

EXHIBIT E

BY-LAWS

-of-

OCEAN SANDS CONDOMINIUM ASSOCIATION, INC.

ARTICLE IGENERAL

Section 1. Name. The name of the corporation shall be OCEAN SANDS CONDOMINIUM ASSOCIATION, INC. ("Association").

Section 2. Principal Office. The principal office of the Association shall be at 7820 38th Avenue North, St. Petersburg, Florida 33710 or at such location as may be designated by the Association's Board of Directors ("Board"). All books and records of the Association shall be kept at its principal office.

ARTICLE IIDIRECTORS

Section 1. Number and Term. The number of directors ("Directors") which shall constitute the Association's Board of Directors shall be not less than three (3). Until succeeded by Directors elected at the first meeting of members ("Unit Owners" or "Members") for the purpose of transfer of control pursuant to Section 4 of this Article, Directors need not be members of the Association, but, thereafter, all Directors, except for those Directors elected by AMERICAN DESIGN & DEVELOPMENT CORP. ("Developer"), shall be members of the Association. Within the limits above specified, the number of Directors shall be elected to serve for a term of one (1) year or until a successor shall be elected and shall qualify. The first Board of Directors shall have three (3) members.

Section 2. Vacancy and Replacement. If the office of any Director or Directors becomes vacant by reason other than normal expiration of the term, a majority of the remaining Directors, though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired portion of the term of the vacated office. Notwithstanding the foregoing, the Developer is authorized to replace any Director elected by the Developer.

Section 3. Removal. Subject to the provisions of Section 718.301, Florida Statutes, as enacted upon the date of recordation of the Declaration of Condominium ("Declaration") of OCEAN SANDS ONE (that Condominium and any Condominiums created subsequently which are managed by this Association shall collectively be referred to as the "Condominium(s)"), any Director except a Director elected by the Developer, may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Unit Owners. A special meeting of the Unit Owners of the Condominium(s) to recall a Director may be called by ten percent (10%) of the Unit Owners giving notice of the meeting as required for a meeting of Unit Owners and the notice shall state the purpose of the meeting.

Section 4. First Board of Directors. The initial Board named in the Articles of Incorporation shall hold office and exercise all powers of the Board as provided in the Articles of Incorporation, subject to the following:

A. When Unit Owners other than the Developer own fifteen percent (15%) or more of the Units that will be operated ultimately by the Association, the Unit Owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the Directors of the Board. Unit Owners other than the Developer shall be entitled to elect not less than a majority of the Directors of the Board of the Association upon the first occurrence of one of the following:

(1) Three (3) years after sales by the Developer have been closed on fifty percent (50%) of the Units that will be operated ultimately by the Association;

(2) Three (3) months after sales have been closed by the Developer on ninety percent (90%) of the Units that will be operated ultimately by the Association;

(3) When all of the Units that will be operated ultimately by the Association have been completed, some of them have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business; or

(4) When some of the Units have been sold and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business.

Notwithstanding the foregoing, the Developer shall be entitled to elect not less than one (1) Director of the Board of the Association as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units in the Condominiums.

B. Within sixty (60) days after the Unit Owners other than the Developer are entitled to elect a Director of the Board, the Association shall call, and give not less than thirty (30) days' or more than forty (40) days' notice of, a meeting of the Unit Owners for this purpose. Such meeting may be called and notice given by any Unit Owner if the Association fails to do so.

C. Prior to but not more than sixty (60) days after the time that Unit Owners other than the Developer elect the majority of the Directors of the Board, the Developer shall relinquish control of the Association and the Unit Owners shall accept control of same. The Developer shall simultaneously deliver to the Association all property of the Unit Owners of the Association held or controlled by the Developer in accordance with the provisions of Section 718.301(4) of the Florida Statutes, as enacted upon the date of recordation of the Declaration of Condominium of OCEAN SANDS ONE.

Section 5. Meetings.

A. The first meeting of each Board, newly elected by the members, shall be held immediately upon adjournment of the meeting at which they were elected provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board shall be held at the same place as the Unit Owners meeting and immediately after the adjournment of same.

B. Special meetings shall be held whenever called by the President or a majority of the Board. The Secretary or other officer designated by

the President shall give notice of each special meeting either personally or by mail or telegram, at least three (3) days before the date of such meeting, but the Directors may waive notice of calling of the meeting. A special meeting to recall a Director may be called by the members pursuant to Section 3 of this Article.

C. Meetings of the Board shall be open to all Unit Owners and, except in cases of emergency, notices of such meetings shall be posted conspicuously in each condominium at least forty-eight (48) hours in advance of such meeting.

D. A majority of the Board shall be necessary at all meetings to constitute a quorum for the transaction of business and the act of a majority present at any meeting at which there is a quorum shall be the act of the Board. If a quorum shall not be present at the meeting, the Directors then present may adjourn the meeting until a quorum shall be present.

ARTICLE III

POWERS AND OPERATION

Section 1. Powers. The property and business of the Association shall be managed by the Board which may exercise all corporate powers not specifically prohibited by statute, the Articles of Incorporation or any of the Condominiums' Declarations. The powers of the Board shall specifically include, but not be limited to, the following:

A. To enter into agreements to acquire leaseholds, memberships, and other possessory or use interests in the following property:

1. Lands or facilities such as country clubs, golf courses, marinas, and other recreational facilities as authorized by the respective Declarations;

2. Any land and/or recreation lease upon approval from the number of members required to amend the most restrictive Condominiums' Declarations; and

3. Units in the Condominium and to acquire and hold, lease, mortgage, and convey same.

B. To lease, maintain, repair and replace the Common Elements.

C. To make and collect Assessments as hereinafter provided.

D. The irrevocable right to access to each Unit during reasonable hours, when necessary for the maintenance, repair, or replacement of any Common Elements or for making emergency repairs necessary to prevent damage to the Common Elements or to another Unit or Units.

E. To contract or sue with respect to the exercise of its powers.

F. To obtain and maintain adequate insurance to protect the Association and the Common Elements as hereinafter provided.

G. To modify or move any easement for ingress and egress or for the purposes of utilities if the easement constitutes part of or crosses the property of the Condominium(s). Notwithstanding the power granted in this subparagraph, no easement created in whole or in part for the use or benefit of anyone other than the Unit Owners, or crossing the property of anyone other than the Unit Owners, may be modified or moved without the consent or approval of said other party(ies).

H. To correct omissions or errors, if any, in the Declaration(s) if not material or adverse to the property rights of any of the Unit Owners, unless their consent is obtained first. The powers granted in this subparagraph may only be exercised in the manner provided in the respective Condominium's Declaration to amend same.

I. To make and to amend from time to time reasonable rules and regulations for the occupancy of the Units and the use of the Common Elements.

J. After control of the Association is obtained by Unit Owners other than the Developer:

1. To institute, maintain, settle or appeal actions or hearings

in the name of the Association on behalf of all Unit Owners, as provided by the Florida Statutes and Florida Rules of Civil Procedure; and

2. To cancel any grant or reservation made by a Declaration, lease, or other document, and any contract made by the Association prior to assumption of control by the Unit Owners other than the Developer, pursuant to Section 718.302 of the Florida Statutes, as enacted upon the date of recordation of the Declaration of OCEAN SANDS ONE.

Section 2. Compensation. Neither Directors nor officers shall receive compensation for their services as such.

ARTICLE IV

OFFICERS

Section 1. Executive Officers. The executive officers of the Association shall be a President, Vice President, Treasurer and Secretary, all of whom shall be elected annually by the Board of Directors. Any two (2) of said offices may be united in one (1) person, except that the President shall not also be the Secretary or an Assistant Secretary of the Association. If the Board so determines, there may be more than one (1) Vice President.

Section 2. Subordinate Officers. The Board of Directors may appoint such other officers and agents as it may deem necessary, who shall hold office at the pleasure of the Board and who shall have such authority to perform such duties as from time to time may be prescribed by said Board.

Section 3. Removal. All officers and agents shall be subject to removal, with or without cause, at any time by action of the Board.

Section 4. The President.

A. The President shall be chairperson of, and shall preside at, all meetings of the Unit Owners and Directors, shall have general and active management authority over the business of the Association except that which is delegated, shall see that all orders and resolutions of the Board are carried into effect, and shall execute bonds, mortgages and

other contracts or instruments requiring a seal of the Association. The seal, when affixed, shall be attested by the signature of the Secretary. In addition the President shall:

1. Supervise and direct all other officers of the Association and shall see that their duties are performed properly.
2. Submit a report of the operations of the Association for the fiscal year to the Directors (whenever called for by them) and to the members at their annual meeting, and from time to time shall report to the Board all matters within the President's knowledge which the best interests of the Association may require be brought to its notice.
3. Be permitted to appoint committees and to assign a Director to be an ex-officio member of a committee.
4. Have the general powers and duties of supervision and management usually vested in the office of the President of a corporation.

Section 5. The Vice President. The Vice President shall be vested with all the powers and be required to perform all the duties of the President in the President's absence, together with such other duties as may be prescribed by the Board or the President.

Section 6. The Secretary.

A. The Secretary shall keep the minutes of meetings of the members and of the Board of Directors in one (1) or more books provided for that purpose. The minute book shall be available for inspection by all members, or their authorized representatives, and by the Board, which minutes shall be retained for a period of not less than seven (7) years. In addition, the Secretary shall:

1. See that all notices are duly given in accordance with the provisions of these By-Laws or as otherwise required by law.
2. Be the custodian of the corporate records and of the seal of

the Association and shall see that the seal of the Association is affixed to all documents on behalf of the Association, and is duly authorized in accordance with the provisions of these By-Laws.

3. Keep a register of the post office address of each member, which shall be furnished to the Secretary by such member.

4. Maintain any certificates of voting and proxies as hereinafter described.

5. Perform all duties incident to the office of the Secretary and other duties as from time to time may be assigned to the Secretary by the President or by the Board.

Section 7. The Treasurer. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board. In addition, the Treasurer shall disburse the funds of the Association as ordered by the Board, taking proper vouchers for such disbursement, and shall render to the President and Directors, at the regular meeting of the Board, or whenever they may require it, an account of all such transactions as Treasurer and of the financial condition of the Association.

Section 8. Vacancies. If the office of the President, Vice President Secretary, Treasurer or any other office established by the Board becomes ~~vacant by reason of death, resignation, disqualification or otherwise,~~ the Directors, by a majority vote of the Board, may choose a successor or successors who shall hold office for the unexpired portion of the term of the vacated office.

ARTICLE V

THE ASSOCIATION

Section 1. Membership. Each Unit Owner (including a corporate owner) shall be a member of the Association and membership in the Association shall be limited to Unit Owners.

Section 2. Transfer of Membership and Ownership. Membership in the Association may be transferred only as an incident to the transfer of the transferor's Unit and its undivided interest in the Common Elements of the respective Condominium. Such transfer shall be subject to the procedures set forth in the respective Condominium's Declaration. To the extent that the Declaration provides that the transfer, lease, sale, or sublease of Units is subject to approval of the Association, no fee shall be charged in connection with a transfer, sale, or approval in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed Fifty and No/100 Dollars (\$50.00) for a period of one (1) year from the date of recordation of the Declaration of Condominium of OCEAN SANDS ONE. The Board of Directors shall review the charge and expense annually and adjust said amount accordingly except that the amount may only be increased above the Fifty and No/100 Dollars (\$50.00) amount when authorized by the Florida Statutes. No charge shall be made in connection with an extension or renewal of a lease.

Section 3. Director or Officer Resignation or Removal for Assessment.

A. Any Director or officer may resign said office, at any time, in writing, which resignation shall take effect from time of its receipt by the Association, unless some later date be fixed in the resignation, and then from that date. The acceptance of a resignation shall not be required to make it effective.

B. No Director or officer may continue to serve on the Board if during the term of office, said membership in the Association shall be terminated for any reason whatsoever. If any Director or officer fails to pay any Assessment levied by the Board, whether regular or special Assessment, within thirty (30) days after its due date, said Director or officer shall automatically be removed as same. The remaining Directors shall select a successor to serve the unexpired portion of the term of the removed Director or officer.

C. The above provisions shall not be applicable to Directors or officers elected or appointed by the Developer.

ARTICLE VI

MEETINGS OF MEMBERSHIP

Section 1. Place. All meetings of the Association membership shall be held at such place as may be stated in the notice of the meeting.

Section 2. Annual Meetings.

A. The first annual meeting of members ("annual meeting") shall be held during the next month following the twelve (12) months subsequent to the closing of the conveyance of the first Unit by the Developer to an individual purchaser.

B. Regular annual meetings subsequent to the first meeting shall be held every following year during the month determined in the preceding paragraph, except as subsequently determined by the Board, but in no event less than one time per year.

C. At the annual meetings, subject to the provisions of Article II, Section 4, of these By-Laws, the members, by a majority vote (cumulative voting prohibited) shall elect a Board of Directors and transact such other business as may properly come before the meeting.

D. Except for notices required under Article VIII, Section 4, paragraph A, written notice of the annual meeting shall be personally served upon or mailed to each member entitled to vote at such address as appears on the books of the Association, at least fourteen (14) days prior to the meeting. The post office certificate of mailing shall be proof of such mailing. A notice of such meeting shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to the meeting.

Section 3. Special Meetings.

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of ten percent (10%) of the members. Should the President fail to call such a special meeting, such members may, in lieu thereof, call such meeting. Such request shall state the purpose or purposes of the proposed meeting.

B. Written notice of a special meeting of members stating the time, place and object thereof shall be served upon or mailed to each member entitled to vote thereon at such address as appears on the books of the Association at least five (5) days before such meeting. A notice of such meeting shall be posted at a conspicuous place on the Condominium Property at least five (5) days prior to the meeting.

C. Business transacted at all special meetings shall be confined to the purposes stated in the notice thereof.

D. Notwithstanding the above, in the event immediate emergency repairs are required to the Common Elements, as determined by the Board of Directors, the Board may assess up to a maximum of an amount equal to two (2) months of normal assessments per Unit, without the necessity of a special meeting of members to approve said expenditures.

Section 4. Membership List. At least fourteen (14) days before every election of Directors, a complete list of members entitled to vote at said election, arranged numerically by Units, with the residence of each member, shall be prepared by the Secretary. Such list shall be produced and kept for at least fourteen (14) days and throughout the election at the office of the Association and shall be open to examination by any member throughout such time.

Section 5. Quorum. Members owning a majority of the total Units, present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by applicable statute, a specific Condominium's Declaration, the Articles of Incorporation or these By-Laws, in which case the most restrictive quorum provision shall apply. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be

present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 6. Vote Required to Transact Business. When a quorum is present at any meeting, a majority of the votes cast, in person or represented by written proxy, shall decide any question properly brought before the meeting, unless the question is one which, by express provision of the Florida Statutes, a Condominium's Declaration, the Articles of Incorporation or these By-Laws, requires a different vote, in which case the most restrictive express provision shall govern and control the decision of such question.

Section 7. Right to Vote.

A. The Owner or Owners of a Unit shall be entitled to one (1) vote for each Unit owned; provided, however, that Unit Owners who are delinquent in the payment of Assessments shall not be entitled to vote at any meeting of the members, annual or special, for so long as any such Assessments remain delinquent.

B. Membership may be held in the name of more than one (1) person, corporation or other entity. In the event ownership is in more than one (1) person, corporation or other entity, all of the joint owners shall be entitled collectively to only one (1) vote in the management of the affairs of the Association and said vote may not be divided between multiple owners. All Owners shall file a certificate with the Secretary naming the person ("voting member") authorized to cast said Unit vote.

A new certificate shall be filed prior to or at any meeting of the members, annual or special; if such certificate is not on file, the vote of such Unit shall not be considered, nor shall the presence of said Owners at a meeting be considered in determining whether the quorum requirement has been met.

C. All proxies must be in writing, signed by the voting member granting the proxy and filed with the Secretary prior to the meeting, annual or special, for which said proxy is granted. The proxy shall be valid only for such meeting or meetings subsequently held pursuant to an adjournment of that meeting, but in no event shall any proxy be valid for

a period of time longer than ninety (90) days after the date of the first meeting for which it was given. Proxies may be given only to a voting member. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it.

Section 8. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of the Florida Statutes, a Condominium's Declaration, the Articles of Incorporation or these By-Laws in connection with any action of the Association, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action of such meeting, if such meeting were held, shall consent in writing to such action being taken.

ARTICLE VII

NOTICES

Section 1. Definition. Whenever, under the provisions of the Florida Statutes, a Condominium's Declaration, the Articles of Incorporation or these By-Laws, notice is required to be given to any Director, officer or member, it shall not be construed to mean only personal notice, but such notice may be given in writing by mail by depositing the same in a post office or letter box in a postage paid, sealed envelope, addressed as appears on the books of the Association. Any such notice and any notice of any meeting of the members, annual or special, need not be sent by certified mail, except as otherwise provided by statute, the Articles of Incorporation, these By-Laws or the respective Declarations.

Section 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the Florida Statutes, any Condominium's Declaration, the Articles of Incorporation or these By-Laws, a waiver thereof, in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

Section 3. Address. The address for notice to the Association is 7820 38th Avenue North, St. Petersburg, Florida 33710, or as may be designated by the Board of Directors.

Section 4. Assessment Meetings. At any meeting where Assessments against Unit Owners are to be considered for any reason, the notice shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.

ARTICLE VIII

FINANCES

Section 1. Fiscal Year. The fiscal year shall commence on February 1 and end on January 31, which may be changed by the Directors after transfer of control has been effectuated, pursuant to Section 4 of Article II.

Section 2. Checks. All checks or demands for money and notes of the Association shall be signed by any one (1) of the following officers: President, Vice President, Secretary or Treasurer, or by such officer or officers or such other person or persons as the Board of Directors may from time to time designate. The Board by resolution, may require more than one (1) signature.

Section 3. Determination of Assessments.

A. The Board shall fix Assessments adequate to meet the Common Expenses of the Condominium(s). Common Expenses shall include but not be limited to costs and expenses of operation, maintenance and management, property taxes and Assessments against the Condominium Property (until such time as any of such taxes and Assessments are made against the Condominium Parcels individually and thereafter only as to such taxes or Assessments, if any, as may be assessed against the Condominium(s) as a whole), insurance premiums for casualty coverage insurance on the Condominium(s) real property and personal property, premiums for public liability insurance, legal and accounting fees, management fees and operating expenses of the Condominium(s) Property and the Association; maintenance, repairs and replacements (but only as to the Common Elements, except for emergency repairs or replacements deemed necessary to protect the Common Elements and properly chargeable to the individual Condominium Unit concerned), charges for utility and other services used in common for the benefit of the Condominium(s), cleaning and janitorial services for the Common Elements, expenses and liabilities incurred by

the Association in and about the enforcement of its rights and duties against the members or others, and the creation of reasonable contingency or reserve requirements for the protection of the Unit Owners and the Condominium(s) Property (i.e., reserve for replacements, operating reserve to cover deficiencies in collections) and all other expenses declared by the Board to be Common Expenses from time to time, and any and all other sums due from the Association under any lease, contract or undertaking for the Recreational Facilities.

B. The Association shall estimate from time to time the amount of Common Expenses it expects to incur and the period of time involved therein and may assess sufficient monies from Unit Owners to meet this estimate. Assessments for Common Expenses shall be borne by Unit Owners in the following manner:

1. For expenses relating solely to that individual Condominium, funds shall be assessed solely against the Unit Owners of that Condominium in the proportions or percentages as set forth in the respective Declaration;

2. For expenses relating to the Shared Facilities or any other expenses collectively related to more than one of the Condominiums, the funds shall be assessed against each of the Condominiums in the proportions equal to the total square footage of units in a particular Condominium over the total square footage of all units in all Condominiums operated by the Association. This collective expense per Condominium will then be assessed against the individual Unit Owners as provided in the preceding subparagraph 1.

C. Assessments shall be payable on the first day of each month unless other installment times shall be fixed by the Board.

D. The Board is specifically empowered, on behalf of the Association, to make and collect Assessments and to maintain, repair and replace the Common Elements of the Condominium.

E. Special Assessments, which may be required by the Board shall be levied and paid in the same manner as provided for regular Assessments.

F. When the Board has determined the amount of any Assessment, excluding the monthly assessment, the Secretary or Treasurer shall mail or present a statement of the Assessment to each of the Unit Owners. All Assessments shall be payable to the Association and, upon request, the Secretary or Treasurer shall give a receipt for each payment made. All notices of Assessments from the Association to the Unit Owners shall designate when they are due and payable. Assessments and installments thereof not paid when due shall bear interest at the maximum legal rate allowed by law.

G. In the event that Assessments levied against any Unit Owner or any installments thereof shall remain unpaid for seven (7) days or more, then so long as such delinquent Assessments and/or installments are not received by the Association, such unpaid Assessments and/or installments shall be deemed to be a Common Expense of the Association to be paid out of Association reserves or surplus and, in the event said reserves or surplus are exhausted, then by means of a special Assessment as the Board shall determine. Nothing herein shall be deemed to forgive or abate the obligation of the delinquent Unit Owner to pay the amount of such unpaid Assessments to the Association or to pay Assessments thereafter becoming due.

Section 4. Annual Budget.

A. A copy of the Association's proposed annual budget of Common Expenses for each Condominium shall be mailed to each Unit Owner not less than thirty (30) days prior to the meeting of the Board at which the budget will be considered together with a notice of that meeting. Such meeting of the Board of Directors shall be open to all Unit Owners.

B. The Board may approve annual budgets without Unit Owner approval so long as the amount does not exceed one hundred fifteen percent (115%) of the Assessments for the preceding year.

C. The Board may adopt a budget which requires Assessments against Unit Owners for the proposed fiscal year exceeding one hundred fifteen percent (115%) of such Assessments for the preceding year, all as determined in accordance with Section 718.112(2)(f) of the Florida Statutes, as enacted upon the date of recordation of the Declaration of OCEAN SANDS ONE. If so adopted, however, the Board, upon written application of ten percent (10%) of the Unit Owners to the Board of Directors, shall call a special meeting of the Unit Owners within thirty (30) days, upon not less than ten (10) days' 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 Unit Owners. The Board 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 Unit Owners in writing, the budget shall be adopted. In determining whether Assessments exceed one hundred fifteen percent (115%) of similar Assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the Condominium Property, anticipated expenses by the 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, the Board shall not impose an Assessment for any year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's Assessment without approval of a majority of all Unit Owners.

Section 5. Working Capital and Reserve Fund. The Board shall have the right to assess Unit Owners to establish a reserve fund for the future replacement of or additions to the Common Elements and such reserve fund shall be held in trust by the Board or its designated nominee to be used solely for the purpose for which it was established. The proposed annual 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. The Unit Owners, by two-thirds (2/3) vote at a duly called meeting, may vote to provide no reserves or reserves less adequate than required by this Section.

Section 6. Payment of Assessments. All Assessments shall be paid timely to the Association. Assessments shall be made against Unit Owners not less frequently than quarterly in advance, no less than are required to provide funds in advance for payment of all of the anticipated current operating expenses and for all the unpaid operating expenses previously incurred.

Section 7. Limitation on Expenditures. Notwithstanding anything else in these By-Laws, the Articles of Incorporation or the Condominiums' Declarations which authorizes expenditures, after the first election of Directors, the majority of which are comprised of Unit Owners other than Developer, no expenditure for the improvement of the Common Elements exceeding ten percent (10%) of the annual proposed budget per annum shall be made without the approval of a majority of the Unit Owners except for the repair of the Condominium Property due to casualty loss, as hereinafter provided.

Section 8. Application of Payments and Commingling of Funds. All sums collected by the Association from Assessments may be commingled in a single fund or divided into more than one (1) fund as determined by the Board. All Assessments shall be applied as provided herein and in the respective Declaration.

Section 9. Fidelity Bonds. All officers or Directors who are authorized to control, disburse funds, or sign checks, and all officers and employees of the Association, and any authorized agent or contractor handling or responsible for Association funds shall be bonded in such amount as may be determined by the Board. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount sufficient to equal the monies an individual handles or in which said person has control via a signatory or a bank account or other depository account.

Section 10. Accounting Records. The Association shall maintain

accounting records according to generally accepted principles of accounting, consistently applied, which shall be open to inspection by Unit Owners or their authorized representatives at a reasonable time. Written summaries of such records shall be supplied at least annually to Unit Owners or their authorized representatives. Within sixty (60) days following the end of the fiscal year, the Board shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months. The report shall show the amount of receipts by accounts and receipt classification and shall show the amounts of expenses by accounts and expense classifications including, if applicable, but not limited to the following: cost for security, professional and management fees and expenses, taxes, cost for recreation facilities, expenses for refuse collection and utility services, expenses for lawn care, cost for building maintenance and repair, insurance costs, administrative and salary expenses, general reserves, maintenance reserves, and depreciation reserves. In addition, separate records shall be maintained for each Unit which shall designate the name and address of the Unit Owner, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amounts paid upon the account and the balance due. Separate accounting records shall be maintained for each separate Condominium.

ARTICLE IX

DEFAULT

Section 1. Delinquent Payment. In the event a Unit Owner does not pay any sum, charge or Assessment required to be paid to the Association within seven (7) days from the due date, the Association, acting through its Board of Directors may enforce its lien for Assessments or take such other action to recover the sum, charge or Assessment to which it is entitled in accordance with the respective Declaration and the Florida Statutes.

Section 2. Foreclosure. If the Association becomes the Owner of a Unit by reason of foreclosure, it shall offer said Unit for sale and, at such time as a sale is consummated, it shall deduct from the proceeds of said sale all sums of money due it for Assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees, and

any and all expenses incurred in the resale of the Unit which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the Unit. All monies remaining after deducting the foregoing items of expenses shall be returned to the former Owner of the Unit.

Section 3. Violation. In the event of a violation of the provisions of any Condominium's Declaration, the Articles of Incorporation, By-Laws or any Rules and Regulations enacted pursuant thereto, which violation is not corrected within seven (7) days after notice from the Association to the Unit Owner to correct said violation, the Association may take such action as it may deem appropriate, including the institution of legal action and/or fines after notice and hearing, to correct the violation. Nothing contained in this Article shall be construed to require that the Association furnish notice to any Unit Owner of its failure to pay any Assessment, sum or other charge due to the Association. In the event such legal action is brought against a Unit Owner and results in a judgment for the plaintiff, the defendant shall pay the plaintiff's reasonable attorneys' fees and court costs.

Section 4. Consent. Each Unit Owner, for itself, its heirs, successors and assigns, agrees to the foregoing provisions regardless of the harshness of the remedy available to the Association and regardless of the availability of any other equally adequate procedures. It is the intent of all Unit Owners to give to the Association such powers and authority which will enable it to operate on a business-like basis, to collect those monies due and owing to it from Unit Owners, and to preserve each Unit Owner's right to enjoy its Unit free from unreasonable restraint and nuisance.

ARTICLE X

OBLIGATIONS OF MEMBERS

Every member of the Association shall have the following other obligations and duties, in addition to those set out in its respective Condominium's Declaration:

Section 1. Assessments. To promptly pay any and all assessments levied against the member by the Association.

Section 2. Unit Maintenance. To maintain, repair and replace, at its own cost and expense and in accordance with the Rules and Regulations promulgated by the Association pursuant to the By-Laws, all portions of its Unit requiring maintenance, repair, or replacement, including, but not limited to, air conditioning and heating equipment, hot water heaters, and all other appliances and equipment (including any facility and connections required to provide utility service to serve the Unit and no other), paint, decorate and finish interior surfaces of perimeter walls, interior walls, ceilings and floors of the Unit, the concrete floors and interior surfaces of the exterior walls of the balcony/terrace and/or patio serving the Unit and replace all doors, screens, windows, and plate glass installations (including glass doors) forming a portion of the perimeter of the Unit, and pay for any utilities which are separately metered to the Unit; provided, however, that no Unit owner shall make any alteration, decoration, repair, replacement, change or paint, nor place any doors, screens, windows, glass panes, jalousies or other enclosures on balconies/terraces or patios or any other parts of the Unit or Common Elements without the prior written approval of the Board of Directors.

Section 3. Conformity with Declaration of Condominium and Articles of Incorporation. Not to use or permit the use of its Unit for any purpose other than as permitted by its respective Declaration and in conformity with the Articles of Incorporation of the Association.

Section 4. Unit Access. To allow the Board of Directors or the agents and employees of the Association or the management company, if any, to enter any Unit for the purpose of maintenance, inspection, repair, or replacement of the improvements within Units or the Common Elements, or to determine whether any violation of a respective Declaration or of the Articles and By-Laws or of any Rule and Regulation promulgated thereto, pertaining to the Condominium is being committed.

ARTICLE XI

PROVISIONS FOR INSURANCE

Section 1. Purchase of Casualty Insurance

A. The Board of Directors of the Association shall keep the

Condominium Property Insured. The "Condominium Property" shall include all the buildings or structures erected upon the land of all of the Condominiums, all fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of the individual Units initially installed or replacements thereof, in accordance with the original plans and specifications. The insurance shall insure the interest of the Association and all Unit Owners, as additional insureds, and mortgagees as their interests may appear against loss or damage by fire and hazards covered by a standard coverage endorsement and such other risks of a similar or dissimilar nature as are customarily covered with respect to buildings similar in construction, location and use to the buildings erected upon the Condominium Property, in an amount which shall be equal to the maximum insurable replacement value as determined no less than every two (2) years by the insurance carrier, if such insurance is reasonably available. Because of the location of the Condominium Property, the Association is authorized to obtain and accept a policy with a deductible clause if the Association cannot reasonably obtain coverage without such a clause. The Directors shall have no liability to the Association, the members or any other person for the failure to obtain insurance without a deductible clause and/or for the failure to obtain insurance in the full amount of the coverage required hereunder if, in good faith, a majority of their whole number shall have determined that such insurance is not reasonably available.

B. Each Unit Owner shall be responsible for obtaining insurance on the contents of its own Unit including its own personal property stored elsewhere on the Condominium Property, and including all additions and improvements made by the Unit Owner to its Condominium Unit other than fixtures, installations or additions initially installed or replacements thereof in accordance with the respective original Condominium plans and specifications, and its personal liability to the extent not covered by

the liability insurance for all of the Unit Owners obtained as part of the Common Expenses as above provided.

Section 2. Assured and Loss Payable. All casualty insurance policies purchased by the Association hereunder shall be for the benefit of the Association and all Unit Owners and their mortgagees as their interests may appear and shall provide that all proceeds covering casualty losses of five percent (5%) of the insured value of the Condominium Property or less shall be paid directly to the Association. Any sum in excess of said percentage shall be paid to an insurance trustee. An insurance trustee shall be any bank or trust company or other corporate trustee authorized to and doing business in Pinellas County, Florida, designated by the Board of Directors of the Association and approved by a majority of the mortgagees of the Units affected by the casualty (the term "majority" meaning the holders of debts secured by first mortgages, the unpaid balance of which is more than one-half (1/2) the unpaid principal balance of all first mortgages on said Units). Said trustee is herein referred to as the "Insurance Trustee." The Insurance Trustee shall not be liable for the payment of premiums or the sufficiency of premiums nor for the failure to collect any insurance proceeds. The Insurance Trustee shall be responsible only for monies which come into its possession and only for its willful misconduct, bad faith or gross negligence. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it and to hold the same in trust pursuant to the terms of any Insurance Trust Agreement created between the Association and the Insurance Trustee, which shall not be inconsistent with any of the provisions herein set forth.

Section 3. Payment of Premiums, Trustee's Expenses and Collection. The Board shall collect and pay the premiums for insurance and all fees and expenses of the Insurance Trustee as a part of the Common Expenses for which Assessments are levied. Each Unit Owner shall pay and be responsible for insurance premiums and all fees and expenses of the Insurance Trustee in the same manner as all other Assessments.

Section 4. Mandatory Repair. Unless there occurs substantial damage or destruction to all or a substantial part of the Condominium Property as

hereinafter defined, and subject to the provisions hereinafter provided, the Association and the Unit Owners shall repair, replace and rebuild the damage caused by casualty loss, which shall be borne by the Unit Owners in proportion to the shares of the relative Common Elements per Building(s) affected, hereinafter referred to as "relative Common Elements per Building(s)" and defined as that percentage which is the quotient equal to each Unit's square footage as set forth in the respective Declarations, divided by the sum of the square footage of all of the Units in the Building(s).

Section 5. Determination of Damage and Use of Proceeds.

A. Immediately after a casualty damage to any part of the Condominium Property, the Board shall obtain reliable and detailed estimates of the cost necessary to repair and replace the damaged property to a condition as good as the condition that existed prior to the casualty loss, provided that if a casualty causing damage is limited to a single Unit, then it shall be the responsibility of that Unit Owner to obtain estimates of the cost of replacement as aforesaid. If the net proceeds of insurance are insufficient to pay the estimated cost of reconstruction and repair, the Board shall promptly, upon determination of deficiency, levy a special Assessment against all Unit Owners for that portion of the deficiency according to the relative Common Elements per Building(s) affected and against the individual Unit Owners for that portion of the deficiency related to individual damaged Units; provided, however, that if in the opinion of the Board it is impossible to accurately and adequately determine the portion of the deficiency relating to individual damaged Units, the Board shall levy the special Assessment for the total deficiency against each of the Unit Owners according to the relative Common Elements per Building(s) affected, except as provided in Section 9 below.

B. Unless there occurs substantial damage to or destruction of all or a substantial portion of the Condominium Property and the Unit Owners fail to elect to rebuild and repair as provided in Section 6 below, the Board, or Insurance Trustee if the net proceeds are in excess of five

percent (5%) of the insured value of the Condominium Property, shall disburse the net proceeds and the funds collected by the Board from the Assessment hereinabove set forth to repair and replace any damage or destruction of property, and shall pay any balance remaining to the Unit Owners and their mortgagees as their interests may appear. The proceeds of insurance and the funds collected by the Board from the Assessments as hereinabove provided shall be held by the Board, or Insurance Trustee if the net proceeds are in excess of five percent (5%) of the insured value of the Condominium Property, in trust for the uses and purposes herein provided. The Insurance Trustee shall have no obligation or duty to see that the repairs, reconstruction or replacements required hereunder are performed or accomplished, but such duty shall be the Association's.

Section 6. Total Destruction.

A. As used in any of these By-Laws and in any other connection or context dealing with a Condominium, "substantial damage to or destruction of all or a substantial portion of the Condominium Property" shall mean:

1. With respect to all of Condominiums taken together as a whole, that seventy-five percent (75%) or more of all Units are or have been rendered untenable by casualty loss or damage; and/or,
2. If seventy-five percent (75%) or more of all the Units are not or have not been rendered untenable by casualty loss or damage, then with respect to at least one separate and discrete Condominium Building within one of the Condominiums, that sixty percent (60%) or more of the Units in such discrete Condominium Building are or have been rendered untenable by such casualty loss or damage.

B. Should there occur such substantial damage to or destruction of all or a substantial part of the Condominium Property with respect to all of the Condominiums taken together as a whole, the Condominium Property shall not be reconstructed unless seventy-five percent (75%) of all the

Unit Owners shall agree thereto, in writing, within sixty (60) days after the casualty loss or damage occurs. Notwithstanding the preceding sentence, should such damage or casualty loss be no less than that degree described in paragraph A, subparagraph 1 of this Section, but with respect to one or more Condominium Buildings be at least that degree with respect to each of such buildings described in paragraph A, subparagraph 2 of this Section, then each Condominium Building experiencing such degree of damage or casualty loss shall nevertheless be reconstructed if sixty percent (60%) of the Unit Owners owning Units in such Condominium Building so damaged or destroyed shall agree to such reconstruction, in writing, within thirty (30) days after the casualty loss or damage occurs. In any of such events should reconstruction not be approved as aforesaid, the Insurance Trustee is authorized to pay proceeds of the insurance to the Unit Owners and their mortgagees as their interests may appear in accordance with the provisions of Section 9 below, and the Condominium Property shall to the extent provided for in that Section be removed from the provisions of The Condominium Act, in accordance with the provisions of Section 9 below. The determination not to reconstruct after casualty shall be evidenced by a certificate, signed by one of the officers of the Association, stating that the said sixty (60) day period has elapsed and that the Association has not received the necessary written responses from seventy-five percent (75%) of the Unit Owners or, in the appropriate cases, stating that the said thirty (30) day period has elapsed and that the Association has not received the necessary written responses from sixty percent (60%) of the Unit Owners residing in each of the separate and discrete Condominium Buildings which have experienced the degree of damage mentioned in paragraph A, subparagraph 2 of this Section.

Section 7. Rights of Mortgagees. Any mortgagee in any mortgage which, in accordance with the provisions of the mortgage, shall have the right to demand insurance proceeds in the event of a casualty loss to the property secured by said mortgage, waives the right to such proceeds if the proceeds are used pursuant to the respective Declaration to repair, replace or restore

the property subject to the mortgage lien. However, nothing herein shall be deemed a waiver by the mortgagee of its rights, if any, to require that any surplus proceeds over and above the amounts actually used for repair, replacement or reconstruction of the property subject to the mortgage, be distributed to the mortgagee and the Unit Owner as their interests may appear. The Owner and holder of any first mortgage on any Unit shall have the right to approve the plans and proposals for any repairs, reconstruction or replacements to the Unit or Units encumbered by its mortgage or mortgages, and no such repairs, reconstruction or replacements shall be begun or undertaken without such approval, which approval shall not be unreasonably withheld.

Section 8. Association As Agent. The Association is hereby irrevocably appointed agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association, and to execute releases thereof.

Section 9. Repair and Reconstruction. The provisions of Sections 4, 5 and 6 to the contrary notwithstanding, each separate and distinct Condominium Building shall for the purposes of reconstruction and repair in the event of casualty loss be treated as if the same were the only Condominium Building in any of the Condominiums, to the effect that:

A. All insurance proceeds reasonably attributable to the damage or destruction to one such Condominium Building shall be first used for the reconstruction and repair of that Building, to the extent that proceeds are sufficient; and, in the event that such proceeds are not sufficient, the Condominium Unit Owners in that Building alone shall be assessed in proportion to the relative Common Elements per Building(s) affected for a deficiency or insufficiency in the funds necessary to such reconstruction or repair as contemplated by Section 4 above.

B. If under the provisions of Section 5 above, the Board shall be required to levy a special Assessment for a portion of the deficiency in funds available for reconstruction and repair of a separate Condominium Building related to any of the Common Elements, then the Board shall determine in its reasonable opinion what portion of any of the deficiency

is related to Common Elements not exclusively within the particular Condominium Building which has suffered casualty loss and damage and that portion of such deficiency shall be distributed among the Unit Owners as an Assessment in proportion to the relative share of the Common Elements per all of the Condominium Buildings taken together, and the balance of the deficiency so attributable to the Common Elements shall be distributed as an Assessment among the Unit Owners in that Condominium Building suffering such casualty loss or damage in proportion to the relative Common Elements per Building affected attributable to each of said Units.

C. In the event that there shall be insurance proceeds in excess of the cost of reconstruction and repair of casualty loss to a given separate and discrete Building, then the Board shall reasonably ascertain what portion, if any, of that excess is fairly attributable to all of the Condominiums and that portion shall be distributed or applied to the Unit Owners and their mortgagees as their interests may appear in proportion to the relative share of Common Elements per all of the Condominium Buildings taken together, and the balance of any such excess of insurance proceeds shall be distributed and paid over to the Unit Owners and their mortgagees as their interests may appear in the separate and discrete Condominium Building suffering such loss or damage in proportion to the relative Common Elements per Building affected.

D. In the event that there shall occur to a separate and discrete Condominium Building the degree of damage or destruction described in paragraph A, subparagraph 2 of Section 6 above, but all of the Condominium Buildings as a whole shall not have experienced the degree of damage, destruction or loss as set forth in paragraph A, subparagraph 1 of said Section 6 above, and the Unit Owners of the Condominium Building suffering such damage or destruction shall have failed to elect to be repaired or reconstructed in accordance with the provisions of Section 6 above, then any of the Condominiums affected shall be deemed terminated with respect to that Condominium Building only and the respective Declarations of Condominium shall be deemed amended and the following shall result:

1. The Board, upon advisement of one or more independent appraisers of the Members Appraisal Institute, shall determine the fair value of all the Condominium Property (including improvements) immediately prior to the damage or destruction resulting in the termination of the Condominium Building. There shall then be computed that portion of said fair value which is attributable to the said damaged and destroyed Condominium Building, in the following manner:

The total sum of the relative Common Elements per all of the Condominium Buildings taken together attributable to Units in the Condominium Building so destroyed or damaged shall be multiplied by the fair value of all the Condominium Property as established by the Board of Directors and the product thereof shall be that portion of the fair value attributable to said destroyed or damaged Building. There shall be subtracted from said portion of the fair value the loss or damage experienced by all of the Condominium Buildings as a whole attributable to the damage or destruction of the said Building. That difference, plus the total amount of insurance proceeds attributable to said loss, shall be deemed the total purchase price for the Units in the said destroyed or damaged Condominium Building. The Condominium Association shall, within forty-five (45) days of the request by any Unit Owner, whether or not the Unit owned is in the destroyed or damaged Building, or by such Unit Owner's mortgagee, providing only that the times for the elections set forth in Section 6 above have fully run, require the Association to call a general meeting of its members at which time there shall be considered the question as to whether or not the individual Condominiums comprising the Association shall be terminated in accordance with the termination procedures contained in the respective Declarations. If all of the Condominiums shall not elect to terminate in accordance with said procedures, then the Condominium Association shall purchase the Condominium Units in the destroyed or damaged Building from the Unit Owners thereof for the total purchase price therefor hereinabove mentioned, each such Unit Owner receiving that portion of the said total purchase price as is proportionate to its Unit's share of the

relative Common Elements per all of the Condominium Buildings taken as a whole, that portion being the purchase price for its Unit. The purchase price for each such Unit shall be paid to each of said Unit Owners and its mortgagee as their interests may appear in the following manner:

Immediately upon receipt of the insurance proceeds, that portion thereof, if any, not attributable to the damage, loss or destruction of the Condominium Building so damaged or destroyed, shall be set aside and the balance paid over to the Condominium Unit Owners in proportion to their respective shares of the said total purchase price and shall constitute part of the purchase price for that Unit. The balance of the purchase price for each Unit shall be paid over to said Unit Owners and their mortgagees at the Association's option in not more than twelve (12) equal monthly installments commencing thirty (30) days after the closing of each transaction of purchase and sale without interest.

2. The Condominium Association, upon the acquisition of the title to the Units and interests of the Unit Owners in the damaged or destroyed Condominium Building, shall have the option of either:

a. Terminating the Condominium with respect to the destroyed or damaged Condominium Building and making the site thereof a Common Element belonging to the Association; or

b. Rebuilding and reconstructing the destroyed or damaged Building in a manner approved by seventy-five percent (75%) of all of the Condominium Unit Owners, not including for this purpose the units owned by the Association, which interests shall not be voted.

3. In the event that the Association decides to terminate the Condominium with respect to the damaged or destroyed Condominium Building, a certificate shall be filed among the Public Records of Pinellas County executed by two (2) officers of the Association evidencing the Association's intent to amend the respective Declarations of Condominium under this provision by removing from the

Condominium Property the destroyed and/or damaged Condominium Building as an improvement and by redistributing the shares in the Common Elements previously owned by the Unit Owners in the destroyed or damaged Condominium Building among the remaining Unit Owners in the proportions that their shares of the Common Elements hereof bear to one another; such that upon completion of such redistribution one-hundred percent (100%) of the Common Elements will have been distributed among the remaining Condominium Unit Owners of the Condominium Units not contained in the damaged or destroyed Condominium Building. Said certificate shall also redistribute the shares of the Common Expenses and Common Surplus previously attributable to the Units in the damaged or destroyed Condominium Building among the remaining Units in the proportions of their shares of the relative Common Elements per remaining Buildings, such that upon completion of such redistribution, one-hundred percent (100%) of the Common Expenses and Common Surplus will have been distributed among the remaining Condominium Units not contained in the damaged or destroyed Condominium Building.

Section 10. Recreation or Non Unit Buildings. For the purpose of this Article, any recreation or other building not containing any Units which may be constructed on the Condominium Property shall in no event be considered a "Condominium Building" and in all events, unless all of the Condominiums shall be terminated, or in the event that the public authorities shall prohibit and refuse to allow the reconstruction and rebuilding of any such building, it shall be repaired and reconstructed. If as stated above all of the Condominiums shall be terminated, then any building under this Section need not be repaired or reconstructed.

Section 11. Liability Insurance.

A. The Board of the Association shall obtain liability insurance in such amounts as the Board may determine from time to time for the purpose of providing liability insurance coverage for the Common Elements of the Condominium(s). The Board shall collect and enforce payment of a share of the premium for such insurance from each Unit Owner as an Assessment

in accordance with the percentages and procedures hereinbefore provided for Assessments. Each individual Unit Owner shall be responsible for the purchasing of liability insurance for accidents occurring in its own Unit. In accordance with the provisions of The Florida Condominium Act, the liability of a Unit Owner for Common Expenses shall be limited to amounts for which it is assessed from time to time in accordance with The Florida Condominium Act, the respective Declarations and the By-Laws. The Owner of a Unit shall have no personal liability for any damages caused by the Association on or in connection with the use of the Common Elements except to the extent that and only if the law mandates such personal liability.

B. A Unit Owner shall be liable for injuries or damages resulting from an accident in its own Unit to the same extent and degree that the owner of a house would be liable for an accident occurring within the house. If there shall become available to Condominium Associations a program of insurance which will not only insure the Association's liability and the liability of Unit Owners with respect to the Common Elements, but also the liability of individual Owners with respect to the interior of their Units, then the Association may obtain such liability insurance coverage protecting both the Condominium Association and the Unit Owner against all liabilities for damage to persons and property whether occurring within or without a Unit, and the premium therefor shall be a Common Expense. If it shall appear that Condominium Unit Owners in such a program of insurance are entitled to elect additional coverages or excess coverages above those coverages elected by the Association for all Unit Owners, then the Association may require the individual Unit Owners selecting the excess coverage to pay the reasonable premium for such additional or excess coverage.

C. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Unit Owners, the Board shall give notice of the exposure within a reasonable time to all Unit Owners who may be exposed to the liability and they shall each have the right to intervene and defend.

Section 12. Other Insurance. The Board may obtain other insurance coverage as it deems necessary which may include, but is not limited to, director's liability insurance, workers' compensation, automobile and guest coverage, and products liability coverage. Such insurance premiums shall be collected and paid in the same manner as other policies pursuant to Section 3 hereinabove.

Section 13. Copies of Insurance Policies. A copy of each insurance policy obtained by the Association shall be made available for inspection by Unit Owners at reasonable times.

ARTICLE XII

AMENDMENT

These By-Laws may be amended by affirmative vote of a majority of the members and of the Board of Directors.

Section 1. Rights of Developer. No amendment shall, however, change the rights and privileges of the Developer referred to in any Declaration and the Exhibits attached thereto without the Developer's written approval.

Section 2. Rights of Mortgagee. No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights or liabilities of any mortgagee.

Section 3. Procedure. By-Laws shall neither be revised nor 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.

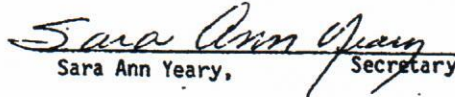
ARTICLE XIII

CONSTRUCTION

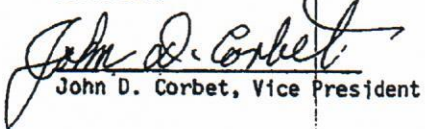
Wherever the singular or plural is used in these By-Laws, it shall be construed to include singular or plural, wherever the context so required.

Should any of the provisions of these By-Laws be void or become unenforceable at law or in equity, the remaining provisions of this instrument shall nevertheless be and remain in full force and effect. Should any of the provisions of these By-Laws conflict with any provisions of the Articles of Incorporation, the Articles shall control; should any provisions of the various Declarations conflict as applicable to these By-Laws, then the most restrictive Declaration provision shall apply.

The foregoing were adopted as the By-Laws of the OCEAN SANDS CONDOMINIUM ASSOCIATION, INC. at the first meeting of its Board of Directors.


Sara Ann Yearly, Secretary

APPROVED:


John D. Corbet, Vice President