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of Oceans Grand Condo**

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BYLAWS OF OCEANS GRAND OWNERS ASSOCIATION, INC.

A Florida Corporation Not-For-Profit As amended on November 4, 2013

1. IDENTITY.

1.1 Applicability. These are the Bylaws of OCEANS GRAND OWNERS ASSOCIATION, INC. (the "Association"), a Florida corporation organized pursuant to the provisions of Chapters 617 and 718, Florida Statutes, as amended, to the date of filing of the Articles of Incorporation (the "Articles"). The purpose and object of the Association shall be to administer the operation and management of Oceans Grand, A Condominium (the "Condominium") to be established in accordance with the Florida Condominium Act, Chapter 718, Florida Statutes ("Act"), upon certain real property in Volusia County, Florida, as set forth in the Articles of Incorporation of the Association. The provisions of these Bylaws are applicable to the Condominium and are subject to the provisions of the Articles. All Members of the Association, as defined in the Articles, and their invitees, including, without limitation, all present or future owners and tenants of Units in the Condominium and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Articles and the Declaration.

1.2 Office. The office of the Association shall be at 2 Oceans West Boulevard, Daytona Beach Shores, Florida 32118.

1.3 Fiscal Year. The fiscal year of the Association shall be the first day of January through the last day of December.

1.4 Seal. The seal of the Association shall bear the name of Oceans Grand Owners Association, Inc., the word "Florida", the words "Corporation Not For Profit", and the year of incorporation.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES.

2.1 Membership. The qualification of members of the Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting by Members, shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

2.2 Quorum. A quorum at meetings of Members shall consist of persons entitled to cast one third (1/3) of the membership entitled to vote upon any matter or matters arising at said meeting. Instriment# 2014-105237 it 2 Book: 6999 Page: 1500

2.3 Voting.

(a) Each Unit shall be assigned the right to cast one vote at any meeting of Members.

(b) If a Unit is owned by one person, his right to vote shall be established by the record title to his Unit.

(c) If any Unit is owned by more than one person or a partnership, corporation, trust, or any other association or entity, the person entitled to cast the vote for the Unit shall be designated by a certificate signed by all of the record owners of the Unit or by the President, general partner or other chief executive officer of the respective entity and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until ownership of the Unit is changed. A certificate designating the person entitled to cast the vote of a Unit may be revoked by any owner of the Unit. If such a certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum nor for any other purpose.

2.4 Vote Required. Except as otherwise required under the provisions of the Articles, these Bylaws or the Declaration, or where the same otherwise may be required by law, at any meeting of the general membership of the Association, duly called and at which a quorum is present, the acts approved by the affirmative vote of a majority of the votes present at such meeting shall be binding upon the Members.

2.5 Proxies. Except as specifically otherwise provided herein or in the Condominium Act, Unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the State of Florida Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes (hereinafter referred to as the "Division"). Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes taken to waive or reduce reserves in accordance with Florida Statutes, Section 718.112(2)(f)2; for votes taken to amend the declaration pursuant to Florida Statutes, Section 718.110; for votes taken to amend the articles of incorporation or Bylaws; and for any other matter for which the Act requires or permits a vote of the Unit owners. No proxy, limited or general, shall be used in the election of Board Members. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. Notwithstanding the provisions of this subparagraph, Unit owners may vote in person at Unit owner meetings. -2- Instrtmnt# 2014-105237 # 3 Book: 6999 Page: 1 501 Any proxy given shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. All such proxies shall be filed with the Secretary prior to or during the roll call of such meeting. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit owner executing it.

2.6 Unit Owner Written Inquiries. When a Unit owner files a written inquiry by certified mail with the Board of Directors, the Board shall respond in writing to the Unit owner within thirty (30) days of receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the State of Florida, Department of Business and Professional Regulation, Division of Florida Condominiums, Timeshares, and Mobile Homes ("Division"). If the Board requests advice from the division, the Board shall, within ten (10) days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board shall, within 60 days after the receipt of the inquiry, provide in writing a substantive response to the inquiry. The failure to provide a substantive response to the inquiry as provided herein precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative procedure, or arbitration arising out of the inquiry. The Association may, through its Board of Directors, adopt reasonable rules and regulations regarding the frequency and manner of responding to Unit owner inquiries, one of which may be that the Association is only obligated to respond to one written inquiry per Unit in any given thirty (30) day period. In such case, any additional inquiry or inquiries must be responded to in the subsequent thirty (30) day period, or periods, as applicable.

3. MEMBERS' MEETINGS.

3.1 Annual Meeting. The annual meeting of the Members shall be held at the office of the Association or such other place in Volusia County, and at such time as may be specified in the notice of the meeting, on the first Monday in November of each year for the purpose of electing Directors and of transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held on the next succeeding Monday, or such day as the Directors shall determine and include in the notice of meeting.

3.2 Special Meeting. Special meetings of the entire membership of the Association shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Members entitled to cast a majority of the votes of the entire membership. -3- Instrument# 2014-105237 # 4 Book: 6999 Page: 1502 3.

3.3 Notice of Meetings.

- (a) **Generally.** Written notice of all meetings of Members shall be given by the Secretary or, in the absence of the Secretary, another officer of the Association, to each member or class of Members, if any, unless waived in writing. Each notice shall state the time and place of and purpose for which the meeting is called and shall include an agenda and shall be mailed or delivered to each Unit owner at least fourteen (14) days prior to the meeting. The Notice shall be posted at a conspicuous place on the

Condominium property at least fourteen (14) continuous days preceding the meeting, except in the case of an emergency. Upon notice to the Unit owners, the Board shall by duly adopted rule designate a specific location on the Condominium property upon which all notices of Unit owner meetings shall be posted. Unless a Unit owner waives in writing the right to receive notice of the annual meeting by mail, the notice of the annual meeting shall be sent by mail to each Unit owner. Where a Unit is owned by more than one person, the Association shall provide notice, for meetings and all other purposes requiring mailed notice, to that one address which the develop initially identified for that purpose and thereafter as one or more of the owners of the Unit shall so advise the Association in writing, or if no address is given or the owners of the Unit do not agree, to the address provided on the deed of record. An officer of the Association, or the manager or other person providing notice of the Association meeting, shall provide an affidavit or United States Postal Service certificate of mailing, to be included in the official records of the Association affirming that the notice was mailed or hand delivered, in accordance with this provision, to each Unit owner at the address last furnished to the Association.

- (b) **(b) Annual.** Notice of the Annual Meeting shall be given to each Member not less than fourteen (14) days nor more than sixty (60) days prior to the date set for the meeting, and shall be mailed by certified mail or delivered personally to each Member. If delivered personally, receipt of notice shall be signed by the Member, indicating the date received and shall constitute the Member's waiver of his right to receive notice by mail. If mailed, such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his Post Office address as it appears on the records of the Association, and the post office certificate of mailing shall be retained as proof of such mailing.
- (c) **(c) Special.** Notice of Special Meetings shall be given to each Member not less than fourteen (14) days prior to the date set for the meeting and shall be mailed by regular mail or delivered personally to the Member and shall be posted conspicuously on the Condominium property.
- (d) **(d) Waiver.** Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Association, whether before, at or after the holding of the meeting, shall constitute notice to such Member. -4- Instrument# 2014-105237 # 5 Book: 6999 Page: 1 503
- (e) **(e) Adjourned Meetings.** If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for a particular purpose is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the Bylaws or the Declaration, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.
- (f) **(f) Electronic / E-Mail Notice of Meetings.** As prescribed in Florida Statutes, electronic means or e-mail may be used to transmit meeting notices and meeting agenda item listings to Unit owners and will be considered as "written notice." This method may only be used when a Unit owner provides his or her written authorization to receive meeting notices and other such Association communications via electronic / e-mail transmission.

3.4 Presiding Officer and Minutes. At meetings of Members, the President, or in his absence, the Vice President shall preside, or in the absence of both, the Members present shall select a chairman of the meeting. Minutes shall be kept in a business like manner and available for inspection by Directors, Unit owners and their authorized representatives during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

3.5 Order of Business. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (a) Collection of ballots not yet cast;
- (b) Calling of the roll and certifying of proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading or waiver of reading of minutes of previous meeting of Members;
- (e) Reports of officers;
- (f) Reports of committees;

- (g) Appointment by Chairman of inspectors of election;
- (h) Election of Directors;
- (i) Unfinished business;
- (j) New business;
- (k) Adjournment

4. BOARD OF DIRECTORS.

4.1 Board Authority and Responsibility. The affairs of the Association shall be managed by a five (5) member Board of Directors elected by the Association membership.

4.2 Election of Directors. Directors shall be elected, by secret ballot, in the following manner:

(a) Directors shall be elected to two (2) year staggered terms by written ballot. The terms expire at the date of an annual meeting two (2) years after the director was elected at an annual meeting of the Association membership. Proxies may not be used in electing the board in general elections or in elections to fill vacancies caused by recall, resignation, or otherwise. In the event of a vacancy caused by recall, resignation, or otherwise, the vacancy may be filled by an affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than a quorum, or by the sole remaining director. Directors selected to fill a vacancy caused by recall, resignation or otherwise will serve the unexpired term of the director originally elected to the Board.

(b) Directors shall be elected at large by a plurality of votes cast at the annual meeting of the Association membership. There shall be no quorum requirement for the election of Directors, however, at least twenty percent (20%) of the eligible voters must cast a ballot in order to have a valid election.

(c) In the election of Directors, there shall be appurtenant to each Unit one (1) vote for each Director to be elected provided, however, that no Member or Owner of any Unit 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. No Unit owner shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Unit owner who needs assistance in casting the ballot for the reasons started in Florida Statutes, Section 101.051 may obtain such assistance. Any Unit owner violating this provision may be fined by the Association in accordance with Florida Statutes, Section 718.303. The regular election shall occur on the date of the annual meeting.

(d) At least sixty (60) days before a scheduled election, the Association shall mail, deliver, or electronically transmit, by separate Association mailing, or included in another Association mailing, delivery, or electronic transmission to each Unit owner entitled to a vote, a first notice of the date of the election. Any Unit owner desiring to be a candidate for the Board must give written notice of his or her intent to be a candidate to the Association at least forty (40) days before the scheduled election. Together with the written notice of the election and the meeting agenda, the Association shall mail, deliver, or electronically transmit a second notice of the election to all Unit owners entitled to vote, together with a ballot that lists all candidates. Upon request of a candidate, an information sheet, no larger than eight and onehalf (8-1/2) inches by eleven (11) inches, which must be furnished by the candidate at least --6- Inst rument1 2014-105237 1 7 Book: 6999 Page: 1 505 thirty-five (35) days before the election, must be included with the mailing, delivery, or electronic transmission of the ballot, with the costs of mailing, delivery, or electronic transmission and copying to be borne by the Association. The Association is not liable for the contents of the information sheets prepared by the candidates. In order to reduce costs, the Association may print or duplicate the information sheets on both sides of the paper. An election is not required unless more Unit owners file notices of intent to be a candidate than Board vacancies exist.

(e) Within ninety (90) days after being elected or appointed to the Board, each newly elected or appointed Director shall certify in writing to the Secretary of the Association that he or she has read the Association's Declaration of Condominium, Articles of Incorporation, Bylaws, and other current written policies; that he or she will work to uphold such documents and policies to the best of his or her ability; and that he or she will faithfully discharge his or her fiduciary responsibility to the Association's members. In lieu of this written certification, within ninety (90) days after being elected or appointed to the Board, the newly elected or appointed Director may submit a certificate of having completed the educational curriculum administered by a State of Florida Department of Business and Professional Regulation, Division of Condominiums, Timeshares and Mobile Homes approved condominium education provider within one (1) year before or ninety (90) days after the date of election or

appointment. The written certification or educational certificate is valid and does not have to be resubmitted as long as the Director serves on the Board without interruption. A Director who fails to timely file this written certification or educational certificate is suspended from service on the Board until he or she complies with this sub-paragraph. The Board may temporarily fill the vacancy during the period of suspension. The Board Secretary shall cause the Association to retain a Director's written certification or educational certificate for inspection by Unit owners for five (5) years after a Director's election or appointment. Failure to have such written certification or educational certificate on file does not affect the validity of any Board action.

4.3 Organizational Board Meeting. The organizational meeting of a newly elected or designated Board shall be held within fifteen (15) days of their election or designation, at such time and place as shall be fixed at the meeting at which they were elected. Notice of the organizational meeting shall be provided by posting such notice conspicuously on the Condominium property at least forty-eight (48) hours prior to such meeting. The Notice shall contain a list of agenda items to be considered at the meeting.

4.4 Board Meetings in General. Meetings of the Board of Directors and any committee thereof at which a quorum of the Members of that committee are present shall be open to all Members, except for circumstances dictating convening of a closed meeting, pursuant to Florida Statutes, Section 718.112(2)(d)3 and as further set forth below. Notices of meetings shall be posted conspicuously on the Condominium property at least forty-eight (48) continuous hours in advance for the attention of Unit owners, and shall include an -7- Instmment#M14-105237#8 Book: 6999 Page: 1506 identification of agenda items, except in an emergency. Any item not included on the Notice may be taken up on an emergency basis by at least a majority plus one of the Members of the Board. Such emergency action shall be noticed and ratified at the next regular meeting of the Board. Any Unit owner may tape record or videotape meetings of the Board of Directors. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association shall adopt reasonable rules governing the tape recording and videotaping of the meeting. The Association may adopt reasonable rules governing the frequency, duration and manner of Unit owner statements.

Notwithstanding the foregoing, written notice of any meeting at which nonemergency special assessments, or at which amendment to rules regarding Unit use, will be proposed, discussed or approved shall be mailed or delivered to Unit owners and posted conspicuously on the Condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by an affidavit executed by the Secretary and filed among the official records of the Association. Notice of any meeting where assessments against Unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Notwithstanding any other law, the requirement that Board meetings and committee meetings be open to Unit owners does not apply to meetings between the Board or a committee and the Association's attorney, with respect to proposed or pending litigation, if the meeting is held for the purpose of seeking or rendering legal advice; or Board meetings held for the purpose of discussing personnel issues.

4.5 Regular Board Meeting. Regular meetings of the Board 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 telegram, at least seven (7) days prior to the day named for such meeting, unless notice is waived.

4.6 Special Meetings. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Except in an emergency, not less than two (2) days notice of a special meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Notice of any meeting where assessments against Unit owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments.

4.7 Board Minutes. Minutes of all meetings of the Board shall be kept in a businesslike manner and available for inspection by all Unit owners and Directors during normal business hours at the principal office of the Association. The Association shall retain these minutes for a period of not less than seven years.

4.8 Waiver of Notice. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. -8- Instrument# 2014-105237 # 9 Book: 6999 Page: 1507

4.9 Quorum. A quorum at meetings of the Board shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as may be specifically provided otherwise in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, the Directors who are present may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.10 Recall of Board Members. Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests as prescribed in paragraph 9 of these Bylaws and Florida Statutes, Section 718.112(2)(0). Directors who are more than ninety (90) days delinquent in payment of monetary obligations due the Association shall be deemed to have abandoned the office, creating a vacancy in the office to be filled according to Florida Statutes and these Bylaws. A Director or officer charged by information or indictment with a felony theft involving the Association's funds or property must be removed from office, creating a vacancy to be filled according to Florida Statutes and these Bylaws until the end of suspension or the end of the Director's term of office whichever occurs first. While such Director or officer has criminal charges pending, he or she may not be appointed or elected to a position as a Director or officer. However, if the charges are resolved without a finding of guilt, the Director or officer shall be reinstated for the remainder of his or her term of office, if any.

4.11 Presiding Officer. The presiding officer of meetings of the Board shall be the President. In the absence of the President, the Vice President shall preside. In the absence of both the President and Vice President, the Secretary shall preside.

4.12 Powers and Duties. All of the powers and duties of the Association shall be exercised by the Board, including those existing under Florida Statutes, the Articles, these Bylaws and the Declaration. Such powers and duties shall be exercised in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to:

(a) Make, levy and collect assessments, including without limitation assessments for reserves and for betterments to Condominium and/or Association property, against Members and Member's Units to defray the costs of the Condominium and the property owned by the Association and use the proceeds of assessment in the exercise of the powers and duties of the Association; -9- Instrument# 2014-105237 # 10 Book: 6999 Page: 1508

(b) Maintain, repair, replace, operate and manage the Condominium property wherever the same is required to be done and accomplished by the Association for the benefit of Members;

(c) Repair and reconstruct improvements after casualty;

(d) Make and amend regulations governing the use of the property, real and personal, in the Condominium, and such property owned by the Association provided, that such regulations or amendments thereto shall not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles and Declaration, and to impose fines for violations of such rules and regulations;

(e) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration;

(f) Contract for the management and maintenance of the Condominium property and Association property and to authorize a management agent to assist the Association in carrying out its powers and duties, including but not limited to the performance of such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenances, repair and replacement of the common elements and property owned by the Association with funds as shall be made available by the Association for such purposes. Any such contract shall be terminable for cause upon the giving of thirty (30) days prior written notice, and shall be for a term of from one (1) to three (3) years. Any such contract shall be renewable by consent of the Association and the management. If such contract is negotiated by the Developer, the term of such contract shall not exceed one (1) year. The Association and

its officers shall, however, retain at all times the powers and duties granted by the Condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts;

(g) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration and all regulations governing use of property of and in the Condominium hereafter adopted;

(h) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and assess the same against the Members and their respective Units subject to such liens;

(i) Carry insurance for the protection of Members and the Association against casualty and liability, including Directors' liability insurance;

(j) Pay all costs of power, water, sewer and other utility services rendered to the Condominium or to the Association and not billed to the owners of the separate Units; -10- Instrument# 2014-105237 # 11 Book: 6999 Page: 1509

(k) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

4.13 Board or Committee Member Privilege. A member of the Board of Directors or a committee may submit in writing his or her disagreement with any action taken at a meeting that the member did not attend. This agreement or disagreement may not be used as a vote for or against the action taken or to create a quorum.

5. OFFICERS.

5.1 Generally. The Board shall elect a President, Vice President, Secretary and Treasurer from the membership of the Board of Directors.

5.2 President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Association. He shall have such additional powers as the Board may designate.

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

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Board and the Members. The Secretary shall attend to the affairs of the Association. The Secretary shall have such additional powers as the Board may designate.

5.5 Treasurer. The Treasurer shall have custody of all of the property of the Association including funds, securities and evidences of indebtedness. He or she shall keep the assessment roll and accounts of the Members; he or she shall keep the books of the Association in accordance with good accounting practices, and he or she shall perform all other duties incident to the office of Treasurer.

5.6 Compensation. No compensation shall be paid any officer or director of the Association.

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

6.1 Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with standard accounting procedures and the Florida Condominium Act. Written summaries shall be supplied at least annually to Members. Instrument# 2014-105237 # 12 Book: 6999 Page: 1510 Such records shall include, but not be limited to:

(a) A record of all receipts and expenditures.

(b) An account for each Unit which shall designate the name and address of the Unit owner, the amount of each assessment, dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

6.2 Inspection of Books. Financial reports and the membership records shall be maintained in the office of the Association and shall be available to Members for inspection during normal business hours. Within ninety (90) days after the end of each fiscal year, the Association shall prepare and complete, or contract

for the preparation and completion of, a financial report for the preceding fiscal year. Within twenty-one (21) days after the final financial report is completed by the Association or received from the third party, but not later than one hundred twenty (120) days after the end of the fiscal year, the Association shall mail to each Unit Owner, at then address last furnished to the Association by the Unit Owner, or hand deliver to each Unit Owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the Unit Owner, without charge, upon receipt of a written request from the Unit Owner.

6.3 Annual Budget. The Board shall adopt, for, and in advance of, each fiscal year, a detailed budget showing the estimated cost of performing all of the functions of the Association for the year showing amounts budgeted by accounts and expense classification. Each budget shall show the total estimated expenses of the Association for that year and shall contain an itemized breakdown of the common expenses, which shall include without limitation, expenses listed in Florida Statutes, Section 718.504(21), the cost of operating and maintaining the Common Elements, taxes on Association property, wages and salaries of Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Association and any reserve accounts and/or funds which may be established from time to time by the Board. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the owner(s) of each Unit and due date(s) and amounts of installments thereof. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, if applicable, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement costs exceed ten thousand dollars (\$10,000). The amount to be reserved shall be computed by means of a formula which is based upon remaining life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association may adjust replacement reserve -12- assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the Members of the Association have, by a vote of the majority of the Members present at a duly called meeting of the Association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. If a meeting of the Unit owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect. Reserve funds and any interest accruing thereon shall remain in the reserve account for authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the majority of the voting interests present at a duly called meeting of the Association. Copies of the proposed budget and proposed assessments shall be transmitted to each Member at least fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a notice of the time and place of said meeting, which shall be open to Unit owners. Evidence of compliance with this fourteen (14) day notice must be made by an affidavit executed by an officer of the Association or a manager or other person providing notice of the meeting and filed among the official records of the Association. If any budget is subsequently amended, a copy shall be furnished each affected Member. Delivery of a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon the additional assessments in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

6.4 Amount of Budget. If a budget is adopted by the Board which requires assessment of the Unit owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application of ten percent (10%) of the Unit owners, a special meeting of the Unit owners shall be held upon not less than ten (10) days written notice to each Unit owner, but within thirty (30) days of the delivery of such application to the Board or any Member thereof, at which special meeting Unit owners may consider only and enact only a revision of the budget, or recall any and all Members of the Board and elect their successors. Any such revision of the budget shall require a vote of not less than two-thirds (2/3) of the votes of all Unit owners. The Board may, in any event, first propose a budget to the Unit owners at any such meeting of Members or by writing, and if such budget or proposed budget be

approved by a majority of the votes of all Unit owners either at such meeting or by writing, such budget shall not thereafter be reexamined by the Unit owners in the manner herein above set forth. If a meeting of the Unit owners has been called and a quorum is not attained or a substitute budget is not adopted by the Unit owners, the budget adopted by the Board of Directors shall go into effect as scheduled. -13- Instrument# 2014-105237 # 14 Book: 6999 Page: 1512 In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded from the computation reasonable reserves made by the Board in respect of repair and replacement of Condominium or Association property, or in respect of anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation assessments for betterments to the Condominium or Association property.

6.5 Notice of Adopted Budgets. Upon adoption of budgets, the Board shall cause written copies thereof to be delivered to all Unit owners. Assessments shall be made against Unit owners pursuant to procedures established by the Board, and in accordance with terms of the Declaration and Articles. Provided, however, that the lien or lien rights of the Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

6.6 Assessments. Unless otherwise determined by the Board of Directors, assessments shall be payable monthly on the first day of each calendar month. Assessments shall be made not less frequently than quarterly in an amount which is not less than that required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. Nothing in this paragraph shall preclude the right of the Association to accelerate assessments of an owner delinquent in payment of common expenses. Accelerated assessments shall be due and payable on the date the claim of lien is filed. Such accelerated assessments shall include the amounts due for the remainder of the budget year in which the claim of lien was filed. 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 installments on such assessment shall be due upon each installment payment date until changed by an amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the fiscal year for which an amended assessment is made shall be payable in equal installments through the end of the fiscal year; provided, nothing herein shall serve to prohibit or prevent the Board of Directors from imposing a lump sum assessment in case of any immediate need or emergency.

6.7 Special Assessments. Special assessments, other than special assessments to meet shortages or emergencies, shall be approved by the Members at a duly convened meeting and shall be levied and paid in the same manner as heretofore provided for regular assessments. Special assessments to meet shortages or emergencies can be adopted by the Board of Directors and written notice thereof given to the Member or Members affected thereby. Special assessments can be of two kinds: (i) those chargeable to all Members of the Condominium in the same proportions as regular assessments to meet shortages or emergencies, to construct, reconstruct, repair or replace all or any part of the Common Elements (including fixtures and personal property related thereto); and (ii) and for such other purposes as shall have been approved by the Members at a duly convened meeting. -14- Instrument# 2014-105237 # 15 Book: 6999 Page: 1513

6.8 The Depository. The depository of the Association shall be such bank or banks or savings and loan association or associations as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks or withdrawals signed by such persons as are authorized by the Directors, provided that any management agreement may include in its provisions authority for the Manager to sign checks on behalf of the Association for payment of the obligations of the Association.

6.9 Audit. An audit of the accounts of the Association may be made from time to time as directed by the Board of Directors.

6.10 Fidelity Bonds. The Association shall obtain and maintain adequate fidelity bonding of all persons who control or disburse funds of the Association. The insurance policy or fidelity bond must cover the maximum funds that will be in the custody of the Association or its management at any one time. As used in this section, the term "persons who control or disburse funds of the Association" includes, but is not limited to, those individuals authorized to sign checks, and the president, secretary, and treasurer of the Association. The Association shall bear the cost of bonding.

6.11 Transfer Fees. No charge shall be made by the Association or anybody thereof with in connection with the sale, mortgage, lease, sublease, or other transfer of a Unit.

7. PARLAMENTARY RULES.

Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Condominium, Articles of Incorporation, and these Bylaws.

8. AMENDMENTS TO BYLAWS.

Amendments to these Bylaws shall be proposed and adopted in the following manner:

8.1 Proposal. Amendments to these Bylaws may be proposed by the Board, acting upon a vote of a majority of the Directors, or by Members owing a majority of the Units in the Condominium, whether meeting as Members or by instrument in writing signed by them.

8.2 Notice. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Association, or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than fourteen (14) days nor later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written or printed notice of such meeting in the same form and in the same manner as notice of the call of -15- Instrument# 2014-105237 # 16 Book: 6999 Page: 1514 a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

8.3 Content of Amendment. No Bylaw shall be revised or amended by reference to its title or number only. Proposals to amend existing Bylaws shall contain the full text of the Bylaws 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 the 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 bylaw. See bylaw... for present text." Nonmaterial errors or omissions in the bylaw process shall not invalidate an otherwise properly promulgated amendment.

8.4 Voting. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of two-thirds of the votes present at a regular or special meeting at which a quorum is present. Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of Volusia County, Florida, within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

8.5 Written Vote. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy, provided such written vote is delivered to the Secretary at or prior to such meeting.

8.6 Proviso. Provided, however, that no amendment shall discriminate against any Condominium Unit owner nor against any Condominium Unit or class or group of Units unless the Condominium Unit owners so affected shall consent. Non amendment shall be made that is in conflict with the Condominium Act, the Declaration of Condominium, or the Articles of Incorporation.

8.7 Arbitration. In the event of internal disputes arising from the operation of the Condominium among Unit owners, Associations, and their agents and assigns, the parties must comply with mandatory non-binding arbitration in accordance with Florida Statutes, Section

9. RECALL OF BOARD MEMBERS.

Subject to the provisions of Florida Statutes, Section 78.301, any Member of the Board of Directors may be recalled and removed from office with or without cause by the vote or -16- Instrument# 2014-105237 # 17 Book: 6999 Page: 1515 agreement in writing by a majority of all the voting interests. A special

meeting of the Unit owners to recall a Member or Members of the Board of Directors may be called by ten percent (10%) of the voting interests giving notice of the meeting in the same manner as required for a meeting of Unit owners, and the notice shall state the purpose of the meeting.

9.1 If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall will be effective as provided herein. The Board shall duly notice and hold a Board meeting with five (5) full business days of the adjournment of the Unit owner meeting to recall one or more Board Members. At the meeting, the Board shall either certify the recall, in which case such Member or Members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days and all records and property of the Association in their possession, or shall proceed as set forth in subparagraph 3.

9.2 If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing or a copy thereof shall be served on the Association by certified mail or by personal service in the manner authorized by Chapter 48 of the Florida Rules of Civil Procedure. The Board shall duly notice and hold a meeting of the Board within five (5) business days after receipt of the agreement in writing. At the meeting, the Board shall either certify the written agreement to recall a Member or Members of the Board, in which case such Member or Members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Association in their possession, or proceed as described in subparagraph 3.

9.3 If the Board determines not to certify the written agreement to recall a Member or Members of the Board, or does not certify the recall by a vote at a meeting, the Board shall, within five (5) full business days after the meeting, file with the Division a petition for arbitration pursuant to the procedures in Florida Statutes, Section For the purpose of this section, the Unit owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any Member or Members of the Board, the recall will be effective upon mailing of the final order of arbitration to the Association. If the Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Florida Statutes, Section 718.501. Any Member or Members so recalled shall deliver to the Board any and all records of the Association in their possession within five (5) full business days of the effective date of the recall.

9.4 If the Board fails to duly notice and hold a Board meeting within five (5) full business days of service of an agreement in writing or within five (5) full business days of the adjournment of the Unit owner recall meeting, the recall shall be deemed effective and the Board Members so recalled shall immediately turn over to the Board any and all records and property of the Association. -17- Instruffentt 2014-105237 II 18 Book: 6999 Page: 1516

9.5 If a vacancy occurs on the Board as a result of a recall and less than a majority of the Board Members are removed, the vacancy may be filled by the affirmative vote of a majority of the remaining Directors, notwithstanding any provision contrary contained in this subsection. If vacancies occur on the Board as a result of a recall and a majority or more of the Board Members are removed, the vacancies shall be filled in accordance with procedural rules to be adopted by the Division, which rules need not be consistent with this subsection. The rules must provide procedures governing the conduct of the recall election as well as the operation of the Association during the period after a recall but prior to the recall election.

10. CERTIFICATE OF COMPLIANCE.

A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board as evidence of compliance of the Condominium Units to the applicable fire and life safety code.

11. POWER TO CONVEY COMMON ELEMENTS.

11.1 The Association shall have a limited power to convey a portion of the common elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion, or other public purposes, whether negotiated or as a result of eminent domain proceedings.

11.2 In any case where the Bylaws are silent as to the Association's power to convey common elements as described in paragraph 11.1, the Bylaws shall be deemed to include the provision described in subparagraph 11.1.

12. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Association shall indemnify any and all persons who may serve or who have served at any time as Directors or officers, and their respective heirs, administrators, successors and assigns, against any and all expenses, including amounts paid upon judgments, counsel fees, and amounts paid in settlements (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, or which may be asserted against them, or any of them, by reason of having been Directors or officers, or a director or officer of the Association, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance, or malfeasance, in the performance of his duties. Such indemnification shall be in addition to any rights to which those indemnified may be entitled under any law, bylaw, agreement, vote of Members, or otherwise. -18-

The foregoing were adopted as the amended Bylaws of OCEANS GRAND OWNERS ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the annual meeting of the Association Members held on the 4 th day of November, 2013.