

EXHIBIT "E"
TO
DECLARATION OF CONDOMINIUM
FOR
FOUNTAIN BEACH RESORT, A CONDOMINIUM

BY-LAWS
OF
INTERNATIONAL BEACH CLUB
CONDOMINIUM ASSOCIATION, INC.

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I.
IDENTITY

These are the By-Laws of INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation ("Association").

II.
PURPOSES

This Association has been organized for the purpose of being a condominium association within the meaning of the Condominium Act of the State of Florida (the "Act"), and in turn for the purpose of operating, governing, administering and managing the property and affairs of FOUNTAIN BEACH RESORT, A CONDOMINIUM (the "Condominium") and to exercise all powers granted to it as a corporation under the laws of the State of Florida, these By-Laws, the Articles of Incorporation and the Declaration of Condominium (the "Declaration of Condominium") to which these By-Laws are attached and, further, to exercise all powers granted to a condominium association under the Act.

III.
DIRECTORS AND OFFICERS

A. Directors.

1. The affairs of the Association shall be managed by an Initial Board of Directors (the "Initial Board") composed of five (5) persons. The members of the Initial Board are designated in the Articles of Incorporation and need not be members of the Association. They shall serve until fifteen percent (15%) of the units in the Condominium are conveyed to unit owners other than Developer (the "Purchaser Members"), at which time one (1) member of the Initial Board shall be replaced by a Director elected by the Purchaser Members. The Purchaser Members shall be entitled to elect a majority of the Board of Directors of the Association either three (3) months after ninety% (90%) of the units in the Condominium have been conveyed to Purchaser Members; three (3) years after fifty percent (50%) of the units in the Condominium have been conveyed to Purchaser Members; when all of the units in the Condominium have been completed, some of them have been conveyed to Purchaser Members and none of the units in the Condominium are being offered for sale by the Developer in the ordinary course of business; when some of the units in the Condominium have been conveyed to Purchaser Members and none of the other units in the Condominium are being offered for sale by the Developer in the ordinary course of business; or seven (7) years after the recordation of the Declaration of Condominium for the Condominium in the Public Records of Volusia County, Florida, whichever shall be the first to occur. The Developer shall be entitled to elect at least one (1) director as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the units in the Condominium.

Following the time the Developer relinquishes control of the Board of Directors of the Association, the Developer may exercise the right to vote any developer-owned units in the Condominium, in the same manner as any other unit owner, except for the purposes of reacquiring control of the Board of Directors of the Association or selecting the majority members of the Board of Directors of the Association.

Until such time as the Purchaser Members shall be entitled to elect all of the Directors, the Developer shall have the absolute right, in its sole and absolute discretion and at any time, to remove any Director selected by the Developer and to replace the Director so discharged.

2. The Purchaser Members shall elect a majority of the Board of Directors, pursuant to the provisions hereof, at a special meeting of the Membership to be called by the Board for such purpose (the "Majority Election Meeting").

3. Subsequent to the Majority Election Meeting, The Directors shall be elected by the members of the Association at each annual meeting of members and the Directors shall hold office until the next annual meeting of members and until their successors are elected and shall qualify.

4. Directors shall be elected at the Majority Election Meeting and at each annual meeting of the members as follows:

(a) The Board of Directors shall be elected by written ballot or voting machine. Except to fill vacancies on the Board of Directors caused by recall, proxies shall in no event be used in electing the Board of Directors, either at general elections or at elections to fill vacancies caused by resignation. Not less than sixty (60) days before a scheduled election, the Secretary shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each member of the Association entitled to vote, a first notice of the date of the election. Any member of the Association or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and the agenda required pursuant to the provisions of Article VII, Subparagraph A3 of these By-Laws, the Association shall then mail or deliver a second notice of the election to all members of the Association entitled to vote therein, together with a ballot which shall list all candidates. Upon request of a candidate, the Association shall include an information sheet, no larger than 8-1/2 inches by 11 inches furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing or delivery and copying to be borne by the Association. Elections shall be decided by a plurality of those ballots cast. There shall be no quorum requirement; however, at least twenty percent (20%) of the members must cast a ballot to have a valid election. No member of the Association shall permit any other to vote such member's ballot, and any such ballots improperly cast shall be deemed invalid. A member who needs assistance in casting the ballot for the reasons stated in Section 101.051, Florida Statutes, may obtain assistance in casting the ballot. Any member violating this provision may be fined by the Association in accordance with the provisions of Section 718.303, Florida Statutes. The regular election shall occur on the date of the annual meeting of the membership of the Association.

5. Directors shall be members of the Association, except that this provision shall not apply to Directors selected by the Developer.

B. Officers.

The officers of the Association shall consist of a president, a vice president, a secretary and a treasurer, any of whom may be members of the Board of Directors, and such other officers as the Board of Directors may appoint. The president must be a member of the Board of Directors. The officers named in the Articles of Incorporation shall serve, unless removed and replaced by the Developer, until the first meeting of the Board of Directors held subsequent to the Majority Election Meeting, and at such meeting the Board of Directors shall elect the aforesaid officers. Officers elected at the first meeting of the Board of Directors held subsequent to the Majority Election Meeting shall hold office until the next and ensuing annual meeting of the Board of Directors and until their successors shall have been elected and shall qualify.

C. Resignation, Vacancy, Removal, Compensation.

1. Any director or officer of the Association may resign at any time, by instrument in writing. Resignations shall take effect at the time specified therein, and if no time is specified, at the time of receipt of such resignation by the president or secretary of the Association. The acceptance of a resignation shall not be necessary to make it effective. A resignation shall be deemed to have occurred upon termination of membership in the Association by the director or officer.

2. Subject to the right of the Developer to replace directors selected by the Developer, any vacancy occurring on the Board prior to the expiration of a term, except in the case of a vacancy caused by recall, may be filled by the affirmative vote of the majority of the remaining directors, even if the remaining directors constitute less than quorum, or by the sole remaining director. In the alternative, a board may in its discretion hold an election to fill the vacancy, in which case the election procedures must conform to the requirements of Section 718.112(2)(d)3, Florida Statutes, and this provision. A board member appointed or elected shall fill the vacancy until the next regularly scheduled election for any position, regardless of whether the board seat to which the member was appointed or elected is scheduled to be filled at that election. If, however, upon appointment, the association has already mailed or delivered the first notice of election pursuant to Section 718.112(2)(d)3, Florida Statutes, the board member appointed or elected shall serve until the next election scheduled in the future for any position.

3. Any director may be recalled and removed from office, with or without cause, pursuant to the provisions of Section 718.112(2)(k), Florida Statutes. Directors selected by the Developer shall be affected by these provisions.

4. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or any special meeting called for such purpose.

5. No compensation shall be paid to directors or officers for their services as directors or officers.

IV.

POWERS AND DUTIES OF THE ASSOCIATION AND THE EXERCISE THEREOF

The Association shall have all powers granted to it by law, the Declaration of Condominium, the Act as the same may be amended from time to time, and the Articles of Incorporation, all of which powers shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted by the Declaration of Condominium, these By-Laws or by law; and the aforementioned powers of the Association shall include, but shall not be limited to, the following:

A. All of the powers specifically provided for in the Declaration of Condominium and the Act.

B. The power to levy and collect assessments, based upon a budget formally adopted by the Board of Directors; provided, however, the Association shall not charge any fee for use by members of the common elements or of property owned by the Association, unless such use is the subject of a lease between the Association and the members. It is understood, however, that the failure of the Board of Directors or the members of the Association to adopt a budget shall not impair or affect the members' obligations to pay their share of the common expenses of the Condominium.

C. The power to acquire, convey, mortgage, operate, lease, manage and otherwise trade and deal with property, real and personal, including units 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 of Condominium.

D. The power to expend monies collected for the purpose of paying the common expenses of the Association.

E. The power to purchase equipment, supplies and material required in the maintenance, repair, replacement, operation and management of the common elements of the Condominium.

F. The power to insure and keep insured the buildings and improvements of the Condominium as provided for and limited by the Declaration of Condominium. This Association shall, not less than forty-five (45) days prior to the effective date of any renewals or amendments to the Association's insurance coverage, notify each member of the changes to be made in the Association's insurance coverage which will no longer be covered and the effective date of such change.

G. The power to employ the personnel required for the operation of the common elements of the Condominium and the Association.

H. The power to pay utility bills for utilities serving the common elements of the Condominium.

I. The power to contract for the management of the Condominium.

J. The power to make reasonable rules and regulations and to amend them from time to time, and to sell that all members are notified of such changes in the rules and regulations as may be enacted.

K. The power to improve the Condominium property, subject to the limitations of the Declaration of Condominium. *

L. The power to enforce by any legal means the provisions of the Articles of Incorporation, the By-Laws the Declaration of Condominium and the Rules and Regulations duly promulgated by the Association.

M. The power to collect delinquent assessments by suit or otherwise, and to abate nuisance and enjoin or seek damages from unit owners for violation of the provisions of the Declaration of Condominium and its Exhibits.

N. The power to pay all taxes and assessments which are or may become liens against the common elements of the Condominium, and to assess the same against the members and their units.

O. The power to select depositories for the Association funds, and to determine the manner of receiving, depositing and disbursing Association funds, and the form of check and the person or persons by whom the same shall be signed, when not signed as otherwise provided in these By-Laws.

P. The power to possess and exercise all powers necessary to implement, enforce and carry into effect the powers above described, including the power to acquire, hold, mortgage, convey and deal in real and personal property.

Q. The power to enter into, ratify, modify and amend each and every one of the agreements and undertakings contemplated by and contained within the Declaration of Condominium.

R. The power to subscribe to and enter into a contract with any person, firm, corporation or real estate management agent of any nature or kind to provide for the maintenance, operation, repair and upkeep of the Condominium property. Said contract may provide that the total operation of said managing agent, firm or corporation shall be at the cost of the Association. Said contract may further provide that the managing agent shall be paid from time to time a reasonable fee, either stated as a fixed fee or a variable fee or as a percentage of the total cost of maintenance, operation, repair and upkeep, or of the total funds of the Association handled and managed by the managing agent.

V.

DUTIES OF OFFICERS

A. The President shall:

1. Act as Presiding Officer at all meetings of the membership of the Association and Board of Directors.

2. Call special meetings of the Board of Directors and of members.

3. Sign all checks, contracts, promissory notes, deeds and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons.

4. Perform all acts and duties usually required of an executive to insure that all orders and resolutions of the Board of Directors are carried out.

5. Appoint committees and be an ex-officio member of all committees, and render an annual report at the annual meeting of members.

B. The Vice President shall:

1. Act as Presiding Officer at all meetings of the membership of the Association and of the Board of Directors when the President is absent.

2. Perform all other acts and duties required of the President in the absence of the President.

3. Perform such other duties as may be required by the Board of Directors.

4. Sign checks on behalf of the Association in the absence of the President.

C. Should the President and Vice President be absent from any meeting, the remaining Directors shall select a person to act as chairman of the meeting.

D. The Secretary shall:

1. Attend all regular and special meetings of the members of the Association and of the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done.

2. Have custody of the corporate seal and affix same when necessary or required.

3. Attend to all correspondence on behalf of the Board of Directors, prepare and serve notices of meetings, keep membership books and receive all applications for membership, for transfer and sale of units, and present such applications to the Board of Directors.

4. Perform such other duties as the Board may determine and on all occasions in the execution of his duties, act under the supervision, control and direction of the Board of Directors.

5. Have custody of the minute book of the meetings of the Board of Directors and of the members, which minute book shall be at all reasonable times available at the office of the Association for inspection by members, their authorized

representatives and by the Directors, and act as transfer agent to record transfers and rules and regulations in the corporate books. Minutes of all meetings of the Board of Directors and of members shall be reduced to writing and shall be available for inspection by members, or their authorized representatives, within thirty (30) days after the date of each such meeting. The minutes of all meetings of the Board of Directors and of the members shall be retained by the Secretary for a period of not less than seven (7) years.

6. Ballots, sign-in sheets, voting proxies and all other papers relating to elections shall be maintained as part of the Association Records (as herein defined) for a period of one (1) year from the date of the meeting to which such documents relate.

7. If the Association owns, leases or has reasonable access to a photocopy machine, the Association shall, at the request of any member or the authorized representative of such member, make photocopies of Association Records, as requested by such member or by the authorized representative of such member. The Association shall not charge any fee to the member or to the authorized representative of such member in connection with inspection of the Association Records, except that the Association may charge a reasonable fee for the cost of making copies, provided such fee does not exceed \$.25 per page.

8. Maintain copies of all documents required to be maintained by the Association in accordance with Section 718.111(12), Florida Statutes (the "Association Records"). The Association Records shall be maintained in Volusia County, Florida and shall be open to inspection by any member, or the authorized representative of such member, at all reasonable times. The failure of the Association to provide the Association Records within ten (10) working days after receipt of a written request shall create a rebuttable presumption that the Association willfully failed to comply with the requirements of Section 718.111(12)(c), Florida Statutes. The right to inspect the Association Records includes the right to make or obtain copies, at the reasonable expense, if any, of such member.

9. The Association shall maintain at the Condominium Property an adequate number of copies of the Declaration of Condominium, the Articles of Incorporation, these By-Laws, the Rules and Regulations adopted by the Association, and all amendments to each of the foregoing, as well as the Question and Answer Sheet required pursuant to the provisions of Section 718.504, Florida Statutes, to ensure their availability to members and prospective purchasers of units in the Condominium. The Association may charge the actual costs incurred by the Association in the preparation and furnishing of these documents to the parties requesting these documents.

10. The Association shall prepare a Question and Answer Sheet in accordance with the provisions of Section 718.504, Florida Statutes, and shall update the Question and Answer Sheet annually.

E. The Treasurer shall:

1. Receive such monies as shall be paid into his hands for the accounts of the Association and disburse funds as may be ordered by the Board, taking proper

vouchers for such disbursements, and be custodian of all securities, contracts, leases and other important documents of the Association which he shall keep safely deposited.

2. Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association. The Treasurer shall maintain all accounting records for the Association and for the Condominium, as may be required by Section 718.111(12)(a)11, Florida Statutes (the "Accounting Records"), for a period of not less than seven (7) years. The Accounting Records shall be maintained in Volusia County, Florida and shall be open to inspection by any member, or the authorized representative of such member, at all reasonable times. The Treasurer shall prepare and distribute to all of the members of the Board of Directors, at least ten (10) days prior to each annual meeting of the Board of Directors, and whenever else required, a summary of the financial transactions and condition of the Association for the preceding year. The Treasurer shall make a full and accurate report of the matters and business pertaining to his office to the members at the annual meeting of members and make all reports required by law.

3. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Board of Directors. In the event the Association enters into a management agreement, it shall be proper to delegate such of the Treasurer functions to the management agent as is deemed appropriate by the Board of Directors.

VI. MEMBERSHIP

A. Except as may be provided in the Articles of Incorporation, membership in the Association is limited to owners of condominium units in the Condominium. Membership is automatically conferred upon acquisition of a condominium unit in the Condominium as evidenced by the filing of a deed of conveyance in the Public Records of Volusia County, Florida, or as provided in the Declaration of Condominium, for transfer of membership upon the death of a member.

B. If a condominium unit is owned by more than one owner, co-partners or a corporation, there shall nevertheless be only one membership assigned to each unit, and the vote for such membership shall be cast by the person designated in a Voting Certificate signed by all of the owners (or by the proper corporate officer) of said unit filed with the Secretary of the Association. In addition, only the voter designated in such Voting Certificate shall have the right to appoint a proxy. In the absence of such a writing, such vote shall not be counted; provided, however, that a Voting Certificate shall not be required when a unit is owned by a husband and his wife only.

C. Membership in the Association may be transferred only as an incident to the transfer of title to the condominium unit.

D. Membership shall terminate upon the transfer of title to a condominium unit.

VII.
MEETINGS, SPECIAL MEETINGS, QUORUMS, PROXIES

A. Meetings of Members.

1. Annual meetings: The annual meeting of the Association shall be held at the office of the Association on the third Tuesday in December of each calendar year. At such meetings there shall be elected by ballot of the members, a Board of Directors, in accordance with the requirements of these By-Laws. The members may also transact such other business of the Association as may properly come before the meeting.

2. Special meetings: It shall be the duty of the President to call a special meeting of the members of the Association as directed by resolution of the Board of Directors or upon a petition signed by members having fifty-one percent (51%) of the total votes in the Association having been presented to the Secretary. No business shall be transacted at a special meeting except as stated in the notice thereof. In addition, a special meeting of the members of the Association, to recall or remove a member of the Board of Directors, shall be called upon members having at least ten percent (10%) of the total votes in the Association giving notice of the meeting, provided the notice states the purpose of the special meeting.

3. Notice of meetings: It shall be the duty of the Secretary to provide notice (which notice shall incorporate an identification of agenda items) of all meetings of members stating the purpose thereof as well as the time and place where it is to be held, to each member of record at each member's address as it appears on the membership book of the Association, or if no address appears, at each member's last known place of address, at least fourteen (14) days but not more than forty (40) days prior to such meeting. Notice of all meetings of members shall be posted at a conspicuous place at the Condominium at least fourteen (14) continuous days preceding the meeting, except in cases of emergency. The Board of Directors, upon notice to members, shall by duly adopted rule designate a specific location on the Condominium Property upon which all notices of the meetings of the members shall be posted. If hand delivered, receipt of such notice shall be evidenced by receipt signed by the member. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with Section 718.112(2)(d), Florida Statutes, to each member at the address last furnished to the Association. Notice of any meeting at which assessments against members are to be considered shall specifically contain a statement that such assessments will be considered and the nature of such assessments.

4. Budgetary meetings: The Board of Directors shall mail a meeting notice to members of the Association indicating the date, time and place of the meeting together with a copy of the proposed annual budget, not less than fourteen (14) days prior to the meeting of the Board of Directors at which the budget will be considered. Such meeting will be open to members. If an adopted budget requires assessment against the members in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board of Directors, upon written application of members having not less than 10% of the total votes in the Association, shall call a special meeting of

the members within thirty (30) days, provided that not less than ten (10) days' written notice is given to each member. At the special meeting, members may consider and enact a budget by a vote of not less than 51% of the total votes in the Association. If a special meeting of members has been called and a quorum is not attained or a substitute budget is not adopted by the members, the budget adopted by the Board of Directors shall go into effect as scheduled. In determining whether assessments exceed 115% of similar assessments for prior years, any authorized provisions for reasonable reserves for repair or replacement of the property of the Condominium, anticipated to be incurred on a regular or annual basis, or assessments for betterment to the property of the Condominium shall be excluded from the computation.

5. Quorum: The presence, either in person or by proxy, of members having at least 33-1/3% of the total votes in the Association shall constitute a quorum for the transaction of business at all meetings of members. The written joinder of members may not be utilized to establish a quorum, when such joinder occurs subsequent to the meeting.

6. Adjourned meetings: If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided for by law, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

7. Voting: There shall be one (1) vote allocated to each unit in the Condominium. The vote of members holding not less than a majority of the total votes of the Association present, either in person or by proxy, shall decide any question brought before any meeting of the membership of the Association, unless the question is one upon which, by express provision of statute or of the Declaration of Condominium, a different vote is required, in which case such express provision shall govern and control. All voting shall be by secret ballot.

8. Conduct of Meeting: All members shall have the right to participate at all meetings of the members of the Association with respect to all designated agenda items. Further, any member may tape record or videotape a meeting of the members of the Association.

9. Proxies: A member may appoint a proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting and such proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned sessions thereof. In no event shall such proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given and every proxy shall be revocable, at any time, at the pleasure of the member granting it. A member may not vote by general proxy, but may vote by limited proxy substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. 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; for votes taken to waive financial statement requirements as provided by Section 718.111(14), Florida Statutes; for votes taken to amend the Declaration of Condominium pursuant to Section 718.110, Florida Statutes; for votes taken to amend the Articles of Incorporation or By-Laws; and for any other matter for which the Act requires or permits a vote of the members. No proxy, limited or general, shall be used

in the election of members to the Board of Directors. 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.

10. Waiver and consent: Nothing herein shall be construed to prevent a member from waiving notice of a meeting or acting by written agreement without a meeting, and such waiver and action by written agreement are hereby expressly permitted.

B. Meeting of Directors.

1. Organizational meeting: The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected. Notice of the first meeting of a newly elected Board of Directors shall be provided in accordance with the provisions of Section 718.111(2)(c), Florida Statutes.

2. Annual meetings: There shall be an annual meeting of the Board of Directors immediately prior to the annual meeting of the members, at the offices of the Association.

3. Regular meetings: The Board of Directors may establish a schedule of regular meetings to be held at such place as the Directors designate, in which event notice shall be sent to the Directors once said schedule has been adopted.

4. Special meetings: Special meetings of the Board of Directors may be called by the President, on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two-thirds of the Board of Directors.

5. Notice to members: All meetings of the Board of Directors and any committee thereof shall be open to members. Any member may tape record or videotape meetings of the Board of Directors. In addition, the right to attend such meetings shall include the right to speak at such meetings with reference to all designated agenda items. Notice of the time and purpose (specifically incorporating an identification of agenda items) of all meetings of the Board of Directors shall be conspicuously posted at the Condominium at least 48 continuous hours preceding the meeting, except in an emergency. However, written notice of any meeting of the Board of Directors at which non-emergency special assessment, or at which amendments to rules regarding unit use will be proposed, discussed or approved, shall be mailed or delivered to the members and posted conspicuously at the Condominium 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 shall be filed among the official records of the Association. Upon notice to the members, the Board of Directors shall, by duly adopted rule, designate a specific location on the Condominium Property upon which all notices of meetings of the Board of Directors shall be posted.

6. Waiver of notice: Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be deemed a waiver of notice by him of the time and place thereof, unless such Director attends a meeting for the sole purpose of objecting to the propriety of the notice provided to him.

7. Voting at meetings: A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such Director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. Directors may not vote by proxy or by secret ballot at meetings of the Board of Directors. A vote or abstention for each Director present at a meeting of the Board of Directors shall be recorded in the minutes of such meeting.

8. Quorum: At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

VIII. PROCEDURE

A. Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Declaration of Condominium, the Articles of Incorporation, these By-Laws or applicable Florida law.

B. The order of business at annual members' meetings and as far as appropriate at other members' meetings will be:

1. Election of Chairman;
2. Roll Call;
3. Proof of Notice of Meeting; or Waiver of Notice;
4. Reading of Minutes of Prior Meeting;
5. Officers' Reports;
7. Elections;
8. Unfinished Business;
9. New Business;
10. Adjournment.

IX.
ASSESSMENTS AND MANNER OF COLLECTION

A. The Board of Directors has the sole power to and shall from time to time fix and determine the amounts necessary to pay the common expenses of the Condominium and the Association. The common expenses include those expenses described in the Declaration of Condominium and any other expenses designated as common expenses by the Board of Directors, under the authority and sanction of the Declaration of Condominium and the Act.

B. The Board shall adopt a budget for the Association and the Condominium during the month preceding the fiscal year wherein the budget will take effect, which budget shall include a schedule of assessments to be paid by the members.

C. Each member shall be responsible for the payment of the assessments imposed against such member's unit in an amount equal to the percentage of responsibility for payment of common expenses provided in the Declaration of Condominium.

D. Regular assessments shall be paid by the members on a monthly basis, payable on the first day of each and every month.

E. Special assessments, should they be required by the Board of Directors, shall be levied and paid in the same manner as regular assessments, unless the Declaration of Condominium shall otherwise provide.

F. When the Board of Directors has determined the amount of any assessments, the Secretary shall transmit a statement of such assessment to each member. Until further notice, assessments shall be made payable to the Association and shall be payable at the office of the Association.

Assessments are necessarily made upon projections and estimates of the Board of Directors, and may be in excess of, or be less than, the sums required to meet the cash requirements of the Condominium and the Association, in which event the Board of Directors may increase or diminish the amount of an assessment and make such adjustments in cash, or otherwise as they shall deem proper, in their sole discretion, including the assessment of each member of such member's proportionate share for any deficiency. Notice of all changes in assessments shall be given to all members.

G. Assessments shall not include charges for utilities separately charged and metered to each unit, nor charges for alterations, repairs, maintenance, improvements or decorating within the interior of any unit.

H. The failure to pay any assessment within five (5) days from the date due shall entitle the Association to levy a late charge against the delinquent member for each thirty (30) day period that the assessment remains delinquent in an amount not to exceed the greater of \$25 or five percent (5%) of the assessment.

I. In the event an assessment is not paid within ten (10) days of the date same shall be due and payable, the Association, through the Board of Directors, may proceed to enforce and collect said assessments from the delinquent member in any

manner provided for by the Act, the Declaration of Condominium and these By-Laws. Each member shall be individually responsible for the payment of assessments against his unit and for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and the enforcement of any lien held by the Association.

J. If the proposed annual budget is not adopted prior to the start of the new fiscal year, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment.

X.

FISCAL MATTERS

A. Fiscal year: The fiscal year of the Association shall end on December 31st of each year.

B. Depositories: The funds of the Association shall be deposited in a savings and loan association or in a bank located in Volusia County, Florida, in an account for the Association under resolutions duly approved by the Board of Directors, and shall be withdrawn only over the signature of the authorized Officers. Said funds shall be used only for Association purposes.

C. Association funds: All funds of the Association shall be maintained separately in the name of the Association. Reserve and operating funds of the Association shall not be commingled. In addition, reserve funds shall be maintained separately from operating funds in separate accounts in a financial institution as defined in Section 655.005, Florida Statutes. No manager or business equity required to be licensed or registered under Section 468.432, Florida Statutes, and no agent, employee, officer or director of the Association shall commingle any funds of the Association with such person's funds or with the funds of any other condominium association or with the funds of any community association as defined in Section 468.431, Florida Statutes.

D. Fidelity bonds: The Association shall obtain and maintain adequate fidelity bonding for all persons handling or responsible for Association funds in the principal sum of not less than \$50,000.00 for each such person, unless a lesser amount is approved by the Association. The premium for such bonds shall be paid for by the Association.

E. Records: The Association shall maintain accounting records according to good accounting practice, which records shall be open to inspection by members at reasonable times. Such records shall include a record of receipts and expenditures for each member which shall designate the name and address of the member, the amount of each assessment, the amounts paid upon the account and the balance due, in a register of names for the benefit of any mortgage holders or lien holders who have notified the Association of their liens, and to which lien holders the Association will give notice of default, if requested.

F. Annual report: An annual report of the accounts of the Association shall be made annually by an auditor, accountant or Certified Public Accountant and a copy of the financial statement obtained from such annual report shall be furnished to each member no later than the first day of April following the fiscal year for which the report is made. The report shall be deemed to be furnished to the member upon its delivery or by mailing or delivery to the member at his last known address as shown on the books and records of the Association.

G. Insurance: The Association shall procure, maintain and keep in full force and effect, all insurance required by the Declaration of Condominium.

XI.

ADMINISTRATIVE RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the common elements of the Condominium, and such other rules and regulations as are designed to prevent unreasonable interference with the use of the units, limited common elements and common elements by the members, and all members shall abide thereby, provided that the said rules and regulations shall be equally applicable to all members and uniform in their application and effect.

XII.

VIOLATION AND DEFAULTS

In the event of a violation, other than non-payment of an assessment by a member, of any of the provisions of the Declaration of Condominium, these By-Laws, the Rules and Regulations of the Association, the Articles of Incorporation or any provision of the Act, the Association, after reasonable notice to cure not to exceed ten (10) days, shall have all rights and remedies provided by law, including without limitation (and such remedies shall or may be cumulative) the right to sue for damages, the right to seek injunctive relief, and in the event of the failure to pay assessments, the right to foreclose its lien provided in the Act and in every such proceeding, the prevailing party shall be liable for court costs and the Association's reasonable attorney's fees. If the Association elects to enforce its lien by foreclosure, the Association, provided the member has remained in possession of the unit, shall be entitled to petition a court of competent jurisdiction for payment of a reasonable rental from such member from the date on which the payment of any assessment became delinquent and the Association shall be entitled to the appointment of a receiver to collect such rent. A suit to collect unpaid assessments may be prosecuted by the Association without waiving the lien securing such unpaid assessments.

XIII.

AMENDMENT OF BY-LAWS

Subject always to the provisions of the Declaration of Condominium, these By-Laws may be amended, modified or rescinded in accordance with the Declaration of Condominium or by a resolution duly adopted by a majority of the Board of Directors at any duly called meeting of the Board of Directors, and thereafter submitted to the members at any duly convened meeting of the members and approved by members present in person or

by proxy, having at least 75% of the votes at the meeting, provided that notice of the proposed amendment (unless waived) is given in the notice of the meeting, and further provided that the voting requirements of the Declaration of Condominium are met in full, in the appropriate cases. Amendments to these By-Laws may be proposed by the Board of Directors, acting upon the vote of a majority of the Directors, or proposed by members of the Association having a majority of the total votes in the Association.

No amendment shall discriminate against any unit owner nor any class or group of unit owners unless the unit owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text and 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 re-wording of By-Law. See By-Law Article _____ for present text. Non-material errors or omissions in the By-Law process shall not invalidate an otherwise properly promulgated amendment.

A copy of each amendment shall be attached to a certificate stating that the amendment was duly adopted as an amendment of the By-Laws, which certificate shall be executed by the Officers of the Association with the formalities of a deed. Each amendment to the By-Laws must set forth, on the first page thereof, the book and page of the public records where the Declaration of Condominium has been recorded. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Volusia County, Florida.

XIV.

UNIT OWNERS' COMPLAINTS

When a unit owner files a written complaint by certified mail with the Board of Directors, the Board shall respond in writing to the unit owner within 30 days of receipt of the complaint. The Board's response shall either give a substantive response to the complainant, notify the complainant that a legal opinion has been requested, or notify the complainant that advice has been requested from the division. If the Board requests advice from the Bureau of Condominium, the Board shall, within 10 days of its receipt of the advice, provide in writing a substantive response to the complainant. If a legal opinion is requested, the Board shall, within 60 days after the receipt of the complaint, provide in writing a substantive response to the complainant. The failure to provide a substantive response to the complainant as provided herein precludes the Board from recovering attorney's fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the complaint.

XV.

LEVY OF FINES AGAINST UNIT OWNER BY THE ASSOCIATION

A. Each unit owner, each tenant and other invitee and the Association shall be governed by, and shall comply with the provisions of Chapter 718, Florida Statutes, the Declaration of Condominium, the Articles of Incorporation and these By-Laws, and the provisions thereof shall be deemed expressly incorporated into any lease of a unit. Actions for damages or for injunctive relief, or both, for failure to comply with these provisions may be brought by the Association or by a unit owner against:

1. The Association;
2. A unit owner;
3. Directors designated by the Developer for actions taken by them prior to the time control of the Association is assumed by unit owners other than Developer.
4. Any Director who willfully and knowingly fails to comply with these provisions.
5. Any tenant leasing a unit, and any other invitee occupying a unit.

The prevailing party in any such action or in any action in which the purchaser claims a right of voidability based upon contractual provisions as required in Section 718.503(1)(a), Florida Statutes, is entitled to recover reasonable attorney's fees. A unit owner prevailing in an action between the Association and the unit owner under this section, in addition to recovering his reasonable attorney's fees, may recover additional amounts as determined by the court to be necessary to reimburse the unit owner for his share of assessments levied by the Association to fund its expenses of the litigation. This relief does not exclude other remedies provided by law.

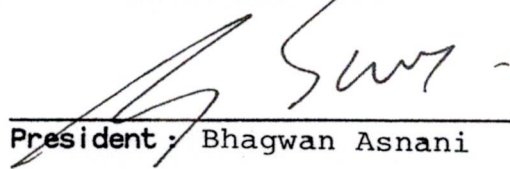
B. A provision of this provision may not be waived if the waiver would adversely affect the rights of a unit owner or the purpose of this provision, except that unit owners or members of a board of administration may waive notice of specific meetings in writing as provided by the By-Laws. Any instruction given in writing by a unit owner or purchaser to an escrow agent may be relied upon by an escrow agent, whether or not such instruction and the payment of funds thereunder might constitute a waiver of any provision of this provision.

C. If the Declaration of Condominium or By-Laws so provide, the Association may levy reasonable fines against a unit for the failure of the owner of the unit, or its occupant, licensee, or invitee, to comply with any provision of the Declaration, the Association By-Laws or reasonable rules of the Association. No fine will become a lien against a unit. No fine may exceed \$100 per violation. However, a fine may be levied on the basis of each day of a continuing violation, with a single notice and opportunity for hearing, provided that no such fine shall in the aggregate exceed \$1,000.00. No fine may be levied except after giving reasonable notice and opportunity for a hearing to the unit owner and, if applicable, its licensee or invitee. The hearing must be held before a committee of other unit owners. If the committee does not agree with the fine, the fine may not be levied.

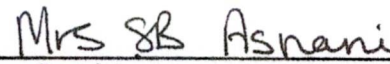
XVI.
INSURANCE

The Association shall mail a notice to each member not less than 45 days prior to the effective date of any renewal or amendment to the Association's insurance coverage which reflects the changes authorized by Chapter 84-368, Florida Statutes, and the Association shall advise each member of any change in insurance coverage to be provided by the Association, including a description of the property previously covered by insurance obtained by the Association which will no longer be covered, and of the effective date of such change.

The foregoing was adopted as the By-Laws of INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, at a meeting of the members of said Association duly noticed, at which all members were present, by the unanimous vote of the members on the 30th day of October, 1997.



President: Bhagwan Asnani



Secretary: Sunita Asnani

**CERTIFICATE OF AMENDMENT
TO
BY-LAWS
OF
INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC.**

NOTICE IS HEREBY GIVEN that a duly called meeting of the members on December 18, 2001, by a vote of not less than a majority of the Board of Administration and by a vote of not less than 66 2/3% of the voting interests of the Association and after the adoption of a Resolution proposing said amendments by a majority vote of the Board of Administration, the By-Laws for **INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC.**, as originally recorded in O.R. Book 4255, Page 3620, et seq., in the Public Records of Volusia County, Florida, be and the same is hereby amended as follows:

1. The BY-LAWS of **INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC.** is hereby amended in accordance with **Exhibit A** attached hereto and entitled "Schedule of Amendments to Declaration of Condominium."

IN WITNESS WHEREOF, INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC., has caused this Certificate of Amendment to be executed in accordance with the authority herein above expressed this 28 day of December, 2001.

(CORPORATE SEAL)

**INTERNATIONAL BEACH CLUB CONDOMINIUM
ASSOCIATION, INC..**

Witness

STEVEN M GARONER
printed name

Witness

Stanley J. Solomon
printed name

By:

Kenneth P Lovell
President, Ken Lovell

SCHEDULE OF AMENDMENTS TO DECLARATION OF CONDOMINIUM

INTERNATIONAL BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

Ratified amendment to the By-Laws of International Beach Club Condominium Association, Inc., Fountain Beach Resort, a condominium approved at the Annual Membership Meeting December 18, 2001, shall read as follows:

(3) Revision to Section VII, A.1. Annual Meetings

Old text:

The annual meeting of the Association shall be held at the office of the Association on the third Tuesday in December of each calendar year. At such meetings there shall be elected by ballot of the members, a Board or Directors, in accordance with the requirements of these By-Laws. The members may also transact such other business of the Association as may properly come before the meeting.

New text:

The annual meeting of the Association shall be held at the office of the Association on the second Monday in January of each calendar year. At such meetings there shall be elected by ballot of the members, a Board of Directors, in accordance with the requirements of these By-Laws. The members may also transact such other business of the Association as may properly come before the meeting.

schedule "A"