

26740850

FLORIDA
State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of THE ORMONDY CONDOMINIUM MANAGEMENT ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on March 28, 1985, as shown by the records of this office.

The charter number of this corporation is N08421.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
29th day of March, 1985.



CER-101

George Firestone
Secretary of State

26740851

N08421

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

FILED

1985 MAR 28 AM 8:39

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
THE ORMONDY CONDOMINIUM MANAGEMENT
ASSOCIATION, INC.

We, the undersigned do hereby associate ourselves for the purpose of forming a corporation not for profit, pursuant to the laws of the State of Florida. In this regard, we certify as follows:

ARTICLE 1

Name

1.1 The name of the corporation shall be THE ORMONDY CONDOMINIUM MANAGEMENT ASSOCIATION, INC., hereinafter Association.

ARTICLE 2

Purpose

2.1 The purpose for which the Association is organized is to provide an entity pursuant to Chapter 718, Florida Statutes, hereinafter Condominium Act, for the management and operation of The Ormondy, a Condominium, which is to be created pursuant to the provisions of the Condominium Act.

ARTICLE 3

Powers

3.1 The powers of the Association shall include and be governed by the following provisions.

3.2 The Association shall have all of the powers and privileges granted to corporations not for profit under the laws of the State of Florida, which are not in conflict with the terms of the Condominium Act, the Declaration of Condominium, these Articles of Incorporation or the By-Laws of the Association.

3.3 The Association shall have all of the powers and duties set forth in the Condominium Act and all of the powers and duties set forth in the Declaration of Condominium, these Articles of Incorporation and the By-Laws of the Association.

ARTICLE 4

Members

4.1 The members of the Association shall consist of all Unit Owners of Condominium Parcels in The Ormondy, a Condominium. No person holding any lien, mortgage or other encumbrance upon any Condominium Parcel shall by virtue of such lien, mortgage or other encumbrance be a member of the Association, except if such person acquires record title to a Condominium Parcel pursuant to foreclosure or any proceeding in lieu of foreclosure in which cases such person shall be a member upon acquisition of record title to a Condominium Parcel.

4.2 Membership shall be acquired by recording in the Public Records of Volusia County, Florida, a deed or other instrument establishing record title to a Condominium Parcel in The Ormondy, a Condominium, the owner designated by such deed or other such instrument thus becoming a member of the Association, and the membership of the prior owner being thereby terminated, provided, however, any person who owns more than one Condominium Parcel shall remain a member of the Association so long as record title is retained to any Condominium Parcel.

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

4.4 On all matters upon which the membership shall be entitled to vote, there shall be one vote for each Condominium Parcel, which vote shall be exercised or cast in the manner provided in the By-Laws of the Association. Any person owning more than one Condominium Parcel shall be entitled to one vote for each Condominium Parcel owned.

ARTICLE 5

Existence

5.1 The Association shall have perpetual existence.

ARTICLE 6

Subscribers

6.1 The names and addresses of the subscribers to these Articles of Incorporation are:

Edwin W. Peck	2430 South Atlantic Avenue Daytona Beach Shores, Florida 3201
O. L. White	3555 South Atlantic Avenue Daytona Beach Shores, FL 32018
Van W. Pierce	59 Bluff Drive Savannah, Georgia 31407

ARTICLE 7

Board of Directors

7.1 The affairs of the Association shall be managed by a board of directors of which there shall be five. Each director shall be a member of the Association, except as otherwise provided in this Article 7.

7.2 Members of the board of directors shall be elected at the annual meeting of the members of the Association in the manner provided in the By-Laws of the Association. Except as otherwise provided in this Article 7, members of the board of directors shall serve until the next annual meeting of the members. Except as to vacancies created by removal of directors by members pursuant to the Condominium Act, vacancies occurring on the board of directors shall be filled at a meeting of the board of directors by the affirmative vote of a majority of the remaining directors though less than a quorum of the board of directors. Any director elected to fill a vacancy shall serve until the expiration of the terms of the director, the vacancy in whose position he was elected to fill.

nor shall the President or the Vice President also be the Secretary or an assistant Secretary. Any officer may be removed preemptorily by a vote of a majority of the directors present at any duly constituted meeting. The following are the names of the officers of the Association who shall serve until the first election of directors by members of the Association, as provided in Paragraph 7.3 of Article 7 hereof.

President	Edwin W. Peck
Vice President	O. L. White
Secretary/Treasurer	Terrell C. Davidson

ARTICLE 9

By-Laws

9.1 The original By-Laws of the Association shall be adopted by the initial board of directors, thereafter, amendment of said By-Laws shall be by the members in accordance with the provisions of said By-Laws.

ARTICLE 10

Indemnification

10.1 Every director and every officer of the Association shall be indemnified by the Association against all expenses or liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses or liabilities are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director may be entitled.

7.3 The first election of the members of the board of directors by members of the Association shall be at a special meeting of the members to be held within sixty days after the date the first deed to a purchaser of a Condominium Parcel is recorded in the Public Records of Volusia County, Florida. At such meeting the members shall be entitled to elect all of the members of the board of directors of the Association. The Association shall call, and give not less than thirty days nor more than forty days notice of such meeting. The procedure for the election of directors at such meeting shall be as provided in the By-Laws of the Association.

7.4 The initial board of directors, who need not be members of the Association, shall be the following persons, and they shall serve as the board of directors of the Association, as provided in paragraph 7.3 hereof.

Edwin W. Peck	2430 South Atlantic Avenue Daytona Beach Shores, Florida 3201
O. L. White	3555 South Atlantic Avenue Daytona Beach Shores, Florida 3201
Terrell C. Davidson	2430 South Atlantic Avenue Daytona Beach Shores, Florida 3201
Van W. Pierce	59 Bluff Drive Savannah, Georgia 31407

ARTICLE 8

Officers

8.1 The board of directors shall elect a President, Vice President, and Secretary/Treasurer, all of whom shall serve at the pleasure of the board of directors. There may also be such assistant treasurers and assistant secretaries as the board of directors may from time to time determine. The President and the Vice President shall be elected from among the members of the board of directors, but no other officer need be a director. The same person may hold two offices, except that the office of President and Vice President shall not be held by the same person.

ARTICLE 11

Amendments

11.1 Amendments to these Articles of Incorporation shall be proposed and adopted in the following manner.

11.2 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.

11.3 A resolution for the adoption of a proposed amendment may be proposed either by the board of directors of the Association or by the members of the Association entitled to vote at an Association meeting. Such members may propose such an amendment by instrument in writing directed to the President or Secretary of the Association signed by a majority of such members. Amendments may be proposed by the board of directors by action of a majority of the board at any regular or special meeting thereof. Upon an amendment being proposed as herein provided, the secretary of the Association shall call a special meeting of the members of the Association to be held not sooner than twenty days nor later than sixty days thereafter for the purpose of considering said amendment. Such amendment must be approved by the affirmative vote of sixty percent of the total number of Association members entitled to vote.

11.4 Notwithstanding the provisions of Paragraph 11.3 hereof, until the first election of the members of the board of directors by Unit Owners, as provided in these Articles of Incorporation and the By-Laws of the Association, proposal of an amendment and approval thereof shall require only the affirmative vote of all of the directors at any regular or special meeting thereof.

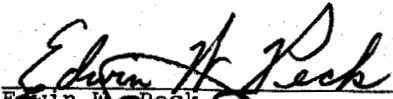
11.5 Each amendment shall be executed by the President of the Association and certified by the Secretary and shall be filed with the Secretary of State, State of Florida. A certified copy thereof together with an amendment to the Declaration shall be recorded in the Public Records of Volusia County, Florida.

ARTICLE 12

Principal Office

12.1 The principal office of the Association shall be located at 2430 South Atlantic Avenue, Daytona Beach Shores, Florida 32018, but the Association may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the board of directors. The official registered agent for service of process at such address shall be Edwin W. Peck, until such time as replaced by the corporation.

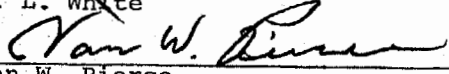
IN WITNESS WHEREOF, the Subscribers and Incorporators have hereunto set their hands and seals this 5th day of March, 19815.


Edwin W. Peck

(SEAL)


O. L. White

(SEAL)


Van W. Pierce

(SEAL)

26740858

BOOK PAGE
VOLUSIA COUNTY
FLORIDA

FILED

1985 MAR 28 AM 8:39
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

STATE OF FLORIDA)
 ss:
COUNTY OF VOLUSIA)

Before me, the undersigned authority, personally appeared EDWIN W. PECK, O. L. WHITE and VAN W. PIERCE, to me known to be the Subscribers and Incorporators of The Ormond Condominium Management Association, Inc., a Florida corporation, not for profit, who being by me first duly sworn, acknowledged that they signed the same for the purpose herein expressed.

WITNESS my hand and seal in the State and County aforesaid, this 5th day of MARCH, A.D., 1985

Oliver J. Barnett
Notary Public, State of Florida, at Large



My Commission Expires: Notary Public, State of Florida
My Commission Expires Jan. 15, 1989
Bonded Thru Troy Fair Insurance, Inc.

ACCEPTANCE OF DESIGNATION AS RESIDENT AGENT

The undersigned, having been named to serve as Registered Agent for Service of Process on behalf of the Corporation above referenced, hereby accepts such designation and agrees to serve until further notice.

Edwin W. Peck
Edwin W. Peck

BY-LAWS
OF
THE ORMONDY CONDOMINIUM MANAGEMENT
ASSOCIATION, INC.

TABLE OF CONTENTS

<u>Paragraph No.</u>	<u>Contents</u>
1	Identity
2	Members
3	Members Meetings
4	Directors
5	Powers and Duties of the Board of Directors
6	Officers
7	Fiscal Management
8	Parliamentary Rules
9	Amendments
10	Information
11	Contracts
12	Lenders Notices
13	Conflicts

BY-LAWS

OF

THE ORMONDY CONDOMINIUM MANAGEMENT
ASSOCIATION, INC.
A CORPORATION NOT FOR PROFIT
UNDER THE LAWS OF THE STATE OF FLORIDA

1. Identity. These are the By-Laws of The Ormondy Condominium Management Association, Inc., hereinafter Association, a corporation not for profit under the laws of the State of Florida, organized to provide an entity pursuant to the provisions of Chapter 718, Florida Statutes, hereinafter Condominium Act, for the purposes and with the powers described in its Articles of Incorporation and with the powers described herein.

1.1 Office. The principal office of the Association shall be at 2430 South Atlantic Avenue, Daytona Beach Shores, FL, but the Association may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

2. Members.

2.1 The members of the Association shall consist of all Unit Owners of Condominium Parcels in The Ormondy, a Condominium. No person holding any lien, mortgage or other encumbrance upon any Condominium Parcel shall by virtue of such lien, mortgage or other encumbrance be a member of the Association, except if such person acquires record title to a Condominium Parcel pursuant to foreclosure or any proceeding in lieu of foreclosure, in which cases such person shall be a member upon acquisition of record title to a Condominium Parcel.

2.2 Membership shall be acquired by recording in the Public Records of Volusia County, Florida, a deed or other instrument establishing record title to a Condominium Parcel in The Ormondy, a Condominium, and the membership of the prior owner being thereby terminated, provided, however, any person who owns more than one Condominium Parcel shall remain a

member of the Association so long as record title is retained to any Condominium Parcel.

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

3. Members Meetings.

3.1 Annual Meeting. The annual meeting of the members shall be held at a place named in the notice at 10:00 a.m. on the third Saturday in January of each year 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 at the same hour on the next day that is not a legal holiday.

3.2 Special Meetings. Special meetings of the members shall be held whenever called by a majority of the board of directors, and must be called by the Board of Directors upon receipt of a written request from a majority of the members entitled to vote at an Association meeting, except as otherwise provided in the Declaration, the Articles of Incorporation and these By-Laws for special meetings to consider amendments, and except as otherwise provided in the Condominium Act.

3.3 Notice. Notice of all members meetings stating the time and place and the object for which the meeting is called shall be given by the secretary unless waived in writing. Such notice shall be given in writing to each member at his address as it appears on the books of the Association and shall be mailed by regular mail, not less than twenty nor more than thirty-five days prior to the date of the meeting. The post office certificate of mailing shall be retained as proof of such mailing. Notice of meeting may be waived before or after

meetings. Notice of meetings shall be posted conspicuously on the Condominium Property not less than fourteen days in advance of such meeting.

3.4 Quorum. A quorum at members meetings shall consist of a majority of the members entitled to vote. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except when approval by a greater number of members is required by the Condominium Act, the Declaration, the Articles of Incorporation or the Association, or these By-Laws.

3.5 Voting.

(a) There shall be one vote for each Condominium Parcel.

(b) If a Condominium Parcel is owned by one member, he shall cast the vote of the Condominium Parcel. If any Condominium Parcel is owned by more than one member, the member entitled to cast the vote for the Condominium Parcel shall be designated by a certificate signed by all of the Unit Owners of the Condominium Parcel, which Certificate shall be filed with the secretary of the Association. If a Condominium Parcel is owned by a member which is a corporation, the party entitled to cast the vote for the Condominium Parcel shall be designated by a certificate signed by the president or vice president and attested by the secretary or assistant secretary of the corporation and filed with the secretary of the Association. Such certificates shall be valid until revoked or until superceded by a subsequent certificate or until a change in the ownership of the Condominium Parcel concerned. A certificate designating the member entitled to cast the vote of a Condominium Parcel may be revoked by any Unit Owner of the Condominium Parcel. If such certificate is not on file, the vote of such members shall not be considered in determining the requirements for a quorum nor for any other purpose.

3.6 Proxies. Votes may be cast in person or by proxy. A proxy may be made by any member 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.

3.7 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.

3.8 Order of Business. The order of business at annual members meetings and as far as practical at other members meeting shall be:

- (a) Calling of the roll and certifying of proxies.
- (b) Proof of Notice of Meeting or Waiver of Notice.
- (c) Reading and dispersal 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) Adjournment.

3.9 Minutes. Minutes of all meetings of members shall be kept in a business-like manner and shall be available for inspection by members of their authorized representatives and by board members at all reasonable times. The Association shall retain these minutes for a period of not less than seven years.

4. Directors.

4.1 Membership. Except for the initial board of directors, as provided in the Articles of Incorporation of the Association, all members of the board of directors shall be members of the Association.

4.2 Election of Directors. Election of directors shall be conducted in the following manner, subject, however, to the provisions of Subsections (1) and (2) of Section 301 of the Condominium Act:

(a) Election of directors shall be held at the annual meeting of the members, except as otherwise provided below.

(b) The nomination of candidates to the board of directors shall be made by the members from the floor subsequent to the appointment of inspectors of election.

(c) The election shall be by ballot. All members of the board of directors shall be elected by a plurality of the votes cast at the annual meeting of members. In the election of directors, each member shall have as many votes for directors as there are directors to be elected, provided, however, that no member may cast more than one vote for any person nominated as a director, it being the intent hereof that voting for directors shall be non-cumulative.

(d) Except as to vacancies created by removal of directors by members pursuant to the Condominium Act, vacancies in the board of directors occurring between annual meetings of members shall be filled at a meeting of the board of directors by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors. Any director elected to fill a vacancy shall serve until the expiration of the term of the director, the vacancy in whose position he was elected to fill.

4.3 Transfer of Control. The first election of members of the Board of Directors by members of the Association shall take place within 60 days of the date that unit owners other than the Developer own fifteen percent (15%) or more units in the Condominium. At such meeting, the unit owners other than the Developer shall be entitled to elect no less than one-third (1/3)

of the members of the Association's 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 in the number and in the manner provided in Section 718.301, Florida Statutes, provided, however, in any event, Developer shall transfer control of the association to the unit owners no later than the earlier of the following events:

(a) Four months after seventy five percent (75%) of the units in the project have been conveyed to Purchasers;
or

(b) Three years following conveyance of the first unit to a Purchaser.

As used in the preceding sentence, the term "control" means the right of the Developer to control the Association, the Association Board, the project, or the unit owners in any manner except through votes allocated to units it owns on the same basis as votes pertaining to sold units.

4.4 Term. Except for the initial board of directors, as provided in the Articles of Incorporation of the Association, the term of each director's service shall extend until the next annual meeting of the members.

4.5 Organization Meeting. The organization meeting of a newly-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.

4.6 Regular Meetings. Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors. 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.

4.7 Special Meetings. Special meeting of the directors may be called by the president and must be called by the secretary at the written request of a majority of the directors. 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.

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

4.9 Quorum. At directors meetings a quorum 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 required by the Condominium Act, the Declaration, the Articles of Incorporation of the Association or these By-Laws.

4.10 Adjourned Meetings. If at any 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. No further notice need be given of an adjourned meeting.

4.11 Presiding Officer. The presiding officer of the directors meetings shall be the president of the Association. In the absence of the president, the directors present shall designate one of their number to preside.

4.12 Directors' Fees. Directors shall serve without compensation.

4.13 Minutes. Minutes of all meetings of directors shall be kept in a business-like manner and shall be available for inspection by members of their authorized representatives and by board members at all reasonable times. The Association shall retain these minutes for a period of not less than seven years.

4.14 Open Meetings. Meetings of the board of directors shall be open to all members and notice of meetings shall be posted conspicuously on the Condominium Property at least forty-eight hours in advance of the meeting, except in an emergency.

5. Powers and Duties of the Board of Directors. The powers and duties of the Association existing under the Condominium Act, the Declaration, the Articles of Incorporation of the Association and these By-Laws shall be exercised by the board of directors, its agents, contractors or employees, subject only to approval by members where such approval is specifically required.

6. Officers.

6.1 Officers and Election. The officers of the Association shall be a president, who shall be a director, a vice president, who shall be a director, a treasurer and a secretary, all of whom shall be elected annually by the board of directors at their organization meeting, except for the initial officers, who shall serve as provided in the Articles of Incorporation of the Association. There may also be such assistant secretaries and assistant treasurers as the board of directors may from time to time determine. Any person may hold two or more offices except that the same person shall not hold the office of president and vice president, nor shall the president or a vice president also be a secretary or an assistant secretary. Any officer may be removed preemptorily by a vote of a majority of the directors present at any duly constituted meeting.

6.2 President. 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 a corporation, including but not limited to the power to appoint committees from among the members from time to time, as he, in his sole discretion, may determine appropriate to assist in the conduct of the affairs of the Association.

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

6.4 Secretary. The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of notice to the members and directors and other notice 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 secretary of a corporation and as may be required by the directors or the president. The assistant secretary, if any, shall perform the duties of the secretary when the secretary is absent, and shall otherwise assist the secretary.

6.5 Treasurer. The treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices, and he shall perform all other duties incident to the office of a treasurer. The assistant treasurer, if any, shall perform the duties of the treasurer when the treasurer is absent, and shall otherwise assist the treasurer.

6.6 Compensation. The compensation, if any, of all officers of the Association shall be fixed by the board of directors, provided however, that the initial officers, as provided in the Articles of Incorporation of the Association, shall not be entitled to any compensation. 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 of directors shall determine, nor shall anything herein be construed so as

to preclude the board of directors from contracting with a director or officer or with any corporation in which a director or officer of the Association may be a stockholder, officer, director or employee, for services related to the operation of the Condominium or the Association, for such compensation as shall be mutually agreed between the board of directors and such officer or director.

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

7.1 Budget.

(a) Adoption of Budget by Board of Directors.

The board of directors shall adopt a budget for each calendar year that shall include the estimated funds, including a reasonable allowance for contingencies, required to defray the Common Expenses, and which shall include estimated funds for capital replacements. The funds allocated for capital replacements shall be collected and maintained as a special fund for capital replacements. The amounts collected and allocated to the special fund for capital replacements from time to time shall be maintained in a separate account by the Association although nothing contained herein shall limit the Association from applying any monies in such special fund for capital replacements to meet other needs or requirements of the Association. Amounts collected for the special fund for capital replacements shall be maintained in a bank account separate and apart from other Association funds and shall be considered contributions to Association capital by members.

(1) Notice of Meeting. A copy of the proposed annual budget shall be mailed to each Unit Owner not less than thirty days prior to the meeting at which the budget will be considered, together with a notice of that meeting indicating the time and place of such meeting.

(b) Adoption of Budget by Unit Owners. If a budget is adopted by the board of directors which required assessment against the Unit Owners in any year exceeding one hundred and fifteen percent of such assessments for the preceding year, as hereinafter defined, upon written application of ten percent of the Unit Owners, the board of directors shall call a special meeting of Unit Owners within thirty days, upon not less than ten days written notice to each Unit Owner. At such meeting, the Unit Owners shall consider a budget which, to be adopted, shall require a vote of not less than a majority vote of all Unit Owners. In determining whether assessments exceed one hundred fifteen percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of Condominium Property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessment for betterments to the Condominium Property shall be excluded from the computation.

7.2 Assessments. Assessments against the Unit Owners for their share of budgeted Common Expenses shall be made for the calendar year annually in advance on or before December 20th preceding the year for which the assessments are made. Such assessments shall be due in equal installments, payable on the first day of each month of the year for which the assessments shall be due in equal installments, payable on

the first day of each month of the year for which the assessments are made. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and monthly 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 calendar year for which an amended assessment is made shall be payable in as many equal installments as there are full months of the calendar year left as of the date of such amended assessments, each such monthly installment to be paid on the first day of the month, 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. Any surplus remaining from the prior year assessment shall be used to reduce the assessment for the forthcoming year.

7.3 Depository. The depository of the Association shall be such bank or banks as shall be designated from time to time by the board of directors. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the directors. The Association shall maintain at least two bank accounts, the annual operating account and the special fund for capital replacements account.

7.4 Fidelity Bonds. Fidelity bonds shall be required by the board of directors for all persons who control or disburse funds of the Association or who are handling or responsible for Association funds. The premiums on such bonds shall be paid by the Association and the principal amount of such bonds shall not be less than \$10,000.00 for each such person.

7.5 Fiscal Year. The fiscal year of the Association shall be the calendar year, provided, however, that the Board of Directors is expressly authorized to change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed by the Internal Revenue Code of the United States of America, at such time as the Board of Directors deem advisable.

7.6 Audit. A non-certified audit of the accounts of the Association shall be made annually by a certified public accountant, and a copy thereof shall be made available to each member of the Association entitled to vote within thirty days after its receipt by the Board of Directors by posting a copy in the Association office.

Within 60 days following the end of the fiscal year, the Board of Directors of the Association shall mail or furnish by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the previous 12 months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by accounts and expense classifications including, if applicable, but not limited to, the following:

- (a) Costs 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) General reserves, maintenance reserves, and depreciation reserves.

7.7 Books. The Association shall maintain an assessment role in a set of accounting books in which there shall be an account for each member. Each account shall designate the name and address of the member, the dates and amounts in which assessments become due, the amounts paid upon the account and the balance due upon assessments.

8. Parliamentary Rules. Roberts' 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 of Incorporation of the Association or these By-Laws.

9. Amendments. Except as otherwise provided in this paragraph 9, Amendments to these By-Laws shall be proposed and adopted in the following manner.

9.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

9.2 Resolution. A resolution for the adoption of a proposed amendment may be proposed either by the board of directors of the Association or by the members of the Association entitled to vote at an Association meeting. Such members may propose such an amendment by instrument in writing directed to the president or secretary of the Association signed by a majority of such members. Amendments may be proposed by the board of directors by action of a majority of the board of directors at any regular or special meeting thereof. Upon an amendment being proposed as herein provided, the secretary of the Association shall call a special meeting of the members of the Association to be held not sooner than twenty days nor later than sixty days thereafter for the purpose of considering such amendment. Such amendment must be approved by the affirmative vote of sixty percent of a total number of Association members entitled to vote.

9.3 Amendments Prior to Transfer of Control of Association. Notwithstanding the provisions of paragraph 9.2 hereof, until the first election of the members of the board of directors by Unit Owners, as provided in the Articles of Incorporation of the Association and these By-Laws, proposal of an amendment and approval thereof shall require only the affirmative vote of all of the directors at any regular or special meeting thereof..

9.4 Execution and Recording. Each amendment shall be executed by the president of the Association and certified by the secretary and, to be effective, it and an amendment to the Declaration shall be recorded in the Public Records of Volusia County, Florida.

10. Information: The Association shall make available to the members, lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, Rules and Regulations of the Association and the books, records

and financial statements of the Association. "Available" means available for inspection, upon request during normal business hours or under other reasonable circumstances. Any holder of a mortgage on a Unit is entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

11. Contracts. The Association, prior to passage of control from the Developer to the Directors elected by the members, shall not be bound either directly or indirectly to contracts or leases (including a management contract) unless there is a right of termination of any such contract or lease without cause, which is exercisable without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party.

12. Lenders Notices. Upon written request to the Association identifying the name and address of the holder of any mortgage encumbering a unit, or any insurer or guarantor of such mortgage, and the unit number and address, any mortgage holder, insurer or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- (b) Any 60 day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the owners' association.
- (d) Any proposed action that requires the consent of a specified percentage of mortgage holders.

13. Conflicts. In the case of any conflicts between the Articles of Incorporation of the Association and these By-Laws, the Articles of Incorporation shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

THIS IS TO CERTIFY that the foregoing were duly adopted as the By-Laws of The Ormond Condominium Management Association, Inc., a Florida corporation not for profit, at the first meeting of the board of directors held on MARCH 5, 1985.

THE ORMONDY CONDOMINIUM MANAGEMENT
ASSOCIATION, INC.

BY: Edwin W. Peck
President

ATTEST: Terrell C. Davidson
Secretary

STATE OF FLORIDA)
SS:
COUNTY OF VOLUSIA)

The foregoing instrument was acknowledged before me this 5th day of MARCH, 1985, by Edwin W. Peck and Terrell C. Davidson, president and secretary, respectively, of The Ormond Condominium Management Association, Inc., a Florida corporation not for profit, on behalf of the corporation.

Aurora A. Barnett
Notary Public, State of Florida at Large

My Commission Expires:

Notary Public, State of Florida
My Commission Expires Jan. 15, 1989
Bonded Thru Troy Fein Insurance, Inc.