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PAGE 1 OF EXHIBIT A IS RECORDED
IN MAP BOOK 41, PAGE 168.

BOOK PAGE
VOLusia COUNTY
FLORIDA

DECLARATION OF CONDOMINIUM OF
THE SPINNAKER OF ORMOND CONDOMINIUM

THIS DECLARATION of Condominium is made on this 30th day of July, 1987, by SPINNAKER DEVELOPMENT COMPANY OF ORMOND BEACH, a Florida corporation, hereinafter called "Developer." The Developer makes the following declaration:

ARTICLE I
ESTABLISHMENT OF CONDOMINIUM

1.1 Purpose. The purpose of this declaration is to submit the lands herein described and the improvements constructed thereon to the condominium form of ownership and use in the manner provided in Chapter 718, Florida Statutes ("the Condominium Act").

1.2 Name and Address. The name by which this condominium is to be identified is THE SPINNAKER OF ORMOND CONDOMINIUM, and its address is 2450 North Ocean Shore Boulevard, Ormond Beach, Florida 32074.

1.3 The Land. The land owned by the Developer, the fee simple title of which is hereby submitted to the condominium form of ownership, is described on Exhibit A. The improvements are substantially complete.

ARTICLE II
DEFINITIONS

The terms used herein or in the exhibit attached hereto shall have the meanings stated in the Condominium Act, as follows, unless the context otherwise requires:

2.1 Association means The Spinnaker of Ormond Condominium Association, Inc., a Florida non-profit corporation, and its successors.

2.2 Assessment means a share of the funds required for the payment of common expenses which, from time to time, are assessed against the unit owner.

2.3 Common Elements means the portions of the condominium property not included in the units.

2.4 Limited Common Elements are those common elements which are reserved for the use of a certain unit to the exclusion of other units.

A. Balconies and Patio: Appurtenant to each unit as a limited common element is a balcony or patio. These balconies or patios are for the exclusive use of the occupants of the unit to which they are appurtenant. Each unit owner shall be responsible to keep his balcony and/or patio clean and presentable, but the repair and major maintenance shall be the responsibility of the Association.

B. Garages: A garage parking space is appurtenant as a limited common element to each of the units numbered 6 through 10. Notwithstanding the fact that these garage parking spaces are limited common elements, they shall be maintained, repaired and replaced by the Association in the same manner as the common elements.

2.5 Common Expenses: Common expenses include:

A. Expenses of administration; expenses of maintenance, operation, repair or replacement of the common elements, and

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of the portions of units to be maintained by the Association.

- B. Expenses declared common expenses by provisions of this Declaration or by the By-Laws.
- C. Any valid charge against the condominium as a whole.

2.6 Condominium means that form of ownership of condominium property under which units or improvements are subject to ownership by different owners, and there is appurtenant to each unit as part thereof, an undivided share in the common elements.

2.7 Common Surplus means the excess of all receipts of the Association, including but not limited to assessments, rents, profits, and revenues on account of the common elements, over the amount of common expenses.

2.8 Condominium Property: The condominium property means and includes the land described on Exhibit A attached, all improvements thereon and all rights appurtenant thereto.

2.9 Institutional First Mortgage means a first mortgage originally executed and delivered to a bank, state or federal savings and loan association, or insurance company authorized to transact business in the State of Florida, creating a first mortgage lien on a unit and its appurtenances.

2.10 Condominium Parcel means a unit together with the undivided share in the common elements which is appurtenant to the unit.

2.11 Unit means a part of the condominium property which is subject to private ownership.

2.12 Unit Owner: Unit owner means the owner of a condominium parcel.

2.13 Majority or Majority of Owners means unit owners with 51 per cent or more of the votes assigned in the condominium documents to the unit owners for voting purposes.

2.14 Operation or Operation of the Condominium means and includes the administration and management of the condominium property.

2.15 Developer shall mean Spinnaker Development Company of Ormond Beach, a Florida corporation, and any successor to which it may assign its rights and obligations, or any entity which may succeed to those rights and obligations by operation of law.

ARTICLE III CONDOMINIUM DOCUMENTS

This Declaration of Condominium, hereinafter called "Declaration," sets forth the nature of the property rights in the condominium and the covenants running with the land which govern those rights. This Declaration shall include the surveys of the land and the plot plans, which are attached to this Declaration of Condominium as Exhibit A, and the Schedule of Percentages of Common Elements, Common Expense and Common Surplus appurtenant to each unit, which is attached as Exhibit B.

The following documents which are also attached to this Declaration are also a part of the "condominium documents," to wit:

- A. Articles of Incorporation of The Spinnaker of Ormond Condominium Association, Inc., a non-profit corporation of Florida, condominium which is Exhibit C.
- B. By-Laws of The Spinnaker of Ormond Condominium Association, Inc., which are labeled Exhibit D.

3.1 Alteration of Unit Plans: To the extent permitted by Chapter 718, Florida Statutes, Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units or to retract or extend exterior walls, so long as Developer owns the units so altered. No such change shall increase or decrease the number of units nor alter the boundaries of the common elements without the amendment of this Declaration by approval of the Association, unit owners and owners of mortgages in the manner elsewhere provided and as required by Chapter 718, Florida Statutes. If Developer shall make any changes in units so authorized, such changes shall be reflected by an amendment of this Declaration. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements which are appurtenant to the units concerned.

3.2 Unit Numbering System. Each unit is designated by a different number as shown on Exhibit A.

3.3 Easements. The following easements are expressly provided for and reserved, to wit:

(A) Every dwelling unit shall be subject to the following easements:

1. Every portion of a dwelling unit contributing to the support of the common elements or of other dwelling units shall be burdened with an easement of support for the benefit of the Association and the owners and occupants of supported units.

2. An easement for the location, maintenance and repair of wiring, plumbing and duct work serving units other than that traversed is reserved through all interior partitions and through all areas within units above any dropped ceiling. This easement shall be for the benefit of the Association and any other unit owner or occupant whose wiring, plumbing or duct work passes through such easements.

3. An easement in favor of the Association, its employees, agents and independent contractors to install or make necessary repairs to or replacements of utility services, plumbing, wiring or any portion of the common elements, and to perform all obligations and duties of the Association.

(B) All unit owners shall have as appurtenances to their units:

1. A perpetual non-exclusive easement for ingress to and egress to and from their units over and upon driveways, walks, corridors, halls, and other common elements to and from the public streets.

2. A perpetual non-exclusive easement for the use and enjoyment of all public portions of buildings and to other common facilities (including, but not limited to, utilities as they now exist or hereafter may exist) located in the common elements.

(C) In the event that any condominium unit as originally constructed or because of settlement shall encroach upon any of the common elements of the condominium property or upon any other

condominium unit, then an easement shall exist to the extent of such encroachment so long as the same shall exist.

(D) Temporary easements are reserved in favor of the Developer until all units are sold by Developer to maintain signs, models, and displays upon the common property and in any unit owned by Developer, and to permit access to and utilization of the common property by prospective purchasers, and to utilize any units owned by Developer for sales purposes.

(E) Easements of ingress and egress, passage and entry including access to investigate and abate possible emergencies are reserved to the Association and the Developer and their employees and independent contractors, in the performance of their duties and functions on behalf of the condominium and the Developer.

(F) A perpetual easement in favor of The Spinnaker of Ormond Condominium Association, Inc., for the maintenance, upkeep, and repair of the common areas and where required or authorized by this Declaration.

3.4. Unit Boundaries. Each unit shall include that space which lies within the boundaries of the unit, which boundaries shall be determined in the following manner:

(A) Perimetrical Boundaries. The perimetrical boundaries of the unit shall be the vertical planes of the undecorated finished interior surface of the walls bounding the unit extended to intersection with each other and with the upper and lower boundaries.

(B) Lower Boundary. The lower boundary of each unit shall be the horizontal plane of the upper unfinished surfaces of the floor underlayment on the first floor of each of the first story units and the floor of each unit.

(C) Upper Boundaries. The upper boundary of each unit shall be the horizontal planes of the ceiling of such unit (meaning the ceiling of all first story units and the ceiling of the upper floor of all second story units) extended to their intersections with the perimetrical boundaries.

The construction components lying between the first and second stories of each second story unit is a limited common element appurtenant to the unit which it bisects, and easements of access through the planes of this slab are reserved for the owner of the unit at each stairway.

Appurtenant to, and a part of each unit, even though located outside the boundaries thereof, is an air-conditioning compressor, the control and power wiring, and the refrigerant piping connecting each compressor with the air handler in each unit which the compressor serves.

3.5 Appurtenances. The ownership of each condominium parcel shall include, and there shall pass with each condominium parcel as appurtenances thereto, whether or not separately described, all of the right, title, and interest of a unit owner in the condominium property, which shall include, but not be limited to:

A. General Common Elements. The general common elements are all parts of the condominium property other than individual units and the limited common elements. The right to use the general common elements in common with the other unit owners is granted to all condominium unit owners. Each condominium unit shall have an undivided share as shown on Exhibit B

in and of the common elements and common surplus as shown on Exhibit B.

- B. Association. The owner of each condominium unit shall be a member of the Association. Each condominium unit shall be entitled to one vote at meetings of the Association, such one vote to be cast in the manner prescribed in the By-Laws of the Association, if there is more than one owner.
- C. Liability for Common Expenses. Each condominium unit owner shall be liable for that share shown on Exhibit B of the common expenses.

ARTICLE IV
MAINTENANCE, ALTERATION AND IMPROVEMENT

Responsibility for the maintenance of the condominium property and restrictions upon the alteration and improvement thereof shall be as follows:

4.1 Common Elements.

(a) By the Association. The maintenance and operation of the common elements shall be the responsibility of the Association and the expense associated therewith shall be designated as a common expense.

(b) Alteration and Improvement. There shall be no alteration or further improvement of the real property constituting the common elements without prior approval in writing by the owners of not less than seventy-five percent (75%) of the units, except as provided by the By-Laws. Any such alteration or improvement shall not interfere with the rights of any unit owners without their consent.

4.2 Units.

(a) By Association. The Association shall maintain, repair and replace as a common expense of the Association:

(1) All portions of a unit, except interior surfaces, contributing to the support of the building, including load-bearing columns and load-bearing walls.

(2) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services contained in the portions of a unit maintained by the Association; and all such facilities contained within a unit that service part or parts of the condominium other than the unit within which such facilities are contained. This provision excludes from its coverage any air conditioning compressor facility; and also any other facility for the furnishing of utility services, now or hereafter installed outside any of the buildings, and intended for the purpose of furnishing utility services only to an individual unit.

(3) All incidental damage caused to a unit by reason of the maintenance, repair and/or replacement which is the responsibility of

the Association, and such damage shall be promptly repaired by the Association.

(b) By the Unit Owner. The responsibilities of the unit owner shall include, but not be limited to:

(1) To maintain, repair and replace at his sole and personal expense, all window panes, all electric panels, electric wiring, electric outlets and fixtures, air conditioners, including air conditioning compressors and other related outside utility facilities excluded from Association's responsibility by Section 4.2(a)(2), heaters, hot water heaters, refrigerators, dishwashers, other appliances, drains, plumbing fixtures and connections, interior surfaces of all walls, floors and ceiling, and all other portions of his unit except the portions specifically to be maintained, repaired and replaced by the Association.

(2) Not to enclose, paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

(3) To promptly report to the Association any defect or need for repairs, the responsibility for which is that of the Association.

(4) To pay for the repair, replacement or maintenance occasioned by negligence as more fully set forth in Section 16.2 hereof.

(c) Alteration and Improvement. Subject to the other provisions of 4.2, which in all cases shall supersede and have priority over the provisions of this section when in conflict therewith, a unit owner may make such alterations or improvements within his unit, at his sole personal expense, as he may be advised, provided all work shall be done without disturbing the rights of other unit owners, and further provided that a unit owner shall make no changes or alterations to any interior boundary wall, exterior wall, balcony or patio, screening, exterior door, windows, structural or load-bearing member, electrical service or plumbing service (except that serving only his unit), without first obtaining approval in writing and the approval of the Board of Directors of the Association. All alterations and improvements must be in compliance with all existing building codes.

4.3 Limited Common Elements. The maintenance, repair and/or replacement of the limited common elements appurtenant to each unit shall be the responsibility of the Association, as provided hereinabove in Section 4.1, provided, however, that the unit owner having the exclusive right of use shall be responsible for day to day maintenance and cleaning of such limited common elements.

ARTICLE V APPORTIONMENT OF COMMON EXPENSES AND OWNERSHIP OF COMMON ELEMENTS AND COMMON SURPLUS

5.1 Appurtenant to each unit is an undivided interest in the common elements as shown on Exhibit B. Common expenses and common surplus are apportioned in the same manner as common elements. The allocation of common elements, common surplus and common expense among the units approximates the relative areas of the units.

5.2 Developer's Temporary Exemption from Assessments. Developer shall be excused from the payment of assessments on units which it owns during the periods set forth below, but shall be obligated to pay any amount of common expense incurred which is not produced by the assessments receivable from other unit owners. The period for which the exemption for each unit (and the guarantee set forth below) shall be in effect, shall commence with the recording of this Declaration of Condominium and shall end upon the earliest to occur of the following:

- (a) December 31, 1988;
- (b) When unit owners other than Developer are entitled to elect a majority of the members of the Board of Directors of the Association;
- (c) The sale by Developer of 90% of the condominium units.

For so long, and only so long, as Developer is exempt from assessments, Developer guarantees that the assessments payable by unit owners other than the Developer will not exceed \$65.00 per month for each of the units numbered 1 through 5, and \$95.00 per month for each of the units numbered 6 through 10. During such period, Developer will contribute to the Association that amount by which the common expenses of the Association (including reserves) exceed the total of all assessments receivable from unit owners other than Developer.

ARTICLE VI
ADMINISTRATION OF CONDOMINIUM BY ASSOCIATION

In order to provide for the efficient and effective administration of the condominium by the owners of dwelling units, a non-profit corporation known as The Spinnaker of Ormond Condominium Association, Inc. (hereafter referred to as "Association") has been organized, and said Association shall administer the operation and management of the condominium, and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions, and conditions of this Declaration of Condominium, and in accordance with the terms of the Articles of Incorporation of the Association, its By-Laws and the rules and regulations promulgated by the Association from time to time. A true copy of said Articles of Incorporation and By-Laws setting forth voting rights and other pertinent matters are attached hereto and made a part hereof as Exhibits C and D respectively. The owner or owners of each dwelling unit shall automatically become members of the Association upon acquisition of an ownership interest in the title to any dwelling unit and its appurtenant undivided interest in common elements, and the membership of such owner or owners shall terminate automatically upon such owner or owners being divested of such ownership interest in the title to such unit, regardless of the means by which such ownership may be divested. No person, firm or corporation holding any liens, mortgage or other encumbrance upon any unit shall be entitled, by virtue of such lien, mortgage or other encumbrance to membership in the Association or to any of the rights, privileges, or duties of such membership provided, however, that nothing herein shall be construed as prohibiting the membership in the Association of a first mortgagee which acquires title to a unit either by foreclosure or by voluntary conveyance from the mortgagor or his successor. In the administration of the operation and management of the condominium, the Association shall have and is hereby granted the authority and power to enforce the provisions of this Declaration of Condominium, levy and collect assessments in the manner hereinafter provided, unless the share of common expenses or assessments due is secured by a claim of lien of assessments that is recorded prior to the recording of the foreclosed mortgage, for common expenses, and to adopt, promulgate and enforce such rules and regulations governing the use of the units, common property, and limited common property, as the Board of Directors of the Association may deem to be in the best interests of the Condominium. Unless herein provided elsewhere to the contrary, the Association shall have the right to grant permits, licenses, and easements over the common areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

The Association will make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to unit owners and lenders, and to holders, insurers or guarantors of

any first mortgage, current copies of the declaration, bylaws, other rules concerning the condominium, and the books, records and financial statements of the Association.

Any holder of a first mortgage is entitled, upon written request, to a financial statement of the Association for the immediately preceding fiscal year.

ARTICLE VII USE RESTRICTIONS

The condominium property is intended as a multi-unit residential complex and shall be used in accordance with the following provisions as long as the condominium exists.

7.1 Residential use restrictions. Each unit is hereby restricted to residential use by the owner or owners thereof, their immediate families, guests, invitees and lessees. However, so long as Developer shall retain any interest in the condominium, it may utilize a unit or units for a sales office, model, prototype, or other usage for the purpose of selling units in said condominium. Developer may assign these commercial usage rights to such other persons or entities as it may choose; provided, however, that when all units in said condominium have been sold once to an individual purchaser, this commercial right of usage shall immediately cease as to all units.

7.2 Rental. Any lease shall provide that the lessee shall comply with and abide by all of the restrictions pertaining to the use of Units, Common Property, and Limited Common Property contained in this Declaration of Condominium, and with the rules and regulations contained herein or hereafter established by the Association governing the use of such Units, Common Property, and Limited Common Property.

7.3 Use of Common Property. The use of Common Property by the owner or owners of all units and all other parties authorized to use the same, and the use of Limited Common Property by the owner or owners, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established by the Association.

7.4 Lawful Use. No immoral, improper, offensive or unlawful use shall be made of any unit or of the Common Property, or of the Limited Common Property, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the condominium shall be observed. No owner of any unit shall permit or suffer anything to be done or kept in his unit, or on the Common Property, or on the Limited Common Property, which will increase the rate of insurance on the condominium or which will obstruct or interfere with the rights of other occupants or annoy them by unreasonable noises, nor shall any owner undertake any use or practice which shall create and constitute a nuisance to any other owner of a unit, or which interferes with the peaceful possession and proper use of any other unit or the Common Property, or the Limited Common Property.

7.5 Antennas. Commencing thirty (30) days from date when connection to a T.V. cable or master T.V. antenna system is available, no exposed T.V. antennae shall be permitted in the condominium area. No exposed radio antennas, masts or towers shall be permitted on any unit or on the exterior of any unit in the common area.

ARTICLE VIII INSURANCE

Insurance, other than title insurance, shall be carried upon the condominium property, and shall be provided in the following manner:

8.1 Authority to Purchase. All insurance policies upon the condominium property shall be purchased by the Association for the benefit of the Association, and in the case of insurance covering damage to buildings and its appurtenances, also for the benefit of unit owners and their mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Such policies and endorsements thereon shall be deposited with the Insurance Trustee, if one has been designated. It shall not be the responsibility or duty of the Association to obtain insurance coverage for the personal liability, contents, personal property, redecorating or living expenses of any unit owner.

8.2 Coverage.

(a) Casualty. All buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined by the Board of Directors of the Association. Such coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage; and

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including but not limited to vandalism and malicious mischief.

(b) Public Liability. In such amounts and such coverage as may be required by the Board of Directors of the Association, with cross liability endorsement to cover liabilities of the unit owners as a group to a unit owner, where available.

(c) Workmen's Compensation Policy. To meet the requirements of law.

(d) Other. Such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

8.3 Premiums. Premiums for insurance shall be a common expense and shall be paid by the Association.

8.4 Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interest may appear and shall provide that all proceeds covering property losses shall be paid to the Association or to an Insurance Trustee, if one has been designated. The Insurance Trustee shall be selected by the Board of Directors and shall be an institution having offices in Volusia County, Florida, and possessing trust powers. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the unit owners and their mortgagees in the following shares.

(a) Common Elements. Proceeds on account of damage to common elements shall be held in undivided shares for each owner of the condominium, each owner's share being the same as his undivided share in the common elements appurtenant to his unit.

(b) Units. Proceeds on account of damage to units shall be held in the following undivided shares:

(1) When the damaged building is to be restored, for the owners of damaged units in proportion to the cost of repairing the

damage suffered by each owner, which cost shall be determined by the Board of Directors of the Association.

(2) When the building is not to be restored, for the owners of units in such building, in undivided shares being the same as their respective shares in the common elements appurtenant to their respective units and their respective mortgagees.

(c) Mortgagees. In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired except as provided in 9.1(b)(1), (2) and (3). No mortgagee shall have any right to apply or have applied to the reduction of the mortgage debt any insurance proceeds, except a distribution of such proceeds made to the unit owner and mortgagee pursuant to the provisions of paragraphs 8.5(b) and (c) and 9.6(b)(6).

8.5 Distribution of Proceeds. Proceeds of insurance policies received by the Association or the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expense of Trust. All expenses of the Insurance Trustee shall be first paid or provisions made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to unit owners and mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittances to unit owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a unit and may be enforced by such mortgagee.

(d) Certificate. In making distribution to unit owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary or by the Association's managing agent as to the names of unit owners and their respective shares of the distribution.

8.6 Association as Agent. The Association is hereby irrevocably appointed Agent for each unit owner and for each owner of any other interest in the Condominium property, for the purpose of empowering the Association to negotiate and adjust all claims arising under the insurance policies purchased by the Association and to execute and deliver releases on behalf of each unit owner upon payment of a claim.

ARTICLE IX RECONSTRUCTION OR REPAIR AFTER CASUALTY

9.1 Determination to Reconstruct or Repair. If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Elements. If the damaged improvement is a common element, the same shall be reconstructed or repaired unless the damaged common elements are within a building and damages to the building containing such common element extend to units contained within such building, in which case the provisions relative to reconstruction and repair of the buildings, as elsewhere herein provided, shall apply.

(b) Building.

1) Partial Destruction - If there is damage to the condominium improvements such that in the judgment of a majority of the Board of Directors will not require repair and reconstruction costs in excess of 80% of total replacement cost of all condominium improvements exclusive of excavation and foundation cost, then the improvements shall be reconstructed and repaired unless owners of 75% of the units and all holders of first mortgages on condominium units agree in writing that the same shall not be repaired, in which case the provisions for termination in 9.2 below shall apply.

2) Total Destruction - If the condominium building is so seriously damaged that the cost of repair will, in the judgment of a majority of the Board of Directors, exceed 80% of total replacement cost (exclusive of excavation and foundation cost), then the building shall not be reconstructed or repaired unless the owners of 75% of all units in the condominium and all mortgagees holding first mortgages on condominium units shall, within 90 days after casualty, agree in writing that the same shall be reconstructed and repaired.

(c) Certificate. An Insurance Trustee may rely upon a certificate executed with the formality of a deed by the Association or its managing agent to determine whether or not a decision as to whether or not to reconstruct or repair has been made in the manner required herein.

9.2 Nonreconstruction to Terminate Condominium Status.

Upon a termination, all of the owners of dwelling units shall become tenants in common as to the real property and any remaining improvements. Each unit owner shall have an undivided interest equal to that shown on Exhibit B. The lien of any mortgage or other encumbrance upon a unit shall attach in the same order of priority to the encumbered unit owner's undivided interest in the property and improvements and in the insurance proceeds.

Upon termination of the condominium because of destruction, the Insurance Trustee (or Association) shall distribute the proceeds of any policy or policies of casualty insurance to the owners of dwelling unit therein and their mortgagees, as their respective interests may appear.

9.3 Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the plans and specifications of the original building and improvements; or if not, then according to plans and specifications approved by the Board of Directors of the Association.

9.4 Responsibility. If the damage is only to those parts of units for which the responsibility of maintenance and repair is that of unit owners, then the owners shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

9.5 Estimate of Costs. When the Association shall have the responsibility of reconstruction or repair, prior to the commencement of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to repair or rebuild.

9.6 Assessments for Reconstruction and Repair. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for payment of the cost of reconstruction and repair are insufficient, assessment shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the owners' shares in the common elements.

9.7 Reconstruction Funds. Reconstruction funds which shall consist of the proceeds of insurance held by the Insurance Trustee or Association and funds collected by the Association from assessments against unit owners, shall be dealt with in the following manner:

(a) Association. If the total of assessments made by the Association in order to provide funds for the payment of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee, if one has been designated. In all other cases the Association shall hold the sums paid upon such assessments and shall disburse the same in payment of the costs of reconstruction and repair.

(b) Disbursement. Reconstruction funds shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) Unit Owner - The portion of insurance proceeds representing damage for which the responsibility of reconstruction and repair lies with a unit owner, shall be paid by the Association or the insurance Trustee to the unit owner, or if there is a mortgage endorsement as to such unit, then to the unit owner and the mortgagee jointly, who may use such proceeds as they may be advised.

(2) Association - Minor Damage - If the amount of the estimated cost of reconstruction and repair which is the responsibility of the Association is less than \$10,000.00, then the construction fund shall be disbursed in payment of such costs upon the order of the Association.

(3) Association - Major Damage - If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$10,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Board of Directors of the Association and upon approval of an architect qualified to practice in Florida and employed by the Association to supervise the work.

(4) Surplus - It shall be presumed that the first monies disbursed in payment of costs of reconstruction and repair shall be from insurance proceeds. If there is a balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to all owners who have paid assessments pursuant to 9.6 hereof in proportion to such assessments, up to the full amount of said assessments. If funds remain after full refund of all such assessments, such funds shall be distributed ratably to each unit owner, with remittance to an owner of a mortgaged unit being payable jointly to such owner and his mortgagee.

(5) Certificate - Notwithstanding the provisions herein, any Insurance Trustee shall not be required to determine whether or not sums paid by unit owners upon assessments shall be deposited by the Association with the Insurance Trustee, nor to determine whether the disbursements from the construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine whether surplus funds to be distributed are less than the assessments paid by owners, nor to determine any other fact or matter relating to its duties hereunder. Instead, the Insurance Trustee may rely upon a certificate of the Association made by its President or Vice President and Secretary or Treasurer or the Association's managing agent as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of the payee and the amount to be paid; provided that when a mortgagee is herein required to be named as payee, the Insurance Trustee shall also name the mortgagee as payee; and further provided that when the Association, or a mortgagee which is the beneficiary of an insurance policy the proceeds of which are included in the construction funds, so requires, the approval of an architect named by the Association shall be first obtained by the Association.

ARTICLE X REGISTRY

The Association shall at all times maintain a Register setting forth the names of the owners of all of the units, and in the event of the sale or transfer of any unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such unit, together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any unit. The holder of any institutional mortgage upon any unit may notify the Association of the existence of any mortgage or mortgages held by such party on any unit and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

ARTICLE XI LENDER'S NOTICES

Upon written request to the Owners Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

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

ARTICLE XII ASSESSMENTS; LIABILITY, LIEN AND ENFORCEMENT

The Association is given the authority to administer the operation and management of the condominium. To provide the funds necessary for such operation and management, the Association has the right to make, levy and collect assessments against the owners of all units and said units. The making and collection of assessments for

common expenses shall be pursuant to the By-Laws and the following provisions:

12.1 Assessments. Common expenses and reserves shall be allocated among the units in the percentages shown on Exhibit B.

12.2 Payments. Regular annual assessment shall be payable in monthly installments due in advance on or before the first day of each month. Assessments paid on or before ten (10) days after the day when the same shall become due shall not bear interest, but all sums not so paid on or before ten (10) days after the same is due shall bear interest until paid at the rate of eighteen percent (18%) per annum. All payments on account shall be first applied to interest and then to the assessment payment first due.

12.3 Lien for Assessments. The Association shall have a lien on each unit for any unpaid assessments and for interest thereon, which lien shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessment or enforcement of such lien. Said lien shall be effective from and after the time of recording in the Public Records of Volusia County, Florida, a claim of lien stating the description of the unit, the name of the record owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid unless sooner terminated by operation of law. Such claims of lien shall be signed and verified by an officer of the Association or by a managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Liens for assessment may be foreclosed by suit brought in the name of the Association in like manner as a foreclosure of a mortgage on real property. In any such foreclosure the owner of the unit may, in the court's discretion, be required to pay a reasonable rental for the unit and the Association shall be entitled as a matter of law to the appointment of a receiver to collect the same. The Association may also sue to recover a money judgment for unpaid assessments without waiving the lien securing the same. Where a purchaser of a unit obtains title to the unit as a result of the foreclosure of the first mortgage or where the holder of a first mortgage of record obtains title to the unit as a result of a conveyance in lieu of foreclosure of the first mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association pertaining to such unit or chargeable to the former owner of such unit which became due prior to acquisition of title in the manner above provided, unless the share is secured by a claim of lien of assessments that is recorded prior to the recording of the foreclosed mortgage. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the unit owners including such acquirer, its successors and assigns. The prior owner or owners of the unit shall also remain liable for such unpaid assessments.

ARTICLE XIII TERMINATION

In the event of fire or other casualty or disaster which has so destroyed all condominium improvements as to require more than 80% of the improvements, as determined by the Board of Directors of the Association, to be reconstructed, then this Declaration of Condominium and the plan of condominium ownership established herein shall terminate. If this Declaration of Condominium and the plan of condominium ownership established herein is to be terminated, then a certificate of a resolution of the board of Directors of the Association to said effect and notice of cancellation and termination hereof shall be executed by the President or Vice President and Secretary or Assistant Secretary of the Association in recordable form, and such instrument shall be recorded in the Public Records of Volusia County, Florida. Upon termination of this Declaration of

Condominium and the plan of condominium ownership of the condominium property, all of the owners of dwelling units shall be and become tenants in common as to the ownership of the real property herein described and any then remaining improvements thereon, the undivided interest in such real property and remaining improvements held by the owner or owners of each dwelling unit to be the same as the undivided interest in common property which was formerly appurtenant to such dwelling unit. The lien of any mortgage or other encumbrance upon each unit shall attach in the same order of priority, to the percentage of undivided interest of the owner of a dwelling unit in the property, the then remaining improvements and any insurance proceeds allocable to the unit. Upon termination of this Declaration of Condominium and the plan of condominium ownership established herein, the Association or Insurance Trustee shall distribute the proceeds of any policy or policies of casualty insurance to the owners of the dwelling units and their mortgagees, as their respective interests may appear, such distribution to be made in accordance with the undivided interest appurtenant to each unit. The assets of the Association shall, upon termination of the plan of condominium ownership created hereby, then be distributed to the owner or owners of each unit and his or their respective mortgagees, as their respective interests may appear, in the same manner as was provided above for the distribution of any final insurance indemnity.

14.1 Termination by Owners. Except as provided in the preceding paragraphs, this Declaration of Condominium and plan of condominium ownership may only be terminated by the unanimous consent of all of the owners of all units in The Spinnaker of Ormond Condominium, and all of the parties holding mortgages, liens or encumbrances against said dwelling units, in which event, the termination of the condominium shall be by such plan as may then be adopted by said owners and parties holding any mortgages, liens and encumbrances. Such election to terminate this Declaration of Condominium and the plan of condominium ownership shall be executed in writing by all of the aforementioned parties, and such instrument shall be recorded in the Public Records of Volusia County, Florida.

ARTICLE XIV AMENDMENT OF DECLARATION OF CONDOMINIUM

Subject to the provisions hereinafter set forth, this Declaration of Condominium may be amended in the following manner:

14.1 Articles of Incorporation and By-Laws. Said documents may be amended in accordance with the respective provisions for amendment contained therein, and such amendment shall constitute an amendment to the Exhibits to this Declaration, without the necessity for compliance with the provisions of paragraph 14.3 hereof, provided however that, in the event that an amendment of the Articles of Incorporation or By-Laws is inconsistent with any provision of this Declaration, (other than the Exhibit being amended), then the Declaration shall govern, and the amendment shall be ineffective until adopted or ratified in the manner hereinafter set forth.

14.2 Amendments Required by Lenders. The Developer reserves the right to amend the Declaration or any Exhibit thereto to meet the reasonable requirement of any lender which has committed to the making of an Institutional Mortgage on any unit, and such amendment shall not require the approval, consent, or joinder of the Association, any unit owner, mortgage holder, or other person or entity, unless such amendment shall alter the percentage of common elements and common surplus appurtenant to any unit or any unit's share of the common expenses, in which case written consent would be required from all owners and mortgagees of units whose percentage or share would be altered.

14.3 Declaration. An amendment or amendments to this Declaration of Condominium other than as set forth in subsections 14.1 and 14.2 of this Article may be adopted by written action of all owners of all units and all holders of mortgages encumbering or proposed by the Board of Directors of the Association acting upon a vote of the majority of Directors, or by the owners of the majority of the units within the condominium, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to this Declaration of Condominium being proposed by said Board of Directors or members, such a proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each member written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such special meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his address as it appears on the records of the Association, postage prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of not less than 75% of the members of the Association in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of this Declaration of Condominium shall be transcribed and certified by the President or Vice President and Secretary or Assistant Secretary of the Association as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall promptly be recorded in the Public Records of Volusia County, Florida. Thereafter, a copy of said amendment or amendments in the form in which the same were recorded shall be delivered to all of the owners of all units, but delivery of a copy thereof shall not be condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy. In the alternative, an amendment may be made by an agreement signed and acknowledged by all the record owners in the manner required for execution of a deed.

PROVIDED HOWEVER, THAT:

A. Neither the percentage of ownership of common elements and common surplus appurtenant to any unit, nor any unit's share of the common expenses shall be altered, amended or modified without the written consent of all owners and mortgagees of units in Condominium whose percentages would be altered.

B. No alteration, amendment, or modification shall be made in the rights and privileges of Developer, without the written consent of the Developer, or its successor.

C. No alteration, amendment or modification shall be made in the rights and privileges of mortgagees, including specifically, but not by way of limitation, those contained in Articles VIII and IX (Insurance and Reconstruction) or Article XII (Maintenance of Community Interests) or Article XIII (Assessments) or this Article without the consent of all institutional mortgagees holding mortgages upon units in Condominium.

ARTICLE XV
REMEDIES IN EVENT OF DEFAULT

The owner or owners of each unit shall be governed by and shall comply with the provisions of this Declaration of Condominium, and the Articles of Incorporation and By-Laws of the Association, and its Rules and Regulations as they may be amended from time to time. A default by the owner or owners of any unit shall entitle the Association or the owner or owners of any other unit or units to the following relief:

16.1 Grounds for Relief. Failure to comply with any of the terms of this Declaration of Condominium or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or its Rules and Regulations, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Association or, if appropriate, by an aggrieved owner of a unit.

16.2 Negligence. The owner or owners of each unit shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

16.3 Attorney's Fees. In a proceeding arising because of an alleged default by the owner of any unit, the Association or other party enforcing the provisions of this Declaration shall, if successful, be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court.

16.4 No Waiver. The failure of the Developer, or of the Association, or of the owner of a unit to enforce any right, provision, covenant or condition which may be granted by this Declaration of Condominium or other above mentioned documents shall not constitute a waiver of the right of the Developer, the Association or the owner of a unit to enforce such right, provision, covenant or condition in the future.

16.5 Cumulative Remedies. All rights, remedies and privileges granted to the Association or the owner or owners of a unit pursuant to any terms, provisions, covenants or conditions of this Declaration of Condominium or other above mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be available to such party at law or in equity.

ARTICLE XVI
RIGHTS OF DEVELOPER ASSIGNABLE

All rights in favor of the Developer reserved in this Declaration of Condominium and in the Articles of Incorporation and the By-Laws of the Association are fully assignable in whole or in part by the Developer, and may be exercised by the nominee of the Developer and/or exercised by any person designated by the Developer to succeed to such right or rights and by any person or entity becoming a successor to the Developer by operation of law.

ARTICLE XVII
USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM
TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS
OF DECLARATION OF CONDOMINIUM, RULES AND REGULATIONS

All present or future owners, tenants, or any other person who might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration of Condominium, and all documents appurtenant hereto and incorporated herewith, and the acquisition or rental of any unit, or the occupancy of any unit shall signify that the provisions of this Declaration of Condominium and such documents are accepted and ratified in all respects.

ARTICLE XIII
SEVERABILITY

In the event that any of the terms, provisions or covenants of this Declaration of Condominium are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

IN WITNESS WHEREOF, the Developer caused these presents to be executed and its corporation seal affixed this 30th day of July, A.D. 1987.

Witnesses

SPINNAKER DEVELOPMENT
COMPANY OF ORMOND BEACH

Christine Hansen
Patricia J. Smith

By [Signature]
President
Attest [Signature]
Secretary

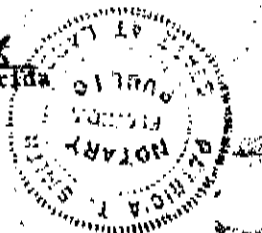
(CORPORATE SEAL)

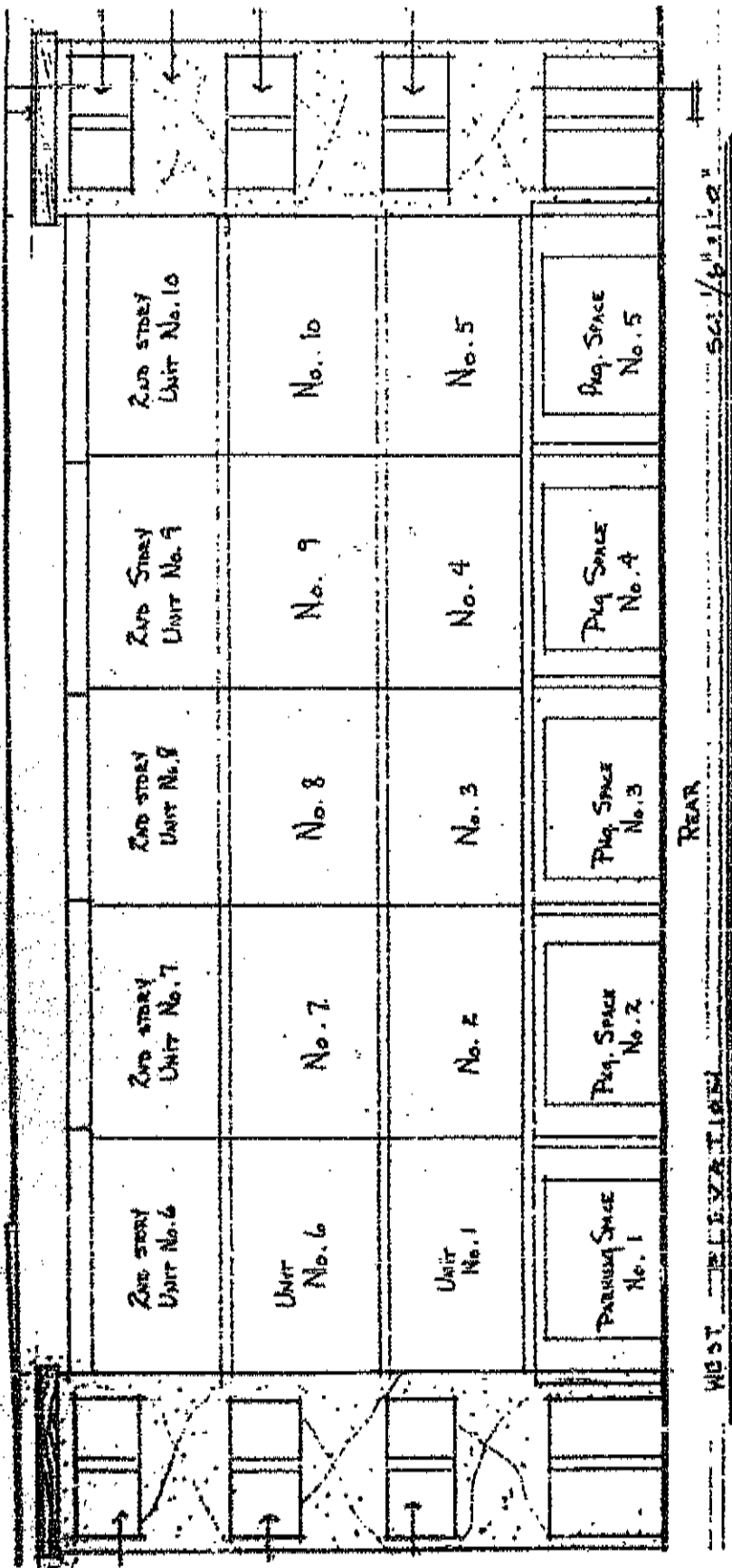
STATE OF FLORIDA
COUNTY OF VOLUSIA

On this 30th day of July, 1987, personally appeared before me, William B. McAnn and Catherine Hoffman, President and Secretary of Spinnaker Development Company of Ormond Beach, a Florida corporation, to me known to be the persons who executed the foregoing Declaration on behalf of said corporation, and they duly acknowledged to me that they executed said Declaration on behalf of said corporation for the purposes therein expressed.

Patricia J. Smith
Notary Public, State of Florida
at Large
My Commission Expires:

Notary Public, State of Florida
My Commission Expires May 30, 1990
Notary Seal: This Seal Expires May 30, 1990

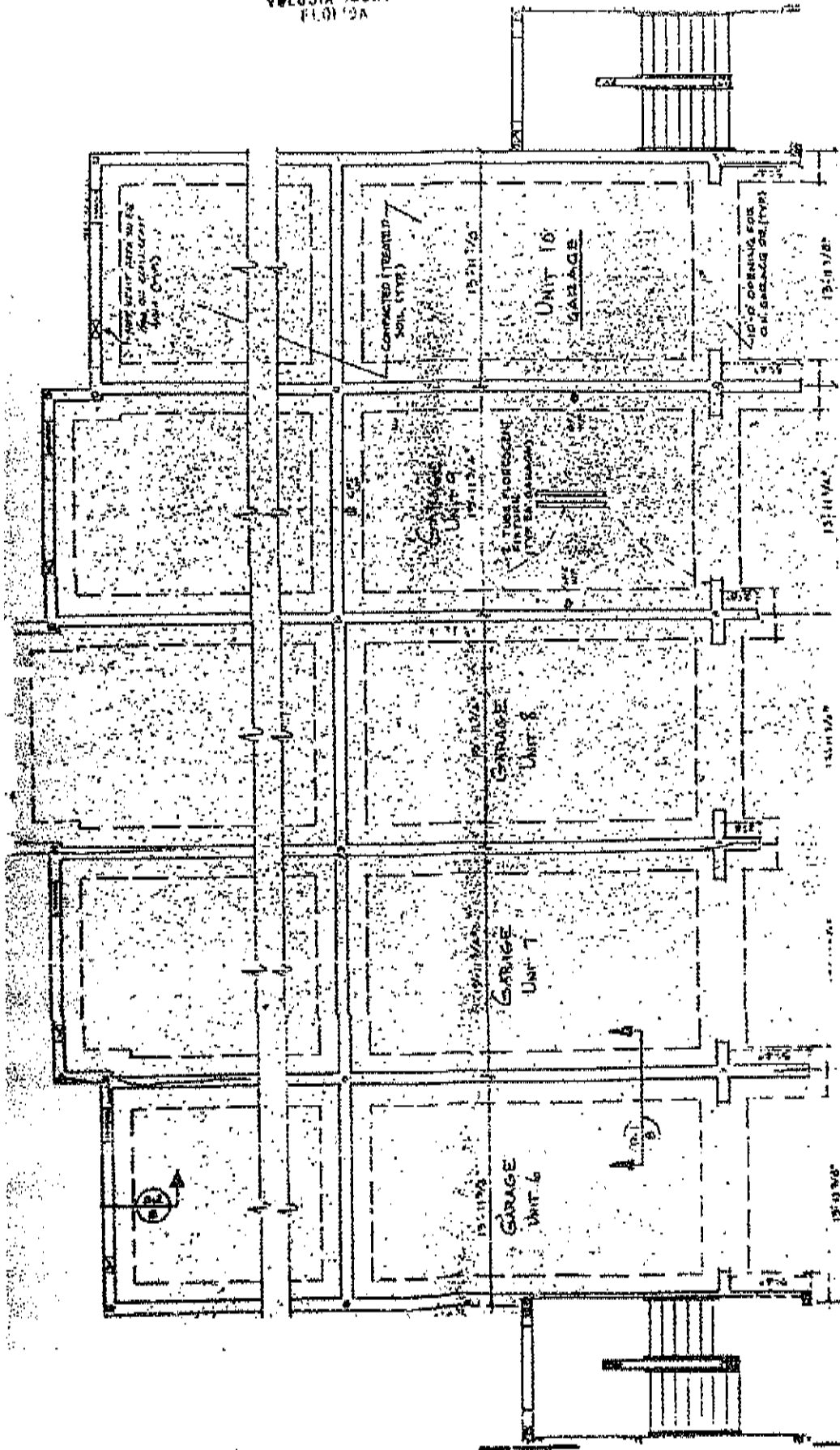




THE SPINNER OF ORMOND CONDOMINIUM
EXHIBIT A
PAGE 2A

3015090E

BOOK PAGE
VOLUSIA COUNTY
FLOOR PLAN

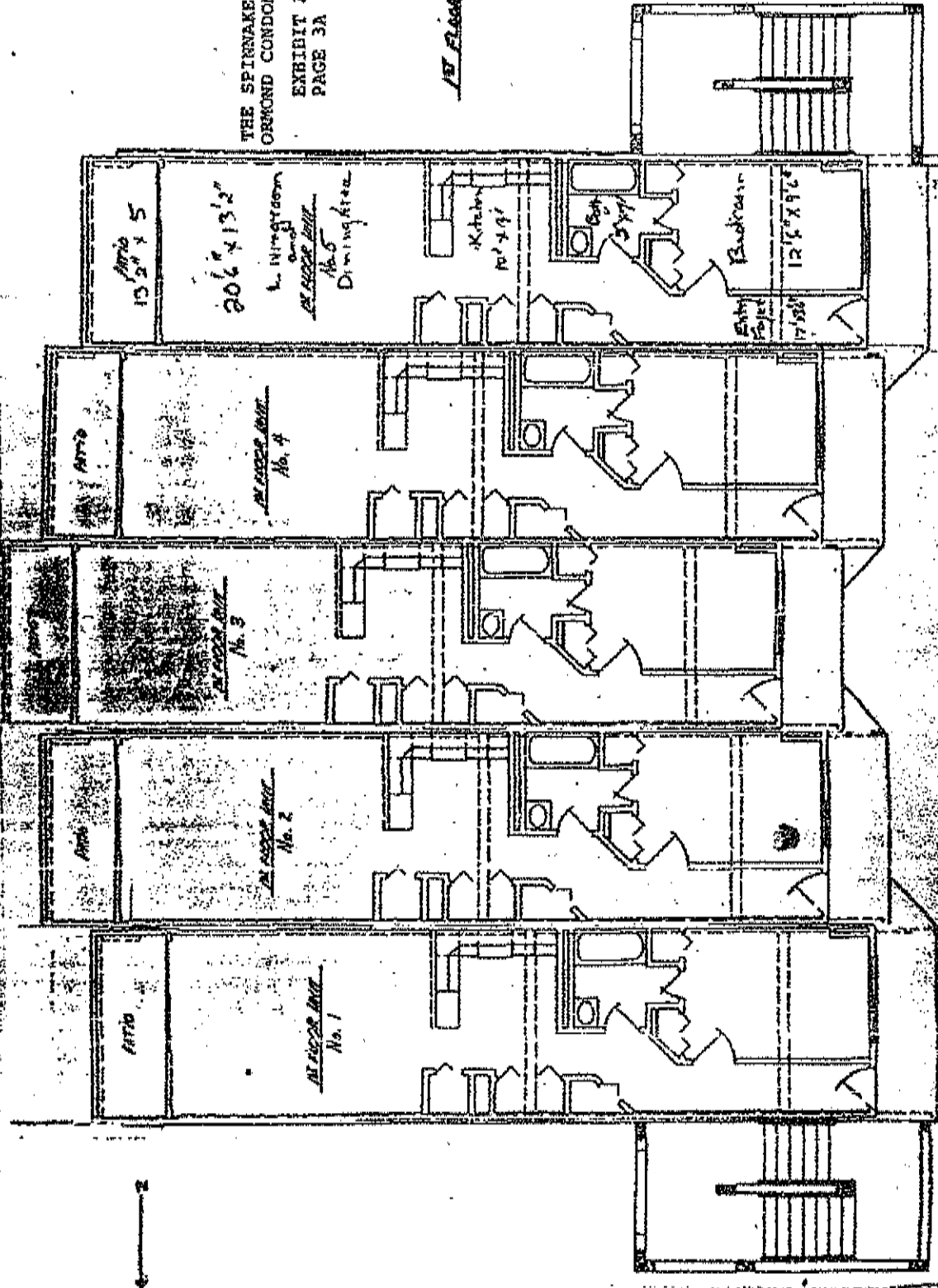


GARAGE LEVEL

THE SPINNER OF ORMOND CONDOMINIUM
EXHIBIT A
PAGE 3

THE SPINNAKER OF
ORMOND CONDOMINIUM
EXHIBIT A
PAGE 3A

1ST FLOOR

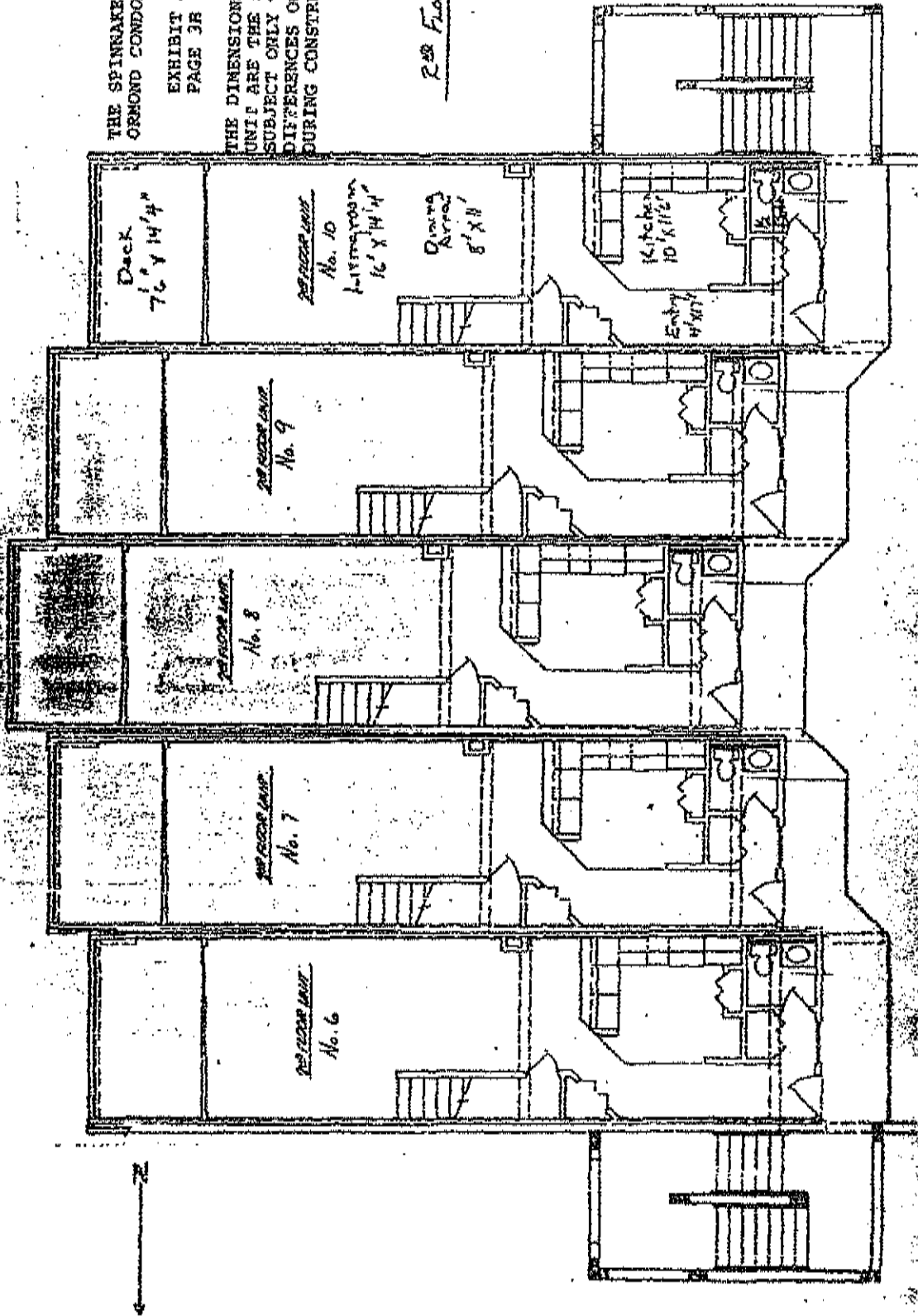


THE SPINAKER OF
ORMOND CONDOMINIUM

EXHIBIT A
PAGE 3R

THE DIMENSIONS OF EACH
UNIT ARE THE SAME
SUBJECT ONLY TO MINOR
DIFFERENCES OCCURRING
DURING CONSTRUCTION.

2nd Floor



30150905

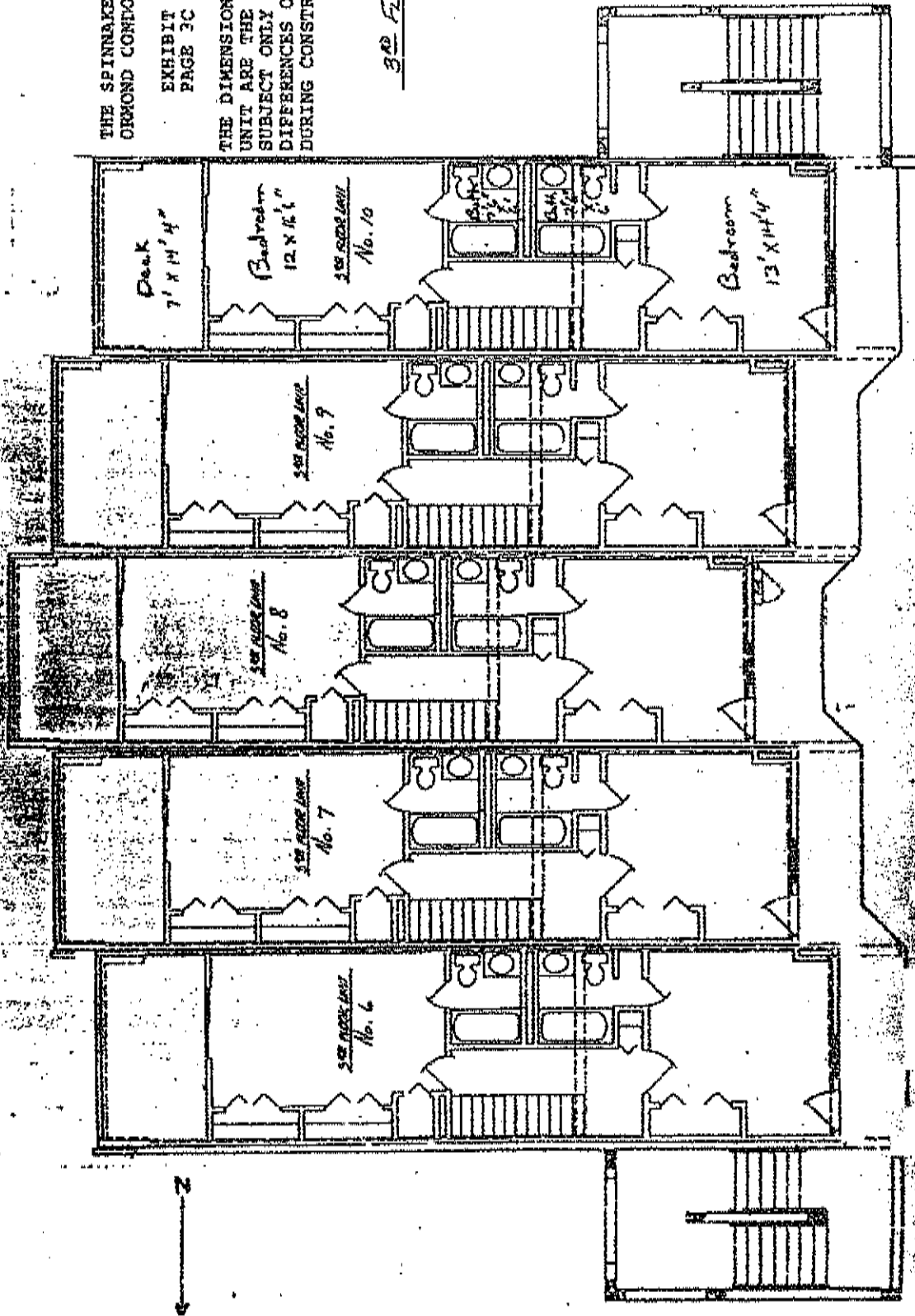
BOOK PAGE
VOLUSIA COUNTY
FLORIDA

THE SPINNAKER OF
ORMOND CONDOMINIUM

EXHIBIT A
PAGE 3C

THE DIMENSIONS OF EACH
UNIT ARE THE SAME
SUBJECT ONLY TO MINOR
DIFFERENCES OCCURRING
DURING CONSTRUCTION.

3RD Floor



THE SPINNAKER OF ORMOND CONDOMINIUM

EXHIBIT B

Percentages of common elements, common surplus and common expense appurtenant to each condominium unit in The Spinnaker of Ormond Condominium:

<u>Unit No.</u>	<u>Appurtenant Percentage</u>
1	8.125
2	8.125
3	8.125
4	8.125
5	8.125
6	11.875
7	11.875
8	11.875
9	11.875
10	11.875
TOTAL	100%

EXHIBIT C

State of Florida
Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on July 29, 1987, as shown by the records of this office.

The document number of this corporation is N21763.

Given under my hand and the Great Seal of the State of Florida, at Tallahassee, the Capital, this the 29th day of July, 1987.



George F. ...

George F. ...
Secretary of State

FILED
JUL 29 PM 12:19
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION
OF
THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC.
(A Corporation not for profit under
the laws of the State of Florida.)

The undersigned, hereby associate themselves into a corporation not for profit under Chapter 617, Florida Statutes, and certify as follows:

ARTICLE 1.
NAME

The name of the corporation shall be THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC. For convenience the corporation shall be referred to in this instrument as "The Association."

ARTICLE 2.
PURPOSE

2.1 The purpose for which the Association is organized is to provide an entity pursuant to Section 718.111 of the Condominium Act, which is Chapter 718, Florida Statutes, for the operation and management of The Spinnaker of Ormond Condominium ("the Condominium"), a condominium to be established in accordance with the Condominium Act, located on the lands in Volusia County, Florida, described on Exhibit A attached hereto and made a part hereof; and to undertake the duties and acts incident to administration, management and operation of said Condominium.

2.2 The Association shall make no distributions of income to its members, directors or officers, being conducted as a non-profit organization for the benefit of its members.

ARTICLE 3.
POWERS

The Association shall have the following powers:

3.1 The Association shall have all of the common-law and statutory powers of a corporation not for profit not in conflict with the terms of these Articles.

3.2 The Association shall have all of the powers and duties set forth in the Condominium Act, and all of the powers and duties reasonably necessary to operate the Condominium pursuant to the Declaration, as it may be amended from time to time, including but not limited to the following:

a. To make and establish reasonable rules and regulations governing the use of Dwelling Units, Common Property and Limited Common Property in the Condominium as said terms may be defined in the Declaration of Condominium to be recorded.

b. To make and collect assessments against members of the Association as unit owners to defray the costs, expenses and losses of the Condominium.

c. To use the proceeds of assessments in the exercise of its powers and duties.

d. To maintain, repair, replace, operate and manage the property comprising the Condominium, including the right to reconstruct improvements after casualty and to make further improvements of the Condominium property.

e. To acquire, own, manage, maintain and repair real and personal property and not more than one Condominium unit to be used by a resident manager.

f. To purchase insurance upon the Condominium property and insurance for the protection of the Association and its members as unit owners.

g. To approve or disapprove the transfer, leasing, mortgaging and ownership of units as may be provided by the Declaration of Condominium and By-Laws.

h. To enforce by legal means the provisions of the Condominium Act, the Declaration of Condominium, these Articles of Incorporation, the By-Laws of the Association which may be hereafter adopted and the rules and regulations governing the use of the property in the Condominium as same may be hereafter established.

i. To contract for the management of the Condominium and to delegate to such contractors all powers and duties of the Association except such as are specifically required by the Declaration of Condominium to have approval of the Board of Directors or the membership of the Association.

j. To contract for the management or operation of portions of the common elements susceptible to separate management or operation.

k. To employ personnel to perform the services required for proper operation of the Condominium.

l. To exercise, undertake and accomplish all of the rights, duties and obligations which may be granted to or imposed upon the Association pursuant to the Declaration of Condominium aforementioned.

3.3 All funds and the titles of all properties acquired by the Association and their proceeds shall be held for the members in accordance with the provisions of the Declaration of Condominium, these Articles of Incorporation and the By-Laws.

3.4 The powers of the Association shall be subject to and shall be exercised in accordance with the provisions of the Declaration of Condominium and the By-Laws.

ARTICLE 4.
MEMBERS

The qualification of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

4.1 The members of the Association shall consist of all of the record owners of dwelling units in the Condominium. No other persons or entities shall be entitled to membership except as provided in Paragraph 4.5 of this Article 4. After termination of the Condominium, the members of the Association shall consist of those who are members at the time of such termination and their successors and assigns.

4.2 After receiving approval of the Association required by the Declaration of Condominium, change of membership in the Association shall be established by recording in the public records of Volusia County, Florida, a deed or other instrument establishing a record title to a dwelling unit in the Condominium. The owner or owners designated by such instrument thus becomes a member of the Association and the membership of the prior owner is terminated. The Association may require delivery to the Association of a true copy of the recorded deed as a condition of permitting the exercise of a member to vote and to use the common property.

4.3 The interest of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his unit. The funds and assets of the Association belong solely to the Association subject to the limitation that same be expended, held or used for the benefit of the membership and for the purposes authorized herein, in the Declaration of Condominium, and in the By-Laws which may be hereafter adopted.

4.4 On all matters on which the membership shall be entitled to vote, there shall be only one (1) vote for each dwelling unit in the Condominium, which vote may be exercised or cast by the owner or owners of each unit in such manner as may be provided by the By-Laws hereafter adopted by the Association. Should any member own more than one unit, such member shall be entitled to exercise or cast as many votes as he owns units, in the manner provided in the By-Laws.

4.5 Until such time as some portion of the property described on Exhibit A is submitted to a Plan of Condominium Ownership by the recordation of said Declaration of Condominium, the membership of the corporation shall be comprised of the subscribers of these Articles, each of which subscriber shall be entitled to cast one (1) vote on all matters on which membership shall be entitled to vote.

ARTICLE 5.
PRINCIPAL OFFICE

The principal office of the Association shall be located at 211 Broadway, Daytona Beach, FL 32018, but the Association may maintain offices and transact business in such other places within or without the State of Florida as may from time to time be designated by the Board of Directors.

ARTICLE 6.
DIRECTORS

6.1 The affairs of the Association will be managed by a Board consisting of not less than three (3) nor more than five (5) directors. The number of members of the Board of Directors shall be as provided from time to time by the By-Laws of the Association, and in the absence of such determination, and for so long as the Developer shall be entitled to elect a director, shall consist of three (3) directors. Directors need not be members of the Association.

6.2 Except as provided in §6.3 and 6.4, Directors of the Association shall be elected at the annual meeting of the members in the manner determined by the By-Laws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the By-Laws.

6.3 Notwithstanding the provisions of §6.2 the members of the initial Board of Directors shall be William H. McMunn, Catherine A. Matthews and Catherine Hoffman who shall serve until elections to elect their respective successors are held as provided in Paragraph 6.4 below. In the event of a vacancy occurring prior to the election of a particular director's successor as provided for in Paragraph 6.4, such vacancy shall be filled by Spinnaker Development Company of Ormond Beach, (hereafter called "Developer").

6.4(a) The Board of Directors shall call a special members meeting promptly after the Developer has conveyed two (2) of the units, at which meeting the unit owners other than the Developer shall elect one (1) member of the Board of Directors to replace Catherine A. Matthews or her successor selected by Developer.

6.4(b) The Board of Directors shall call a special members meeting upon the first to occur of the following:

- (i) Within three (3) years after 50% of the unit that will ultimately be operated by the Association have been conveyed to purchasers; or
- (ii) Four (4) months after 75% of the units in the project have been conveyed to unit purchasers; or
- (iii) Within three (3) months after 90% of the units that will ultimately be operated by the Association have been conveyed to purchasers; or
- (iv) Five (5) years following conveyance of the first unit; or
- (v) When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business; or
- (vi) When all the units that will ultimately be operated by the Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by the Developer in the ordinary course of business.

at which meeting the unit owners other than the Developer shall elect a director to replace Christopher Pagan or his successor selected by Developer.

6.4(c) Developer is entitled to elect at least one (1) member of the Board of Directors of the Association as long as it holds for sale in the ordinary course of business at least two (2) units in the Condominium.

6.5 The names and address of the members of the first Board of Directors who shall hold office until their successors have qualified, are as follows:

William H. McMunn
211 Broadway
Daytona Beach, FL 32018

Catherine A. Matthews
211 Broadway
Daytona Beach, FL 32018

Catherine Hoffman
211 Broadway
Daytona Beach, FL 32018

6.6 The Board of Directors shall elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries, and Assistant Treasurers as the Board of Directors shall determine. The President shall be elected from among the membership of the Board of Directors, but no other officer need be a director.

The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE 7.
OFFICERS

The affairs of the Association shall be administered by the officers elected by the Board of Directors at its first meeting following the election of one of the members of the Board of Directors by the unit owners other than the Developer, and shall serve at the pleasure of the Board of Directors. The names and addresses of the officers who shall serve until their successors are designated by the Board of Directors are as follows:

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
William H. McMunn	President	211 Broadway Daytona Beach, FL 32018
Catherine Hoffman	Vice President and Secretary	211 Broadway Daytona Beach, FL 32018
Catherine A. Matthews	Vice President, Treasurer and Assistant Secretary	211 Broadway Daytona Beach, FL 32018

ARTICLE 8.
INDEMNIFICATION

Every director and every officer of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding or any settlement of any proceeding to which he may be a part of in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except when the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Directors approved such settlement and reimbursement as being for the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

ARTICLE 9.
BY-LAWS

The first By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided by the By-Laws.

ARTICLE 10.

TERM

The term of the Association shall be perpetual.

ARTICLE 11.

AMENDMENTS

Amendments to the Articles of Incorporation shall be proposed and adopted in the following manner:

11.1 A Resolution for the adoption of a proposed amendment may be proposed by the Board of Directors or by the owners of at least 3 of the units in the Condominium whether meeting as members or by instrument in writing signed by them.

11.2 Upon any amendment or amendments to these Articles of Incorporation being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association or other officer of the Association in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a day no sooner than twenty (20) days nor later than sixty (60) days from the receipt by him of the proposed amendment or amendments, and it shall be the duty of the secretary to give to each member written or printed notice of such meeting, stating the time and place of the meeting and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed to or presented personally to each member not less than fourteen (14) nor more than thirty (30) days before the date set for such meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail, addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member waive such notice, and such waiver when filed in the records of the corporation, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting the amendment or amendments proposed must be approved by an affirmative vote of the members owning not less than 70 percent of the units in the Condominium in order for such amendment or amendments to become effective.

A copy of each amendment, after it has become effective, shall be transcribed and certified in such form as may be necessary to register the same in the office of the Secretary of State of the State

of Florida, and upon the registration of such amendment or amendments with said Secretary of State, a certified copy thereof shall be recorded in the public records of Volusia County, Florida, within ten (10) days after the date on which the same are so registered.

11.3 At any meeting held to consider any amendment or amendments of these Articles of Incorporation, the written vote of any member of the Association shall be recognized, if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

11.4 In the alternative, an amendment may be made by an agreement signed and acknowledged by all the record owners of units in the manner required for execution of a deed.

11.5 No amendment shall make any changes in the qualification for membership nor the voting rights of members, nor any change in Section 3.3 of Article 3 hereof, without approval in writing of all members and the joinder of all record owners of mortgages upon the Condominium. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium. No amendment to these Articles of Incorporation which would abridge, amend or alter the rights of the Developer to designate and select members of each Board of Directors of the Association, as provided in Article 6 hereof or which would restrict or modify the rights and powers of the initial Board of Directors may be adopted or become effective without the prior written consent of Developer.

ARTICLE 12.
SUBSCRIBERS

The names and addresses of the subscribers of these Articles of Incorporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>
William H. McMunn	211 Broadway, Daytona Beach 32018
Catherine Hoffman	211 Broadway, Daytona Beach 32018
Catherine A. Matthews	211 Broadway, Daytona Beach 32018

IN WITNESS WHEREOF, the subscribers have affixed their signatures this the 28th day of July, A.D. 1987.

WITNESSES:

[Signature]
[Signature]

[Signature] (SEAL)
William H. McMunn
[Signature] (SEAL)
Catherine Hoffman
[Signature] (SEAL)
Catherine A. Matthews

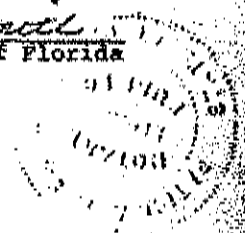
STATE OF FLORIDA)
) ss.
COUNTY OF VOLUSIA)

Before me, the undersigned authority, personally appeared William H. McMunn, Catherine Hoffman and Catherine A. Matthews, who after being duly sworn, acknowledged that they executed the foregoing Articles of Incorporation for the purposes expressed in such Articles, this 28th day of July, A.D. 1987.

Patricia J. Smith
Notary Public, State of Florida
at Large.

My Commission Expires:

Notary Public, State of Florida
My Commission Expires May 30, 1990
Notary Public - Volusia County, Florida



CERTIFICATE DESIGNATING REGISTERED
AGENT AND STREET ADDRESS FOR
SERVICE OF PROCESS

Pursuant to Section 48.091, Florida Statutes, THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC., desiring to incorporate under the laws of the State of Florida hereby designates Palmetto Charter Services, Inc., 150 Magnolia Avenue, Daytona Beach, Florida 32014, as its Registered Agent and the street address of its office, respectively, for the service of process within the State of Florida.

THE SPINNAKER OF ORMOND CONDOMINIUM
ASSOCIATION, INC.

By: _____

AND _____

Its Incorporators

ACCEPTANCE OF DESIGNATION

The undersigned hereby accept the foregoing designation as Registered Agent of THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC. for the service of process within the State of Florida.

PALMETTO CHARTER SERVICES, INC.

By: _____

Asst - Secretary

EXHIBIT D

BY-LAWS
OF
THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC.
A corporation not for profit under
the Laws of the State of Florida.

1. IDENTITY

These are the By-Laws of THE SPINNAKER OF ORMOND CONDOMINIUM ASSOCIATION, INC. called "Association" in these By-Laws, a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the Office of the Secretary of State on July 29, 1987. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 718, Florida Statutes, (called the Condominium Act in these By-Laws), which condominium is identified by the name THE SPINNAKER OF ORMOND CONDOMINIUM ("the Condominium") and is located at 2450 North Ocean Shore Boulevard, Ormond Beach, Florida 32074, on lands more fully described in the Articles of Incorporation of the Association.

1.1 The terms and provisions of these By-Laws are expressly subject to and shall be controlled by the terms, provisions, conditions and authorizations contained in the Articles of Incorporation and which may be contained in the formal Declaration of Condominium which will be recorded in the Public Records of Volusia County, Florida.

1.2 All present or future owners, tenants, future tenants, or their employees, or any other person that might use the Condominium, or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Declaration of Condominium and the rules and regulations adopted pursuant thereto.

1.3 The office of the Association shall be 211 Broadway, Daytona Beach, Florida 32018.

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

1.5 The seal of the Corporation shall bear the name of the Corporation, the word "Florida", the words "Corporation Not for Profit", and the year of incorporation.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

2.1 The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members, shall be as set forth in Article 4 of the Articles of

Incorporation of the Association, which provisions are incorporated herein by reference.

2.2 At members' meetings, a quorum shall consist of members present in person or by proxy entitled to cast a majority of the votes of the Association. Actions approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Association, except when approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation, or other provisions of these By-Laws.

2.3 Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote and shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP

3.1 The Annual Members' Meeting shall be held at the principal office of the Association or such other place as designated by the Board of Directors, at 7:00 o'clock P.M., Eastern Standard Time, on the 2nd Tuesday in November of each calendar year for the purpose of electing directors and transacting any other business authorized to be transacted by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday.

3.2 Special Members' Meetings shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from members of the Association owning a majority of the units.

3.3 Notice of all members' meetings, stating the time and place and the objects for which the meeting is called shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each member at his address as it appears on the books of the Association and shall be mailed not less than fourteen (14) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be by affidavit, to be included in the Association's official records, of the Secretary or other officer of the Association, affirming that a notice of the Association meeting was mailed or hand delivered to each unit owner at the address last furnished to the Association. Written notice of all members' meetings shall also be posted in the recreation building at least fourteen (14) days prior to the date of the meeting. Notice of meetings may be waived before or after meetings.

3.4 A vote of the owners of a unit owned by more than one person or by a corporation or other entity, or under lease will be cast by the person named in a Certificate signed by all of the owners of the apartment or unit and filed with the Secretary of the Association, and such Certificate shall be valid until revoked or until superseded by a subsequent Certificate. A Certificate designating the person entitled

to cast the vote for a unit may be revoked by any one of the owners of the unit. If such a Certificate is not on file, the vote of such owner shall not be considered in determining the requirements for a quorum, nor for any other purpose.

3.5 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 adjourn the meeting from time to time until a quorum is present.

3.6 The order of business at annual members' meetings and as far as practical at other members' meetings shall be:

- a. Calling of the roll and certifying of proxies.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of directors.
- g. Unfinished business.
- h. New business.
- i. Adjournment.

3.7 Provided, however, that until a majority of the directors of the Association are elected by the members other than the Developer, the proceedings of all meetings of the Association shall have no effect unless approved by the Board of Directors, except as provided in Subsection 718.112(2)(F), (g), and (k), Florida Statutes. Members of the Board of Directors shall be elected as set forth in Paragraph 4 below and in Article 6 of the Articles of Incorporation.

4. BOARD OF DIRECTORS

4.1 The Board of Directors of the Association shall consist of three (3) persons, who need not be members of the Association, and who may be authorized representatives, officers or employees of a corporate member of the Association.

4.2 Election of directors shall be conducted in the following manner:

a. The first Board of Directors of the Association shall be elected by Spinnaker Development Company of Ormond Beach (hereafter

"Developer"), and shall hold office until their successors are elected by members other than the Developer and have qualified. The names and address of the members of the first Board of Directors are set forth in Article 6 of the Articles of Incorporation of the Association, the provisions of which are incorporated herein by reference.

b. Members other than the Developer shall have the right to elect successors to the original Board of Directors upon the occurrence of the events set forth in Article 6 of the Articles of Incorporation of the Association and the Association shall, on or before 60 days after unit owners other than Developer are entitled to elect members of the Board, call and give not less than 30 nor more than 40 days notice of a meeting of unit owners for that purpose. Such meeting may be called and notice given by any unit owner if the Association fails to do so.

c. After the unit owners other than the Developer are entitled to elect a member or members of the Board of Administration, Developer shall, at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors that it shall be entitled to designate and select in accordance with the provisions of these By-Laws, and upon such designation and selection by Developer by written instrument presented to the meeting at which such election is held, said individual or individuals so designated and so selected by Developer shall be directors of the Association for all purposes, and shall thenceforth perform the office and duties of such directors until their successors have been selected or elected in accordance with the provisions of these By-Laws and the Articles of Incorporation.

d. All members of the Board of Directors whom Developer shall not be entitled to designate and select shall be elected by a plurality of the votes cast at the special meeting called to elect the members of the Board of Directors.

e. Other than the special election of successor-directors required by Section 18.301 of the Florida Statutes, the election of directors shall be held at the annual members' meeting.

f. The existing Board of Directors shall nominate one (1) person for each directors then serving, and the director then serving may be nominated to a successive term. Additional nominations may be made from the floor at the time of the meeting.

g. The election of directors shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast. There shall be appertenant to each unit as many votes for directors as there are directors to be elected, provided, however, that no member or owner of any unit may cast more than one vote for any person nominated as a director, it being the intent hereof that voting for director shall be non-cumulative.

h. Except as otherwise provided herein, vacancies in the Board of Directors occurring between annual meetings of the members of the Association shall be filled by the remaining directors.

i. Any director elected by unit owners other than the Developer may be removed by a concurrence of a majority of the votes of the entire membership at a special meeting of the members called for that purpose. The vacancy in the Board of Directors so created shall be filled by the membership of the Association at the same meeting.

j. None of the directors selected by the Developer shall be subject to removal by the members other than the Developer.

k. In the event that Developer in accordance with the right and privileges granted unto it, selects any person or persons to serve on any Board of Directors of the Association, Developer shall have the absolute right at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacement of any person or persons designated by Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced, and the name or names of the person or persons designated as successor or successors to the persons so removed from the Board of Directors. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by the Developer to any officer of the Association.

l. The term of each Director's service will extend until the next annual meeting of the members, and subsequently until his successor is duly elected and qualified or until he is removed in the manner elsewhere provided.

4.3 The organizational meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors, at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present. The outgoing President of the Board of Directors will preside over said organizational meeting until the new officers are elected.

4.4 Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors and shall be open to all unit owners. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting and except in emergency, notice of such

meetings shall be posted conspicuously 48 hours in advance for the attention of unit owners.

4.5 Special Meetings of the Directors may be called by the President, and must be called by the Secretary at the written request of 1/3 of the votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting. Except in emergency, notice of such meetings shall be posted conspicuously 48 hours in advance for the attention of unit owners.

4.6 Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

4.7 A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Boards. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-Laws or the Declaration of Condominium. If any Directors' meeting cannot be organized because a quorum has not attended, or because a greater percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium, the Directors who are present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.8 The Presiding Officer of Directors' meetings shall be the President, and in his absence, the Directors present shall designate one of their number to preside.

4.9 All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes of the State of Florida, the Articles of Incorporation of the Association, these By-Laws and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing, the following:

a. To make, levy and collect assessments against members and members' units to defray the costs of the condominium and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

b. To maintain, repair, replace, and operate the condominium property.

c. To purchase insurance upon the condominium property and insurance for the protection of the Association; as well as liability insurance for the protection of the Directors.

d. To reconstruct improvements after casualty.

e. To make and amend regulations governing the use of the property, real and personal, in the condominium so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Condominium;

f. To approve or disapprove proposed purchasers or tenants of units in the manner specified in the Declaration of Condominium;

g. To acquire, operate, manage and otherwise deal with property, real and personal, as may be necessary or convenient in the operation and management of Condominium, and in accomplishing the purposes set forth in the Declaration of Condominium, including specifically to acquire or lease an apartment unit for the manager.

h. To contract for the management of the condominium and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association;

i. To enforce by legal means the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Condominium and rules and regulations promulgated governing use of the property in the condominium.

j. To pay all taxes and assessments which are liens against any part of the Condominium other than the appurtenances thereto, and to assess the same against the members and their respective units subject to such liens;

k. To pay all costs of power, water, sewer and other utility services rendered to the condominium and not billed to the owners of the separate units; and

l. To employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Association.

4.10 Fees. No fee shall be paid for the service as a Director of the Association.

5. OFFICERS

5.1 The executive officers of the Association shall be a President, who shall be a director, a Vice President, a Treasurer, and a Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices except that the President shall not be also the Secretary, an Assistant Secretary, or the Vice president. The Board of Directors from time to time shall elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 The President shall be the chief executive officer of the Association. He shall have all of the powers and duties usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time, as he in his discretion may determine appropriate, to assist in the conduct of the affairs of the Association.

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

5.4 The Secretary shall keep the minutes of all proceedings of the directors and the members. He shall attend to the giving and serving of all notices to the members and directors and other notices required by law. He shall have custody of the seal of the Association and affix it to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the directors or the President. Any Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent.

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

5.6 The compensation of any employee of the Association shall be fixed by the directors. The Board of Directors is not precluded from employing a director as an employee of the Association and compensating him as an employee, nor precluded from contracting with a director for the management of the condominium.

6. FISCAL MANAGEMENT

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

6.1 The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each unit. Such an account shall designate the name and address of the owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

6.2 The receipts and expenditures of the Association shall be credited and charged to accounts under classifications as shall be appropriate, all of which expenditures shall be common expenses.

6.3 Budget. The Board of Directors will adopt a budget for each calendar year, unless the Board of Directors elect a difference fiscal year basis. The budget will include the estimated funds required to defray the common expenses.

a. If a budget is adopted by the Board of Directors which requires assessments against unit owners in any fiscal or calendar year exceeding one hundred fifteen percent (115%) of such assessments for the preceding year, the Board upon written application of ten percent (10%) of the unit owners to the Board shall call a special meeting of the unit owners, to be held upon not less than ten (10) days written notice to the Board of Directors or any member thereof, at which special meeting unit owners may consider and enact a revision of the budget. The revision of the budget shall require a vote of not less than a majority of the whole number of votes of all unit owners. The Board of Directors may, in any event, propose a budget to the unit owners at a meeting of members, or by writing; and if such budget or proposed budget be approved by the unit owners at the meeting, or by a majority of their whole number by a writing, such budget shall be adopted, and shall not thereafter be reexamined by the unit owners in the manner hereinabove set forth. In determining whether assessments exceed one hundred fifteen percent (115%) of the similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the condominium property, or in respect of anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments for betterment to the condominium property. Provided, however, that so long as the Developer is in control of the Board of Directors, the Board shall not impose an assessment for a year greater than one hundred fifteen percent (115%) of the prior fiscal or calendar year's assessment without approval of a majority of the unit owners.

b. A copy of the proposed annual budget of common expenses and proposed assessments shall be mailed to the unit owners not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered, together with a written notice of the time and place of such meeting.

6.4 Assessments. Assessments against the unit owners for their shares of the items of the budget shall be made by the Board of Directors for the calendar year annually in advance on or before December 15 of the year preceding the year for which the assessments are made. The amount required from each unit owner to meet the annual budget shall be divided into twelve equal assessments, one of which shall be due on the first day of each month of the year for which the assessments are made. If assessments are not made annually as required, monthly assessments shall be presumed to have been made in the amount of the last prior monthly assessment, and assessments in this amount shall be due on the first day of each month until changed by an amended assessment. In the event a previously adopted budget shall be insufficient in the judgment of the Board of Directors to provide funds for the anticipated current expense for the ensuing year and for all of the unpaid operating expenses previously incurred, the Board of Directors shall amend the budget and shall make amended monthly assessments for the balance of the year in sufficient amount to meet these expenses for the year; provided, however, that any account of the amended budget that exceeds the limit upon increases for that year shall be subject to the approval of the membership of the Association as previously required in these By-Laws.

a. Special Assessments For Emergencies. Assessments for common expenses of emergencies that cannot be paid from the annual assessments or common expenses will be made only after notice of the need for such is given to the members. After such notice, and upon approval by not less than a majority of the membership of the Association, the assessment will become effective and it will be due after thirty (30) days notice in such manner as the Board of Directors may require in the notice of assessment.

6.5 If the Developer holds units for sale in the ordinary course of business, no action shall be taken by the Association that would be detrimental to the sales of units by the Developer without the written approval of Developer. An increase in assessments for common expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of units.

6.6 The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

6.7 An audit of the account of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member not later than the second Monday in February of the year following the year for which the report is made.

6.8 Fidelity bonds in the amount of not less than \$10,000 shall be required by the Board of Directors from all officers, employees, agent, or contractor handling or responsible for the Association funds. The premiums on such bonds shall be paid by the Association.

7. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of all Association meetings when not in conflict with the Articles of Incorporation and these By-Laws or with the Statutes of the State of Florida.

8. AMENDMENTS

Except as elsewhere provided otherwise, these By-Laws may be amended in the following manner:

8.1 Amendments to these By-Laws may be proposed by the Board of Directors of the Association acting upon vote of the majority of the Directors, or by members of the Association owning a majority of the units in the condominium, whether meeting as members or by instrument in writing signed by them.

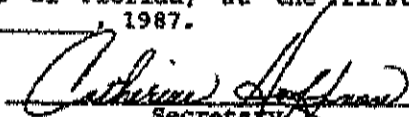
8.2 Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in absence of the President, who shall thereupon call a special joint meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.


8.3 In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of the members owning not less than 2/3 of the units in the condominium. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the Public Records of Volusia County, Florida, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members.

8.4 At any meeting held to consider such amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

8.5 Notwithstanding the foregoing provisions of this Article 8, no amendment to these By-Laws which shall abridge, amend or alter the right of Developer to designate and select members of the Board of Directors of the Association, as provided in Article 4 hereof, may be made without the written consent of Developer. No amendment to these By-Laws shall make any changes in the qualifications for membership nor the voting rights of members. No amendment shall be made that is in conflict with the Condominium Act or the Declaration of Condominium or the Articles of Incorporation of this Association.

The foregoing were adopted as the By-Laws of The Spinnaker of Ormond Condominium Association, Inc., a corporation not for profit under the laws of the State of Florida, at the first meeting of Directors on July 29, 1987.


Secretary

Approved

President