the unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certified the recall as to any member or members of the board, the recall shall

be effective upon service of the final order of arbitration upon the Association. If the Association fails to comply with the order of the arbitrator, the division may take action pursuant to [REDACTED] Any member or members so recalled shall deliver to the board any and all records of the Association in their possession within 72 hours of the effective date of the recall.

(f) Except as hereinafter provided in subparagraph (g), until the Developer has closed the sales of all 29 of the condominium units, or until the Developer elects to terminate its control of the Association, whichever occurs first, the first directors of the Association shall serve, and in the event of vacancies, the remaining directors shall fill the vacancies, and if there are no remaining directors, the vacancies shall be filled by the Developer.

(g) When unit owners other than the developer own 15 percent or more of the units in the condominium that will be operated ultimately by an association, the unit owners other than the developer shall be entitled to elect no less than one third of the members of the board of directors of the Association. Unit owners other than the developer are entitled to elect not less than a majority of the members of the board of directors of an association:

(1) Three years after 50% of the units that will be operated ultimately by the Association has been conveyed to a purchaser;

(2) Three months after 90 percent of the units that will be operated ultimately by the Association have been conveyed to purchasers;

(3) 120 days after 75% of the units that will be operated ultimately by the Association have been conveyed to purchasers.

(4) When all 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; or

(5) 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, whichever occurs first. The developer is entitled to elect at least one member of the board of directors of an association as long as the developer holds for sale in the ordinary course of business at least five percent of the units following the time the developer relinquished control of the association, the developer may exercise the right to vote any developer-owned units in the same manner as any other unit owner except for purposes of reacquiring control of the association or selecting the majority members of the board of administration.

(h) Within 60 days after the unit owners other than the developer are entitled to elect a member or members of the board of directors of the Association; the Association shall call, and give not less than 30 days or more than 40 days notice of, a meeting of the unit owners to elect the members of the board of directors. The meeting may be called and the notice given by any unit owner if the Association fails to do so.

(i) If the Developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the developer:

(1) Assessment of the developer as a unit owner for capital improvements.

(2) Any action by the Association that would be detrimental to the sales of units by the developer. However, an increase in assessments for common expenses



without discrimination against the developer shall not be deemed to be detrimental to the sales of units.

(j) Prior to, or not more than 60 days after the time that unit owners other than the developer elect a majority of the members of the board of directors of an association, the developer shall relinquish control of the association, and the unit owners shall accept control. Simultaneously, the developer shall deliver to the Association held or controlled by the Developer, including but not limited to the items as delineated in Florida Statute 718.301, sub-paragraph 4.

3.3 The Terms of each director's service, subject to the provisions of 3.2(f) above, shall extend until the next annual meeting of the members and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

3.4 The Organization meeting of a new-elected Board of Directors shall be held within ten 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.

3.5 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. Notice of regular meetings shall be given to each director personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting except in emergencies. Notice of all directors meetings, whether regular or special shall be conspicuously posted on the condominium property at least forty eight hours in advance, except in case of emergency. All directors' meetings shall be open to members. 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.

3.6 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 of the directors. Notice of the meeting shall be given as provided for regular meetings and shall state the purpose of the meeting.

3.7 Waiver of Notice. Any director may waive notice of a meeting before, at, or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

3.8 Quorum. A quorum at director's 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 member of directors is required by the Declaration of Condominium, the Articles of Incorporation, or these By-laws.

3.9 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.

3.10 Joinder in Meeting by Approval of Minutes. The joinder of a director in the action of a meeting by signing and concurring in the minutes of that meeting shall not constitute the presence of such director for the purpose of determining a quorum.

3.11 Minutes. Minutes of all Board of Directors meetings shall be kept in a book available for inspection by any unit owner, the authorized representative of any unit owner, and by any board member, at any reasonable time. The Association shall retain these minutes for a period of not less than seven years.

3.12 Directors' Meetings. The President officer of directors' meetings shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall

preside. In the absence of the presiding officer the directors present shall designate one of their member to preside.

3.13 Order of Business. The order of business at directors' meetings shall be as follows:

- (a) Calling of roll.
- (b) Proof of due notice of meetings.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

3.14 Directors' Fees. If any, shall be determined by members of the Association, and approval of any such fees shall require the affirmative vote of not less than two-thirds of the entire membership of the Association, provided, directors designated by the Developer, and the first Board of Directors, shall not be entitled to any fees or compensation for their services as directors.

4. POWERS AND DUTIES OF THE BOARD OF DIRECTORS. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these By-laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by condominium unit owners where such approval is specifically required. Without limiting the powers and duties of the Board of Directors, it shall have the following express powers, in addition to all others herein granted, and provided for by the Declaration of Condominium and the Condominium Acts, to-wit:

To enter into management contract providing for the management of the condominium property.

To enter into contracts for the purpose of making available to the owners and the residents of condominium units such services as would, in the sole discretion of the Board, be desirable provided, however, that the term or period of such contracts shall not exceed two years, and provided, further, that said contracts may provide for additional extensions of the original term in the absence of written notice of termination by either party.

To promulgate and amend, as required, reasonable rules and regulations to insure the comfort, safety, and enjoyment of all members of the Association.

To adopt annual budgets as provided in paragraph 6.3 hereof.

5. OFFICERS.

5.1 The Executive Officers of the Association shall be a president, who shall be a director, a vice-president, a treasurer and a secretary, all of whom shall be elected annually by the Board of Directors, and such assistant secretaries and assistant treasurers as the Board of Directors may from time to time determine upon. Any person may hold two or more offices except that the same person shall not hold the office of president and vice-president, provided, however, that the president shall not also be the secretary or an assistant secretary. Any officer may be removed preemptorily by a vote of two-thirds of the directors present at any duly constituted meeting.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties 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, in his discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

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

5.4 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 notice to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall 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, including the furnishing of certificates regarding any outstanding assessments pursuant to the Florida Condominium Act. The assistant secretary, if any, shall perform the duties of the Secretary when the secretary is absent, and shall otherwise assist the secretary. The records shall be available at all reasonable times for examination by the members and directors.

5.5 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 he shall perform all other duties incident to the office of treasurer. The assistant treasurer, if any, shall perform the duties of the treasurer when the treasurer is absent, and shall otherwise assist the treasurer.

5.6 Compensation. No compensation shall be paid to any officer of the Association except with the approval of a majority of the membership, reflected by a vote taken at a duly constituted membership meeting. No officer who is a designee of the Developer shall receive any compensation for his services as an officer.

Nothing herein shall be construed so as to prohibit or prevent the board of directors from employing any director or officer as an employee of the Association at such compensation as the board shall determine upon, nor shall anything herein be construed so as to preclude the board from contracting with a director or officer or with any corporation in which a director or officer of the Association may be stockholder, officer, director or employee, for the management of the condominium for such compensation as shall be mutually agreed between the board and such officer, director or corporation, or from contracting with a director, or officer of the Association or a corporation in which a director or officer of the corporation may be a stockholder, officer, director or employee for the purpose of making available to the owners of condominium units such services as are contemplated by the provisions of Article 4(b) of these By-laws. It is expressly contemplated that the first board of directors may enter into such contracts with persons who are initial officers or directors of the Association, or with corporations having officers, directors or employees who are also members of the first board of directors of the Association.

6. FISCAL MANAGEMENT. The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

6.1 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the treasurer and in accordance with standard accounting procedures and the Florida Condominium Act. Written summaries shall be supplied at least annually to members. Such records shall include, but not be limited to:

- (a) A record of all receipt and expenditures.
- (b) An account for each unit which shall designate the name and address of the unit owner, the amount of each assess-

ment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

(c) A register for the names of any mortgage holders or lien holders on units who have requested in writing that they be registered and to whom the Association will give notice of default in case of non-payment of assessments. No responsibility by the Association is assumed with respect to said register except that it will give notice of default to any institutional mortgagee or lienor therein, if so requested.

(d) Any holder, insurer or guarantor of a first mortgage shall be entitled, upon written request to an audited financial statement for the immediately preceding fiscal year, free of charge to the party so requesting within a reasonable time.

6.2 Inspection of Books. Current copies of the declaration, by-laws, other rules concerning the project and the books, records and financial statements of the Association shall be available to unit owners and lenders, and to holders, insurers or guarantors of any first mortgage. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

6.3 Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the common expenses and to provide and maintain funds for reserves. A copy thereof together with a notice of meeting shall be sent to each member at least 30 days prior to the board meeting at which the budget will be considered. If an adopted budget requires assessment against the unit owners in any fiscal year exceeding 115 percent of the assessments for the preceding year, the board, upon written application of ten percent of the voting interests to the board, shall call a special meeting of the unit owners within 30 days, upon not less than 10 day written notice to each unit owner. At the special meeting, unit owners

shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority vote of all voting interests. The Board of Directors may propose a budget to the unit owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the unit owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted. If a meeting of the unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the unit owners, the budget adopted by the board of directors shall go into effect as scheduled. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property shall be excluded from the computation,. However, as long as the developer is in control of the Board of Directors, the board shall not impose an assessment for any year greater than 115 percent of the prior fiscal year's assessment without approval of a majority of all voting interests. 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 cost of each reserve item. This subsection shall not apply to budgets in which the members of an association have, by a vote of the majority of the members present at a duly called meeting of the association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. If a meeting of the 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.

6.4 Assessments. Assessments against the condominium units for their share of the items of the budget shall be made for the fiscal year annually in advance on or before thirty days preceding the commencement of the fiscal year for which the assessments are made. Such assessments shall be due in twelve equal installments, payable on the first day of each month. 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 installments on such assessment shall be due upon each installment payment date 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, unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in as many equal installments as there are months in the fiscal year left as of the date of such amended assessment, each such monthly installment to be paid on the first day of the quarter commencing the first day of the next ensuing month; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.5 Special Assessments. Special assessments, if required, shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments can be of two kinds: (i) those chargeable to all units in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the common elements (including fixtures and personal property related thereto) and for such other purposes as shall have been approved by the voting interests at a duly convened meeting; and (ii) those assessed against one voting interest alone to cover

repairs or maintenance for which such voting interest is responsible and which the owner has failed to make, which failure impairs the value of or endangers the common elements or the Condominium, or which are for expenses incident to the abatement of a nuisance within his unit.

6.6 Collection: Interest, Application of Payment.

Assessments and installments on them, if not paid within ten days after the date they become due, shall bear interest at the rate of eighteen percent (18%) per year until paid. All assessment payments shall be applied first to interest and then to the assessment payment due.

6.7 Lien for Assessment. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees incurred by the Association incident to the collection of the assessment or enforcement of the lien. The lien is effective from and after recording a claim of lien in the public records in the county in which the Condominium parcel is located. No such lien shall continue for a period longer than one year after the claim of lien has been recorded, unless within that time an action to enforce the lien is commenced in a court of competent jurisdiction. The claim of lien shall secure all unpaid assessments, interest, costs and attorneys' fees which are due and which may accrue after the recording of the claim of lien and before the entry of a final judgment of foreclosure. The lien is subordinate to any mortgage on the Condominium parcel recorded before it.

6.8 Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least thirty days before the foreclosure action is

filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed.

6.9 The Depository of the Association shall be such bank or banks or savings and loan association or associations 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 such accounts shall be only by checks or withdrawals signed by such persons as are authorized by the directors, provided that a management agreement may include in its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

6.10 Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors in addition to the financial report required by Section 718.111(13) Florida Statutes.

6.11 Fidelity Bonds may be required from any persons handling or responsible for Association funds as the Board of Directors shall direct. The premiums of said bonds shall be common expenses and shall be paid by the Association.

6.12 Checks. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation or these By-laws.

8. AMENDMENTS. A resolution for the adoption of a proposed amendment of these By-laws may be proposed by either the Board of

Directors of the Association or by the members of the Association. Members may propose such an amendment by instrument in writing directed to the President or Secretary of the Board signed by not less than twenty percent of the voting interests. Amendment may be proposed by the Board of Directors by action of a majority of the Board at any regularly constituted meeting thereof. Upon an amendment being proposed as herein provided for, the president or, in the event of his refusal or failure to act, the Board of Directors shall call a meeting of the membership to be held within sixty (60) days for the purpose of considering said amendment. Directors and members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, providing such approval is delivered to the secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be either by:

Not less than 67% of the voting interests of the entire membership of the Association; or

In the alternative, an amendment may be made by an agreement signed and acknowledged by all voting interests in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the public records of Volusia County, Florida.

8.1 Proviso. Provided, however, that no amendment shall discriminate against any condominium unit owner nor against any condominium unit or class or group of units unless the condominium unit owners so affected shall consent. No amendment shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation. No By-law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-laws shall contain the full text of the By-laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so

extensive that this procedure would hinder, rather than assist the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-law. See By-law ... for present text". Nonmaterial errors or omissions in the By-law process shall not invalidate an otherwise properly promulgated amendment.

8.2 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 the Declaration and the By-laws, which certificate shall be executed by the officers of the Association with the form required for the execution of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Volusia County, Florida.

8.3 Arbitration of Internal Disputes. Internal disputes arising from the operation of the condominium among unit owners, the Association, their agents and assigns may be resolved by voluntary binding arbitration. Arbitrators shall be provided by the Division of Florida Land Sales and Condominiums pursuant to Florida Statute 718.112(2)(m). Each party to the dispute first must agree to the arbitration process and, in such case, the arbitrator's decision will be final. If judicial proceedings are taken after arbitration, the arbitrator's final decision will be admissible in evidence. Any party may seek enforcement of the arbitrator's final decision in a court of competent jurisdiction. Nothing in this article shall preclude any party from proceeding alternatively in the manner prescribed in Article X above.

8.4 Anything herein to the contrary notwithstanding, until the first regular election of directors by the membership, and so long as the Developer shall have the right to fill

vacancies on the Board of Directors, an amendment shall require only the unanimous consent of the Board of Directors, and no meeting of the condominium unit owners nor any approval thereof need be had.

Dated this 13 day of June, 1989.

  
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HAROLD POHL, Secretary

APPROVED:

  
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MORRIS BIRNBAUM, President