

BYLAWS

OCEAN PALM VILLAS ASSOCIATION, INC.

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

1. IDENTITY

These are the Bylaws of Ocean Palm Villa Association, Inc., called Association in these Bylaws, a corporation not for profit under the laws of the Secretary of State on June 30, 1971. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes 1991, called the Condominium Act in these Bylaws, which condominium is identified by the name OCEAN PALM VILLA I, OCEAN PALM VILLA II and OCEAN PALM VILLA III, and is located upon the followings lands in Flagler County, Florida:

That portion of Section 30, Township 12 South, Range 32 East, Flagler County, Florida, described as follows: Begin at the point in the South line of Section 30, said point being a distance of 241.21', South 88 23'21" West from the Southeast corner of section 30; thence South 88 23'21" West along said South line of Section 30, a distance of 161.89' to the Easterly right of way line of the Florida Intracoastal Waterway; thence North 23 42'39" West along said line, a distance of 391.15' to the Southwest corner of Lot 70, Ocean Palm Subdivision, of record in Map Book 5, page 70, public records of Flagler County, Florida; thence North 66 17'21" East along the South line of said Lot 70, and extension thereof, a distance of 150' to a point; thence South 23 42'39" East, a distance of 452.06' to the point of beginning.

That portion of Sections 29 and 30, Township 12 South, Range 32 East Flagler County, Florida, described as follows: Begin at the South corner common to said Sections 29 and 30; thence South 88 23'21" West along the South line of Section 30, a distance of 241.21' to a point; thence North 23 42'39" West, a distance of 161.89' to a point; thence North 88 23'21" East, a distance of 465.09' to a point; thence South 21 50'52" East, a distance of 159.87' to a point in the South line of Section 29; thence South 88 23'21" West along said line of distance of 218.28' to the point of beginning.

- 1.1. The office of the Association shall be at Ocean Palm Villa, Flagler Beach, Florida.

- 1.2. The fiscal year of the Association shall be the calendar year.
- 1.3. 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, an impression of which is as follows.
- 1.4. Ocean Palm Villa Association is a residential condominium. The Board of Administration neither promotes nor prohibits individual rentals of units by the individual owners. In order to stay a residential condominium, the rental of a unit is permitted for a period of no less than thirty (30) days. Units can only be rented three (3) times a year to the public. Relatives and close friends would not be considered public. The individual owner is responsible for all licenses, taxes, insurance, etc. All responsibility of records, etc., is the owner's and the Board will act only in the case of misuse, at the written request of another owner.

2. MEMBERS MEETINGS

- 2.1. The annual members' meeting shall be held during the third or fourth week of January of each year at a location and time designated by the Board of Administration, for the purpose of electing Board members and transacting any other business authorized to be transacted by the members.
- 2.2. Special members' meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Administration, and must be called by such officers upon receipt of written request from members entitled to cast one-third of the votes of the entire membership.
- 2.3. Notice of all members' meetings stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. 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 ten (10) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

2.4. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The acts approved by a majority of the votes 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 Bylaws.

2.5. VOTING

a. In any meeting of members, the owners of apartments shall be entitled to cast one vote.

b. 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, or is under lease, 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 signed by the President or Vice President and attested by the Secretary or Assistant Secretary of that corporation and filed with the Secretary of the Association. Such certificates 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 of that apartment. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.6. Proxies. Votes may be cast in person or by proxy. A proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. Proxies may not be used for the election of members for the Board of Administration.

2.7. 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.

- 2.8. The order of business, at annual members' meetings and as far as practical at other member's meetings, shall be:
- a. Call meeting to order by the President of the Association.
 - b. Calling of the roll and certifying of proxies.
 - c. Proof of notice of meeting or waiver of notices.
 - d. Reading and disposal of any unapproved minutes.
 - e. Reports of Officers.
 - f. Reports of Committee.
 - g. Election of inspectors of election.
 - h. Election of Board of Administration.
 - i. Unfinished business.
 - j. New business.
 - k. Adjournment.

3. BOARD OF ADMINISTRATION

- 3.1. Membership. The affairs of the Association shall be managed by a minimum of a Five Member Board of Administration.
- 3.2. Election of the Board shall be constructed in the following manner:
- a. Election of the Board shall be held at the annual members' meeting.
 - b. Any owner desiring to be a candidate for the Board of Administration must give written notice to the Association not less than 40 days before a scheduled election.
 - c. The election shall be by ballot (unless dispensed by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his votes for each of as many persons as there are vacancies to be filled.
 - d. Except as to vacancies provided by removal of a Board member by members, vacancies in the Board of Administration occurring between annual meetings of members shall be filled by the remaining Board of Administration.
 - e. Any Board member may be removed by concurrence of two-thirds of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Administration so created shall be filled by the members of the Association at the same meeting.

- 3.3. The term of each Board member's service 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 newly-elected Board of Administration shall be held within ten (10) days of their election at such place and time as shall be fixed by the Board 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 Administration may be held at such time and place as shall be determined, from time to time, by a majority of the Board members. Notice of regular meetings shall be given to each Board member, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.
- 3.6. Special meetings of the Board of Administration may be called by the President and must be called by the Secretary at the written request of one-third of the Board members. Not less than three 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.
- 3.7. Waiver of Notice. Any Board member may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.
- 3.8. A quorum at the Board's meeting shall consist of a majority of the entire Board of Administration. 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 Administration, except when approval by a greater number of directors is required by the Declaration of Condominiums, the Articles of Incorporation or these Bylaws.
- 3.9. Adjourned Meetings. If at any meeting of the Board of Administration 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 that might have been transacted at the meeting as originally called, may be transacted without further notice at the next scheduled meeting.
- 3.10. Joinder in Meeting by Approval of Minutes. The joinder of a Board member in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Board member for the purpose of determining a quorum.

3.11. The presiding officer of the Board's meetings shall be the President or in his absence, the Vice President of the Association. In the absence of the presiding officers, the Board members present shall designate one of their number to preside.

3.12. The order of business at Board meetings shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- 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.

3.13. Board members' fees, if any, shall be determined by the members of the Association.

4. POWERS AND DUTIES OF THE BOARD OF ADMINISTRATION.

All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominiums, Articles of Incorporation and these Bylaws shall be exercised exclusively by the Board of Administration, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically required.

5. OFFICERS.

5.1. The executive officers of the Association shall be President, who shall be a Board member, a Vice President, who shall be a Board member, a Secretary and a Treasurer, all of whom shall be elected annually by the Board of Administration at any meeting. Any person may hold two or more offices except that the President shall not be also the Secretary or Treasurer. The Board of Administration from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

- 5.2. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually invested 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 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 also shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed by the Board.
- 5.4. The Secretary shall keep the minutes of all proceedings of the Board and the members. He shall attend to the giving and serving of all notices to the members and Board 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, and shall perform all other duties incident to the office of Secretary of the Association and as may be required by the Board or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.
- 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.
- 5.6. The compensation of all officers and employees of the Association shall be fixed by the Board. The provision that Board members' fees shall be determined by members shall not preclude the Board of Administration from employing a Board member as an employee of the Association nor preclude the contracting with a Board member for the management of the condominium.

6. FISCAL MANAGEMENT.

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

6.1. ACCOUNTS. The receipts and expenditures of the Association shall be credited and charged to the accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

- a. Current expenses, which shall include all receipts and expenditures within the year for which the budget is made including a reasonable allowance for contingencies and working funds.
- b. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually.
- c. Reserves for replacement, which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.
- d. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements.
- e. Operations, which shall include the gross revenue from the use of the common elements. Only the additional direct expense required by the revenue-producing operation will be charged to this account, and any surplus from such operation shall be used to reduce the assessments for current expense in the year following the year in which the surplus is realized. Losses from operations shall be met by special assessments against apartment owners, which assessments may be made in advance in order to provide a working fund.

6.2. BUDGET. The Board of Administration shall adopt a budget for each calendar year that shall include the estimated fund required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

- a. Current expense, the amount for which shall not exceed 115% of the budget for this account for the prior year.
- b. Reserve for deferred maintenance, the amount for which shall not exceed 115% of the budget for this account for the prior year.
- c. Reserve for replacement, the amount for which shall not exceed 115% of the budget for this account for the prior year.

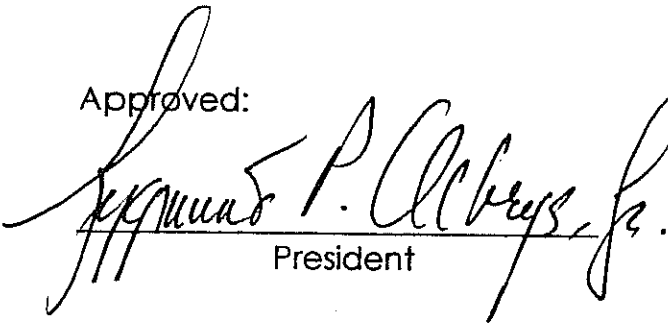
- d. Betterments, which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the common elements, the amount for which shall not exceed \$20,000.00, provided, however, that in the expenditures of this fund, no sum in excess of \$250.00 shall be expended for a single item or purpose without written approval of the members of the Association.
 - e. Provided, however, that the amount for each budgeted item may be increased over the foregoing limitations when approved by apartment owners entitled to cast not less than 75% of the votes of the entire membership of the Association.
 - f. Copies of the budget and proposed assessments shall be transmitted to each member thirty days (30) prior to the annual meeting for which the budget is amended. A copy of the amended budget shall subsequently be furnished to each member.
- 6.3. ASSESSMENTS. Assessments against the apartment owners for their shares of the items of the budget shall be determined for the calendar year annually in advance on or before December 20, preceding the year for which the assessments are made. All assessments are due and payable without further notice no later than the tenth (10th) day of each month. A late charge of 10% per month will be assessed without notice after the tenth (10th) of the month on any account. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Administration if the accounts of the amended budget do not exceed the limitations for that year. Any account that does exceed such limitations shall be subject to approval of the membership of the Association as previously required in these Bylaws. The first assessment shall be determined by the Board of Administration of the Association.
- 6.4. ASSESSMENTS FOR EMERGENCIES. Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such is given to the apartment owners concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half of the votes of the apartment owners concerned, the assessment shall become effective, and it shall be due after 30 days notice in such manner as the Board of Administration of the Association may require in the notice of assessment.

- 6.5. The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such persons as are authorized by the Board.
 - 6.6. A review of the accounts of the Association shall be made annually by an accountant, and a copy of the report shall be available to each member. Not later than April 1, following the end of the fiscal year, the Board of Administration shall mail or furnish to each owner, a complete financial report of actual receipts and expenditures for the previous 12 months.
 - 6.7. FIDELITY BONDS. The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. The bond shall be in the principal sum of not less than \$10,000.00 for each such person. The premiums on such bonds shall be paid by the Association.
7. PARLIMENTARY RULES. Roberts' Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with the Declarations of Condominiums, Articles of Incorporation or these Bylaws.
8. AMENDMENTS. These Bylaws may be amended in the following manner:
- 8.1. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended.
 - 8.2. A resolution adopting a proposed amendment may be proposed by either the Board of Administration of the Association or by the members of the Association. The Board members 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:
 - a. The Bylaws can only be changed by recommendation from the members of the Association, in writing, at the annual meeting with 75% of the membership's approval; or

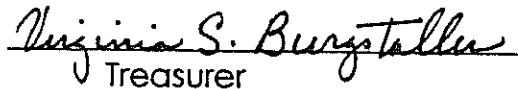
- b. At a special meeting where all the elements of the annual meeting procedures are followed.
- 8.3. PROVISIO. Provided, however, that no amendment shall discriminate against any apartment owner nor against any apartment or class or group of apartments unless the apartment owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium.
- 8.4. 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 the Declarations and Bylaws, which certificate shall be executed by the officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the public records of Flagler County, Florida.

The foregoing were amended and adopted as the Bylaws of Ocean Palm Villa Association, Inc., a corporation not for profit under the laws of the State of Florida, at the annual meeting held on January 23, 2002.

Approved:


Armando P. Albry, Jr.
President


Diane R. Albry
Secretary


Virginia S. Buzgall
Treasurer

CERTIFICATE

STATE OF FLORIDA
COUNTY OF FLAGLER

Personally appeared before me, James P. Albrecht, Jr.
President, and Deane R. Albrecht, Secretary of Ocean Palm Villa
Association, Inc., a corporation not for profit under the laws of the State of
Florida, and in compliance with the provisions of the Bylaws contained in Section
8.4., do upon oath state and certify that the amended Bylaws were duly passed
after notice to all members on the 23rd day of January, 2002.

SWORN TO AND SUBSCRIBED TO BEFORE ME this 23rd day of July, 2002.

Ann G. Mariani

Notary



Ann G Mariani
My Commission DD024721
Expires May 18, 2005