

EXHIBIT L
BY-LAWS
OF
THE SANDS, A CONDOMINIUM,
SECTION I ASSOCIATION, INC.
(A Florida Corporation Not-For-Profit)

SECTION 1: IDENTIFICATION OF ASSOCIATION

These are the By-Laws of THE SANDS, A CONDOMINIUM, SECTION I ASSOCIATION, INC., hereinafter referred to as the "Association", as duly adopted by its Board of Administrators. The Association is a corporation not-for-profit organized pursuant to and under Chapter 617 of the Florida Statutes for the purpose of managing, operating, and administering THE SANDS, A CONDOMINIUM, SECTION I located at Fort Pierce, Florida.

1.1 The office of the Association shall be for the present at 3201 North A1A, Fort Pierce, Fla. and thereafter may be located at any place in St. Lucie County, Florida, designated by the Board of Administrators of the Association.

1.2 The fiscal year of the Association shall be the calendar year.

1.3 The seal of the Association shall bear the name of the Association, the word "Florida" and the words "Corporation Not-For-Profit".

SECTION 2: EXPLANATION OF TERMINOLOGY

Any terms contained in these By-Laws which are contained in the "Act", as hereinafter defined, shall have the meanings thereof set forth in the Act, and for clarification the following terms shall have the following meanings:

2.1 "THE SANDS, A CONDOMINIUM, SECTION I", "THE SANDS SECTION I" or the "Condominium" means certain land and improvements in St. Lucie County, Florida, which are hereafter submitted to condominium ownership pursuant to the "Declaration" (as hereinafter defined) and amendments thereto, if any, adding additional "Phases" (as hereinafter defined).

2.2 "Phase" means a portion of THE SANDS, A CONDOMINIUM, SECTION I as more particularly described in Articles V and VI of the Declaration.

2.3 "Developer" means The Sands Lake View Development, a Florida Partnership, and its successors and assigns; provided, however, an "Apartment Owner" (as hereinafter defined) shall not, solely by the purchase of an "Apartment" (as hereinafter defined), be deemed a successor or assign of Developer or of the rights of Developer under the Declaration, unless such Apartment Owner is specifically so designated as a successor or assign of such rights in the respective instrument of conveyance or any other instrument executed by Developer.

2.4 "Act" means the Condominium Act, Chapter 718, Florida Statutes, 1976, as heretofore amended.

2.5 "Condominium Documents" means in the aggregate the Declaration, the "Articles" (as hereinafter defined), these By-Laws and all of the instruments and documents referred to therein, and all amendments thereto.

2.6 "Declaration" means the document by which the "Land" (as defined in

the Declaration) and Improvements of THE SANDS, SECTION I are submitted to condominium ownership by Developer in accordance with the Act.

2.7 "Apartment" means "Unit", as defined in the Act, and is that part of the "Condominium Property" (as hereinafter defined) which is subject to exclusive ownership. The Apartments shall be in the Improvements hereinafter referred to as "Buildings" (as defined in the Declaration).

2.8 "Apartment Owner" means "Unit Owner" as set forth in the Act and is the owner of an Apartment.

2.9 "Assessment" means a share of funds required for the payment of "Common Expenses", as hereinafter defined, which from time to time is assessed against an Apartment Owner.

2.10 "Limited Assessment" means a share of funds required to pay for repairs, replacement or modification of "Limited Common Elements" (as hereinafter defined) deemed by the "Board" (as hereinafter defined) to be an expense which the Board, in its discretion, has determined must be paid by the Apartment Owners of the Apartments having the right to use the Limited Common Elements in question.

2.11 "Common Expenses" means the expenses for which the Apartment Owners are liable to the Association as set forth in various sections of the Act and the expenses described as "Common Expenses" in the Condominium Documents and includes (a) operation, maintenance, repair or replacement of the "Common Elements" (as hereinafter defined), costs of carrying out the powers and duties of the Association, cost of fire and extended coverage insurance; and (b) any other expenses designated as "Common Expenses" by the Board.

2.12 "Budget" means the "Budget", as defined in the Declaration.

2.13 "Condominium Property" means the Land and all improvements thereon (including the Apartments) and all easements and rights appurtenant thereto intended for use in connection with the Condominium.

2.14 "Common Elements" means all Land and all other portions of the Condominium Property not included in the Apartments.

2.15 "Limited Common Elements" means those Common Elements reserved in the Declaration for the use of a certain Apartment or Apartments to the exclusion of other Apartments.

2.16 "Association" means THE SANDS, A CONDOMINIUM, SECTION I ASSOCIATION, INC. a Florida corporation not-for-profit, responsible for the operation of the Condominium.

2.17 "Articles" means the Articles of Incorporation of the Association.

2.18 "By-Laws" means these By-Laws.

2.19 "Board" means the Board of Administration of the Association.

2.20 "Administrator" means a member of the Board.

2.21 "Member" means a member of the Association.

2.22 "Community Association" means The Sands Community Association, Inc.

SECTION 3: MEMBERSHIP IN THE ASSOCIATION, MEMBERS' MEETINGS VOTING AND PROXIES

3.1 The qualification of Members, the manner of their admission to membership in the Association, and the manner of the termination of such membership shall be as set forth in Article IV of the Articles.

3.2 The Members shall meet annually at the office of the Association or such other place in St. Lucie County, Florida, as determined by the Board and as designated in the notice of such meeting at 2:00 o'clock local time on the first Thursday in the month of February of each year (the "Annual Members' Meeting") commencing with the year 1981; provided, however, that if that day is a legal holiday, then the meeting shall be held at the same hour on the next succeeding day which is not a legal holiday. The purpose of the Annual Members' Meeting shall be to hear reports of the officers, elect members of the Board (subject to the provisions of Article IX of the Articles), to consider the annual budget, and to transact any other business authorized to be transacted by the Members.

3.3 Special meetings of the Members shall be held at any place within the County of St. Lucie, State of Florida, whenever called by the President, Vice President or a majority of the Board. A special meeting must be called by the President or Vice President upon receipt of a written request from one-third (1/3) of the Members.

3.4 Meetings of the Association shall be open to any "Approved Mortgagee" (as defined in the Declaration) or a representative thereof; provided, however, except as is permitted or contemplated by these By-Laws or by any other Condominium Document, no such Approved Mortgagee or its representative shall be entitled to participate in any meeting of the Board but shall only be entitled to act as an observer thereat.

3.5 A written notice of the Annual Meeting (whether the Annual Members' Meeting or a special meeting of the Members) together with the proposed annual budget of common expenses, shall be mailed (or delivered if the requirement for mailing is waived by the Unit Owner) to each Member entitled to vote at his last known address as it appears on the books of the Association, not less than thirty (30) days nor more than forty-five (45) days prior to the date of the Annual Members' Meeting. Written notice of a special meeting of the Members shall be mailed or delivered, if mailing is waived, not less than ten (10) days nor more than thirty (30) days prior to the date of a special meeting. Proof of such mailing or delivery shall be given by the affidavit of the person who mailed or delivered such notice. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by an officer of the Association. Notice of the Annual Members' Meeting shall be posted at a conspicuous place on the Condominium Property at least fourteen (14) days prior to an Annual Members' Meeting. The Post Office Certificate of a mailing shall be retained as proof of such mailing. If a meeting of the Members, either special or Annual, is one which by express provision of the Act or Condominium Documents there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Section 3.5, then the aforesaid express provision shall govern. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after such meeting, which waiver shall be in writing and shall set forth a waiver of written notice of such meeting.

3.6 The Members may, at the discretion of the Board, act by written agreement in lieu of a meeting, provided written notice of the matter or matters to be agreed upon is given to the Members at the addresses and within the time periods set forth in Section 3.5 herein or duly waived in accordance with such Section. The decision of the number of Members who could have made a determination at a meeting as to the matter or matters to be agreed upon (as evidenced by written response to be solicited in the notice) shall be binding on the Members, provided a quorum of the Members submits a response. The notice shall set forth a time period during which time a response must be made by a Member.

3.7 A quorum of the Members shall consist of persons entitled to cast a majority of the votes of the entire membership in the Association. A Member may join in the action of a meeting by signing and concurring in the minutes thereof or an attendance sheet thereat and such a signing shall constitute the presence of such parties for the purpose of determining a quorum. Such method for determining a quorum shall not preclude such a determination by a showing of hands at the opening of a meeting. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the voting rights present in person or represented by written proxy shall be required to decide the question. However, if the question is one upon which by express provisions of the Act or the Condominium Documents requires a vote other than the majority vote of a quorum, then the such express provision shall govern and control the required vote on the decision of such question.

3.8 If any meeting of the Members cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. In the case of a meeting being postponed, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.9 Minutes of all meetings shall be kept in a businesslike manner and be available for inspection by the Members and Administrators at all reasonable times for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

3.10 Voting rights of Members shall be as stated in the Declaration and Articles. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in the Member's place and stead. Proxies shall be in writing and shall be valid only for the particular meeting designated therein and any lawful adjournments thereof. In no event shall a proxy be valid for more than ninety (90) days after the date of the first meeting for which it was given. A proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any proxy may be revoked prior to the time a vote is cast according to such proxy.

3.11 In the event an Apartment is owned by more than one person, by a corporation or by a limited partnership or other form of multiple ownership, then the owners, corporation or other entity shall designate a representative who shall be a Member of the owning entity to act and vote in their or its behalf. Such designation shall be filed with the Secretary of the Association no less than 24 hours in advance of the Annual Meeting or any special meeting. Such designation shall thereafter remain effective until revoked by the Unit Owner or Owners. In the event the designation is not filed with the Secretary timely, the Unit shall not be allowed to participate in the Meeting and shall not be counted as a part of a quorum for attendance purposes.

3.12 Notwithstanding any provision in these By-Laws to the contrary, a Member may grant to an Approved Mortgagee holding a mortgage encumbering his Apartment a proxy coupled with an interest, which proxy may by its terms be unlimited in time and/or irrevocable as long as such mortgagee continues to hold such mortgage or for a shorter period of time as is set forth in the proxy.

3.13 At any time prior to a vote upon any matter at a meeting of the Members, any Member may demand the use of a secret written ballot for voting on such matter. The Chairman of the meeting shall call for nominations for Inspectors of Election to collect and tally written ballots upon the completion of balloting upon the subject matter.

SECTION 4: BOARD OF ADMINISTRATORS;
ADMINISTRATORS' MEETINGS

4.1 The form of administration of the Association shall be by a Board of Administrators. At no time shall there be less than three (3) Administrators on the Board.

4.2 The election and, if applicable, designation of Administrators shall be conducted in accordance with the Articles.

4.3 Subject to Section 4.5 below and to the Developer's rights set forth in Section 4.5(c) below, vacancies in the Board shall be filled by persons elected by the remaining Administrators. Any such person shall be an Administrator and have all of the rights, privileges, duties and obligations as an Administrator elected at an Annual Members' Meeting and shall serve for the term prescribed in Section 4.4 of these By-Laws.

4.4 The term of each Administrator's service shall extend until the next Annual Members' Meeting and until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

4.5 (a) An Administrator elected by the "Purchaser Members" as provided in the Articles, may be removed from office upon the affirmative vote or the agreement in writing of a majority of the Purchaser Members at a special meeting of the Purchaser Members for any reason deemed by the Purchaser Members to be in the best interests of the Association. A meeting of Purchaser Members to so remove an Administrator elected by them shall be held, subject to the notice provisions of Section 3.5 hereof upon the written request of ten (10%) percent of the Purchaser Members. However, before any Administrator is removed from office, he shall be notified in writing that a motion to remove him will be made no less than seven (7) days prior to the meeting at which said motion is to be made, and such Administrator shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal.

(b) Purchaser Members shall elect, at a special meeting or at the Annual Members' Meeting, persons to fill vacancies in the Board caused by the removal of an Administrator elected by Purchaser Members in accordance with Section 4.5(a) above.

(c) An Administrator designated by the Developer, as provided in the Articles, may be removed only by the Developer in its sole and absolute discretion and without any need for a meeting or vote. The Developer shall have the unqualified right to name a successor for any Administrator designated and thereafter removed by it or for any vacancy on the Board as to an Administrator designated by it, and the Developer shall notify the Board as to any such removal or vacancy, the name of the respective successor Administrator and the commencement date for the term of such successor Administrator.

4.6 The organizational meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Administrators at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

4.7 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 Administrators. Special meetings of the Board may be called at the discretion of the President or the Vice

President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Administrators.

4.8 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Administrator personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium Property forty-eight (48) hours in advance (except in an emergency) for the attention of Members. Any Administrator may waive notice of a meeting before, during or after such meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Administrator.

4.9 A quorum of the Board shall consist of the Administrators entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Administrators present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically otherwise provided by law, in the Declaration, Articles or elsewhere herein. If at any meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any meeting being held because of such an adjournment any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, notice to the Administrators of such adjournment shall, subject to the Act, be as determined by the Board.

4.10 The presiding officer at Board meetings shall be the President. In the absence of the President, the Vice President shall preside. In the absence of both President and Vice President, the Administrators present shall designate one of their number to preside.

4.11 Administrators' fees, if any, shall be determined by a majority of the Members at the Annual Meeting.

4.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members and Administrators at all reasonable times. The Minutes shall be retained by the Association for at least seven (7) years subsequent to the date of the meeting the minutes reflect.

4.13 The Board shall have the power to appoint Executive Committees of the Board consisting of not less than two (2) Administrators. Executive Committees shall have and exercise such powers of the Board as may be delegated to such Executive Committee by the Board.

4.14 Meetings of the Board shall be open to all Members. Unless a Member serves as an Administrator or unless he has been specifically invited by the Administrators to participate in a meeting, the Member shall not be entitled to participate in any meeting of the Board, but shall only be entitled to act as an observer. In the event that a Member not serving as an Administrator or not otherwise invited by the Administrators to participate in a meeting attempts to become more than a mere observer at such meeting or conducts himself in a manner detrimental to the carrying on of such meeting, then the Board of Administrators may direct the expulsion of said Member from the meeting by any reasonable means which may be necessary to accomplish such an expulsion. Also, the Board of Administrators shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member, unless said person was specifically invited by the Administrators to participate in such meeting.

SECTION 5: POWERS AND DUTIES OF THE BOARD OF ADMINISTRATORS

All of the powers and duties of the Association, including those existing under the Act and the Condominium Documents, shall be exercised by the Board,

unless otherwise specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Act and the Condominium Documents and shall include, but not be limited to, the following:

- 5.1 Making and collecting Assessments against Members to pay the costs of Common Expenses and making and collecting Limited Assessments against the appropriate Apartment Owners. These Assessments shall be collected by the Association through payments made directly to it by the Members as set forth in the Declaration.
- 5.2 Using the proceeds of Assessments in the exercise of the powers and duties of the Association and the Board.
- 5.3 Maintaining, repairing and operating the Condominium Property.
- 5.4 Reconstructing improvements after casualties and losses and making further authorized improvements of the Condominium Property.
- 5.5 Making and amending rules and regulations with respect to the use of the Condominium Property.
- 5.6 Approving or disapproving of proposed purchasers, lessees, or mortgagees of Apartments and those acquiring Apartments by gift, devise, or inheritance, and other transferees, in accordance with the provisions set forth in the Declaration.
- 5.7 Enforcing by legal means the provisions of the Condominium Documents and the applicable provisions of the Act.
- 5.8 Entering into and terminating management agreements and contracts for the maintenance and care of the Condominium Property, including the power to delegate to third parties pursuant to such contracts all powers and duties of the Association with respect to the care and maintenance of such property, except where approval of the Members is specifically required by the Condominium Documents.
- 5.9 Paying taxes and assessments which are or may become liens against the Common Elements and Apartments owned by the Association, if any, and assessing the same against Apartments which are or may become subject to such liens.
- 5.10 Purchasing and carrying insurance for the protection of Apartment Owners and the Association against casualty and liability for the Condominium Property.
- 5.11 Paying costs of all power, water, sewer and other utility services rendered to the Condominium and not billed to owners or individual Apartments.
- 5.12 Hiring and retaining such employees as are necessary to administer and carry out the services required for the proper administration of the purposes of this Association, and paying all salaries therefor.

SECTION 6: OFFICERS OF THE ASSOCIATION

6.1 The officers of the Association shall be a President, who shall be a Director, one or several Vice Presidents, a Treasurer and a Secretary, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by a vote of the Administrators at any meeting of the Board. The

Board shall, from time to time, elect such other officers and assistant officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

6.2 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 a President of a condominium association, including, but not limited to, the power to appoint such committees at such times from among the Members as he may in his discretion determine appropriate to assist in conducting the affairs of the Association. The President shall preside at all meetings of the Board.

6.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First", "Second", etc., and shall exercise the powers and perform the duties of the Presidency in such order:

6.4 The Secretary shall keep the minutes of all meetings of the Board and the Members, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members and Administrators at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall assist the Secretary.

6.5 The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members, the books of the Association in accordance with good accounting practices and shall perform all of the duties incident to the office of a Treasurer. The Assistant Treasurer, if any, shall perform the duties of the Treasurer whenever the Treasurer is absent and shall assist the Treasurer.

6.6 The compensation, if any, of all employees of the Association shall be fixed by the Board. Compensation for officers may be fixed by the Board if compensation is first authorized by the Members by inclusion of a budget item therefor in the Annual Budget of the Association. This provision shall not preclude the Board from employing an Administrator as an employee of the Association, or preclude the contracting with an Administrator for the management of the Condominium.

SECTION 7: ACCOUNTING RECORDS; FISCAL MANAGEMENT

7.1 The Association shall maintain in St. Lucie County, Florida, accounting records in accordance with good accounting practices which shall be open to inspection by Members or their authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and be signed by the Member giving such authorization and dated within sixty (60) days of the date of any such inspection. Written summaries of the accounting records shall be supplied at least annually to the Members. Such records shall include (a) a record of all receipts and expenditures; (b) an account for each Apartment which shall designate the name and current address of the Apartment Owner, the amount of each Assessment charged to the Apartment, the amounts and due dates for each

Assessment, the amounts paid upon such account and the balance due; and (c) an account indicating the Common Expenses allocated under the Budget and the Common Expenses actually incurred during the course of the fiscal year.

7.2. (a) The Board shall adopt a Budget of the Common Expenses of the Association for each forthcoming fiscal year at a special meeting of the Board ("Budget Meeting") called for that purpose during the first two (2) weeks of November of each year. Prior to the Budget Meeting a proposed Budget shall be prepared by or on behalf of the Board, which Budget shall include, but not be limited to, the following items of expenses:

- (i) Administration of the Association
- (ii) Management fees
- (iii) Maintenance
- (iv) Maintenance for recreational and other facilities maintained by the Association.
- (v) Taxes upon Association property
- (vi) Taxes upon leased areas
- (vii) Insurance
- (viii) Security provisions
- (ix) Other expenses
- (x) Operating capital
- (xi) Reserves
- (xii) Fees payable to the Division of Florida Land Sales and Condominiums
- (xiii) Expenses of Board Members directly related to the affairs of administration of the Association

Copies of the proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's last known address as reflected on the books and records of the Association no less than thirty (30) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Members.

(b) The Board shall, pursuant to the provisions of Section 718.112(2)(k) of the Act, as amended from time to time, also include on any proposed annual Budget a sum of money for reserve accounts for capital expenditures and deferred maintenance, which accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing. The amount of the reserve shall be computed by means of a formula which is based upon estimated life and replacement cost of each reserve item. This sum of money so fixed may then be levied upon the members by the Board as a special Assessment and shall be considered an "Excluded Expense" under Section 7.3 hereof.

(c) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in the Budget or which exceed budgeted amounts, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a special Assessment to be levied by the Board as otherwise provided in the Declaration. Notwithstanding any provision herein to the contrary, in the event any such deficiency occurs or is reasonably anticipated to occur and the Board is unable as a matter of law or otherwise to obtain necessary funds by timely Assessment, the Board is authorized to borrow funds on behalf of the Association the cost of prepayment of which, plus interest, shall be a Common Expense.

(d) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the

Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one calendar year for Common Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current operating expenses and for all unpaid operating expenses previously incurred; and (v) Common Expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such Common Expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year.

(e) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

(f) An audit of the accounts of the Association shall be made annually by an auditor, accountant or Certified Public Accountant designated by the Board and a copy of a report of such audit shall be furnished to each Member no later than the first day of March of the year following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his last known address shown on the books and records of the Association.

7.3 Until the provisions of Section 718.112(2)(f) of the Act relative to the Members approval of a Budget requiring Assessments against the Members in excess of 115% of such Assessments for the Members in the preceding year are declared invalid by the Courts, or until amended by the Florida Legislature, (however, if such Amendment merely substitutes another amount for 115%, then such new amount shall be substituted for 115% each time it is used in this Section 7.3) the following shall be applicable:

(a) Should the Budget adopted by the Board at the Budget Meeting require Assessments against the Members of an amount not greater than 115% of such Assessments for the prior year, the Budget shall be deemed approved. If, however, the Assessments required to meet the Budget exceed 115% of such Assessments against the Members for the preceding year (an "Excess Assessment"), then the provisions of Sections 7.3(b), (c) and (d) hereof shall be applicable; provided that in computing whether an Assessment constitutes an Excess Assessment, there shall be excluded from such computation certain expenses (the "Excluded Expenses"), including the following:

(i) Reasonable reserves for repair or replacement of the Condominium Property;

(ii) Anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis; and

(iii) Assessments for betterments to the Condominium Property.

(b) While the Board is "controlled by the Developer": Should an Excess Assessment be adopted by the Board while the Developer is in control of the Board, then a special meeting of the Members shall be called by the Board which shall be held not less than ten (10) days subsequent to the sending of written notice to each Member, but within twenty (20) days after the Budget Meeting. At said special meeting, the Excess Assessment shall be presented to the Members. If, at

said special meeting of the Members, a majority of the Members shall approve the Excess Assessment, then the Budget adopted by the Board shall be the final Budget. If, at said special meeting of the Members, a majority of the Members shall not approve the Excess Assessment, then the Board shall reconvene at a special meeting so as to reduce the items of anticipated expense in the Budget, other than the Excluded Expenses, in an amount necessary so that the Budget adopted by the Board will not result in an Excess Assessment.

(c) After the Board is not "controlled by the Developer"; Should the Excess Assessment be adopted by the Board after the Board is not controlled by the Developer, then upon written application requesting a special meeting signed by ten (10%) percent or more of the Members and delivered to the Board within twenty (20) days after the Budget Meeting, the Board shall call a special meeting to be held not less than ten (10) days subsequent to the sending of written notice to each Member, but within thirty (30) days of the delivery of such application and enact a revision of the Budget. The enactment of a revision of the Budget shall require approval of not less than two-thirds (2/3) of the Members. If such a revised Budget is enacted at said special meeting, then the revised Budget shall be the final Budget, or if a revised Budget is not enacted at such special meeting, then the Budget originally adopted by the Board shall be the final Budget. If no written application is delivered, as provided herein, then the Budget originally adopted by the Board shall be the final Budget.

(d) The term "controlled by the Developer" means the period of time when a majority of the Board is designated by the Developer.

(e) No Board shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in the Budget or which shall exceed budgeted items, and no Board shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a special Assessment to be levied by the Board as otherwise provided in the Declaration.

7.4 Allocation of Common Expenses and Determination of Annual Assessment.

(a) The Budget constitutes an estimate of the expenses of the Association. Subsequent to the "Interim Assessment Period" (as described in the Declaration), this estimate of the expenses of the Association shall be multiplied by the percentage share in Common Expenses assigned to each Apartment and the resultant sum shall constitute the "Annual Assessment" for such Apartment.

(b) Notwithstanding the allocation to each Apartment of its Annual Assessment, an Apartment Owner shall also be liable for any special Assessments or Limited Assessments levied by the Board against his Apartment as provided in the Declaration.

7.5 Manner of Collecting Share of Common Expenses.

The Association shall collect Annual, Limited and special Assessments from the Apartment Owner in the manner set forth in the Declaration and the other Condominium Documents.

SECTION 8: RULES AND REGULATIONS

The Board may adopt Rules and Regulations or amend or rescind existing Rules and Regulations for the operation and the use of the Condominium Common

Elements, may place restrictions on and requirements for the use, maintenance, and appearance of, the Units and the use of the Common Elements, and make such other provisions not inconsistent with the provisions of Section 718.112(3), at any meeting of the Board; provided, however, that such Rules and Regulations are not inconsistent with the Condominium Documents or the Act. Such Rules and Regulations may specifically govern the use, maintenance and appearance of the Units, as well as the Limited Common Elements attached thereto.

SECTION 9: PARLIAMENTARY RULES

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of Members of this Association and of the Board; provided, however, if such rules and regulations are in conflict with the Articles, these By-Laws, the Declaration or the Act, then the Articles, By-Laws, Declaration, or Act, as the case may be, shall govern. A copy of said Rules of Order shall be present at each meeting, and the President shall designate a parliamentarian, who may be any Unit Owner present, or the attorney for the Association, if present, and who shall rule on all parliamentary questions. Such ruling shall be enforced by the Chairman of the meeting unless overruled by a motion carried by a two-third (2/3) vote of the Board.

SECTION 10: AMENDMENT OF THE BY-LAWS

10.1 These By-Laws may be amended by the affirmative vote of not less than a majority of the Members present at an Annual Members' Meeting or a special meeting of the Members and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with the notice of the special or Annual Members' Meeting. An amendment may not be approved at the same meeting of the Board and/or Members at which such amendment is proposed, but must be first sent to each Member as hereinabove provided. The remainder of the provisions of Section 718.112(2)(i) of the Act shall apply to any amendments.

10.2 An amendment may be proposed by either the Board or by the Members, and after being proposed and approved by one of such bodies, it must be approved by the other as above set forth in order to become enacted as an amendment.

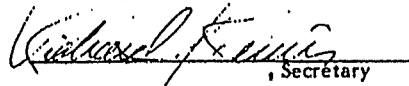
10.3 Amendments to these By-Laws shall be made in accordance with the requirements of the Act in effect at the time of the amendment.

10.4 Notwithstanding any provision of this Section 10 to the contrary, no modification or amendment to these By-Laws shall be adopted which would affect or impair the priority of any "Approved Mortgage", as defined in the Declaration, the validity of the mortgage held by any such Approved Mortgagee or any of the rights of the Developer or of an Approved Mortgagee without the prior written consent of the Approved Mortgagee or the Developer as the case may be.

CERTIFICATE

The foregoing is a true copy of the By-Laws of THE SANDS, A CONDOMINIUM, SECTION I ASSOCIATION, INC. as of the 12th day of January, 1987.

(SEAL)


Secretary