

**PROPOSED AMENDMENTS
TO THE
BYLAWS
OF
THE REEF OCEAN RESORT ASSOCIATION, INC.**

The following are the proposed amendments to the above referenced Bylaws. Deletions are struck through with hyphens. Additions are double underlined.

1. Article II, Section 4 of the above referenced Bylaws shall be amended to read as follows:

Section 4. Proxies:

Votes may be cast in person, by absentee ballot, electronically or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5). Where a Unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by either husband or wife where a third party is designated.

2. Article III, Section 1 of the above referenced Bylaws shall be amended to read as follows:

Section 1. Place:

All meetings of the Association membership shall be held at the Condominium Property, or at such other place and at such time as shall be designated by the Board of Directors of the Association and stated in the Notice of the meeting, and shall be open to all Unit Owners. Members and Proxy Holders may participate in Association meetings via telephone conference or other means of remote participation, if permitted by the Association. Absent a Resolution of the Board of Directors to the contrary, the President of the Association shall have the authority to determine whether members or holders of proxies should be allowed to participate in any particular meeting of the membership by telephonic conference, or other means of remote participation.

3. **Article III, Section 2** of the above referenced Bylaws shall be amended to read as follows:

Section 2. Notices:

It shall be the duty of the Secretary to mail, send electronically or deliver a Notice of each annual or special meeting, stating the time and place thereof, to each Owner of record of a Parcel or Unit Week (hereinafter "Owner") at least fourteen (14) but not more than thirty (30) days prior to such meeting. Notice of any special meeting shall state the purpose thereof. All Notices shall be mailed, ~~to~~ sent electronically or served at the address of the Owner as it appears on the books of the Association. Written notice of the annual meeting shall be posted in a conspicuous place on the Condominium property at least fourteen (14) days in advance.

4. **Article III, Section 3** of the above referenced Bylaws shall be amended to read as follows:

Section 3. Annual Meeting:

The annual meeting shall be held ~~at 7:30PM, Eastern Standard Time, on the second Thursday of~~ in November each year for the purpose of electing Directors and transacting any other business authorized to be transacted by the members, ~~provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next secular day following~~. At the annual meeting, the members shall elect by plurality vote (cumulative voting prohibited), a Board of Directors, and shall transact such other business as may be brought before the meeting.

5. **Article III, Section 8** of the above referenced Bylaws shall be deleted in its entirety:

~~Section 8. The Management Firm:~~

~~The management Firm, or contracted licensee as long as any Management Agreement remains in effect, shall be entitled to attend the Association meetings, and it may designate such person(s) as it desires to attend such meetings on their behalf.~~

6. Article IV, Section 2 of the above referenced Bylaws shall be amended to read as follows:

Section 2. Removal of Directors:

At any time after the first annual meeting of the membership at any duly convened regular or special meeting, any one or more of the Directors may be removed, with or without cause, by the affirmative vote of the voting members casting not less than ~~two-thirds (2/3rds) of the total votes represented at said meeting, per Article II Section 4 above~~ a majority of the total voting interest of the Association and a successor may then be elected to fill the vacancy thus created. Should the membership fail to elect said successor, the Board of Directors may fill the vacancy in the manner provided in Section 3 below.

7. Article IV, Section 4 of the above referenced Bylaws shall be amended to read as follows:

Section 4. Disqualification and Resignation of Directors:

Any Director may resign at any time by sending a written Notice of such resignation to the office of the Corporation, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt by the Secretary. Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title of his Unit by a Director shall automatically constitute a resignation. No member shall continue to serve on the Board should he be more than (90) ninety days delinquent in the payment of ~~an assessment~~ any financial obligation to the Association and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

8. Article IV, Section 5 of the above referenced Bylaws shall be amended to read as follows:

Section 5. Regular Meetings:

The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors designate. Notice of such regular meetings shall nevertheless be given to each Director personally, electronically or by mail or telephone at least five (5) days prior to the day named for such meeting. Members of the Board of

Directors and Association members may participate in Board of Directors meetings via telephone conference or other means of remote participation, if permitted by the Association. Absent a Resolution of the Board of Directors to the contrary, the President of the Association shall have the authority to determine whether members of the Board of Directors and Association members should be allowed to participate in any particular Board of Directors meeting by a means of remote participation.

9. Article IV, Section 6 of the above referenced Bylaws shall be amended to read as follows:

Section 6. Special Meetings: Special meetings of the Board of Directors may be called by the President, and in his absence by the Vice-President, or by a majority of the members of the Board of Directors, by giving five (5) days Notice, in writing, electronically or personally to all of the members of the Board of Directors of the time and place of said meeting. All Notices of special meetings shall state the purpose of the meeting.

10. Article IV, Section 10 of the above referenced Bylaws shall be deleted in its entirety:

~~Section 10. The Management Firm:~~

~~The Management Firm, or individual licensed manager, as long as any Management Agreement remains in effect, shall be entitled to notice of all Directors' meetings and shall be entitled to attend the Directors' meetings and it may designate such person(s) as it desires to attend such meetings on its behalf.~~

11. Article IV, Section 12 of the above referenced Bylaws shall be amended to read as follows:

Section 12. Notices to Owners:

All meetings of the Board of Directors shall be open to all Owners. Written notice of all meetings shall be posted in a conspicuous place at least 48 hours in advance. For any meeting at which the budget will be considered, the Board shall mail, send electronically or personally deliver a written notice and copies of the proposed budget to each owner not less than 30 days in advance.

12. **Article IV, Section 13** shall be added to the above referenced Bylaws and shall read as follows:

Section 13. Emergency Powers.

Emergency powers shall be exercised by the Board of Directors if a quorum of Association directors cannot be readily assembled because of some catastrophic event. In an emergency, the following powers shall apply to the extent not viewed to be in conflict with the Condominium Association Act:

(a) In anticipation of or during any emergency, the Board of Directors of the Association may:

(i) Name as assistant officers, persons who are not Board members. The assistant officers so named shall have the same authority as the executive officers to whom they are assisting, during the period of the emergency, to accommodate the incapacity of any officer of the Association; and

(ii) Relocate the principal office or designate alternate principal offices or authorize the officers to do so.

(b) During any emergency, notice of a meeting of the Board of Directors shall be given to only those directors whom it is practicable to reach and may be given in any practicable manner, including by publication and radio, the director or directors in attendance at a meeting shall constitute a quorum.

(c) Corporate action taken in good faith during an emergency under this section to further the ordinary affairs of the Association is binding upon the Association and shall have the presumption of being reasonable and necessary.

(d) An officer, director or employee of the Association acting in accordance with these emergency powers is only liable for willful misconduct.

(e) The provisions of these emergency powers supersede any inconsistent or contrary provisions of the Bylaws for the period of the emergency.

13. **Article VI, Section 5** of the above referenced Bylaws shall be amended to read as follows:

Section 5. Determination of Assessments:

(a) The Board of Directors of the Association shall fix and determine from time to time, the sum or sums necessary and adequate for the common expenses of the Condominium. Common expenses shall include expenses for the operation, maintenance, repair or replacement of the Common Elements, costs of carrying out the powers and duties of the Association, all insurance premiums and expenses relating thereto, including fire insurance and extended coverage, and any other expenses designated as common expenses from time to time by the Board of Directors of the Association, or under the provisions of the Declaration of Condominium to which these By-Laws are attached. The Board of Directors is specifically empowered, on behalf of the Association to make and collect assessments and to lease, maintain, repair and replace the Common Elements of the Condominium. Funds for the payment of common expenses shall be assessed against the Unit Owners in the proportions or percentages provided in the Declaration. Special assessments, ~~should be required by the Board of Directors,~~ shall be levied in the same manner as hereinbefore provided for regular assessments, and shall be payable in the manner determined by the Board of Directors. All funds due under these By-Laws, which are attached to the Declaration of Condominium to which the By-Laws are attached and said Declaration of Condominium, are common expenses of this Condominium.

(b) A copy of the proposed annual budget of common expenses shall be mailed, sent electronically or personally delivered to the Owners not less than thirty (30) days prior to the meeting at which the budget will be considered together with a Notice of the meeting.

(c) If a budget is adopted by the Board of Directors which requires an assessment against the Owners in any fiscal or calendar year exceeding 115% of such assessments for the preceding year, upon written application of 10% of the owners, a special meeting of the Owners shall be held upon no less than ten (10) days ~~written~~ notice sent via mail, electronically or by personal delivery to each Owner, but within thirty (30) days of delivery of such application to the Board of Directors or any member thereof, at which special meeting Owners may consider and enact a revision of the budget, ~~or recall any and all members of the Board of Directors and elect their successors.~~

(d) In determining whether assessments exceed 115% of 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 betterments to the Condominium property ~~if these By-Laws so provide or allow the establishment of reserves, or assessments for betterments to be imposed by the Board of Directors. Additionally, increases in ad valorem real estate taxes assessed against the Condominium property shall be excluded in the computation.~~

(e) ~~In either case, The revision of the budget or the recall of any and all members of the Board of Directors shall require a vote of not less than a majority of the whole number of votes of all Owners. The Board of Directors may in any event propose a budget to the Owners at a meeting of members or by writing, and if such budget or proposed budget be approved by the Owners at the meeting, or by majority of their whole number by a writing, such budget shall not thereafter be reexamined by the Owners in the manner hereinabove set forth.~~

(f) When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association or designated Management entity shall mail, send electronically or personally deliver ~~or present~~ to each Unit Owner a statement of said Unit Owner's assessment. All assessments shall be payable to ~~The Reef Ocean Resort Association, Inc.~~ and, upon request, said Treasurer or Management entity shall give a receipt for each payment made.

(g) The assessment roll of Owners which is required to be maintained by the Association will be maintained in a set of accounting books or records in which there will be an account for each Unit and/or timeshare Owner. Such an account will designate the name and address of the members or member, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due upon assessments. Assessments will be made against members in an amount not less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. In the absence

of a determination by the Board as to the frequency of assessments, assessments will be due and payable monthly. The personal liability of a member for assessments survives the termination of such member's membership in the Association.

(h) Any member will have the right to require from the Association a certificate showing the amount of unpaid assessments against him with respect to his Unit. The holder of a mortgage or other lien will have the same right as to any Unit upon which such holder has a lien. Any person (other than the Unit owner) who relies upon such certificate will be protected.

(i) Notice of any meeting, whether a meeting of the Board or of the members of the Association, at which assessments against members are to be considered for any reason must specifically contain a statement that assessments will be considered and the nature of such assessments.

14. Article VI, Section 6 of the above referenced Bylaws shall be amended to read as follows:

Section 6. Determination of Maintenance Fees, Reserve Requirements and Ad Valorum Tax Assessments:

(a) The Board of Directors of the Association shall fix and determine from time to time, the sums necessary and adequate for the maintenance fee on Condominium Units. The maintenance fee on such Units shall include the items specified in the Declaration of Condominium to which these By-Laws are attached.

(b) The Board of Directors of the Association shall fix and determine from time to time, the sums necessary to establish adequate ~~Reserve~~ monies to properly care for replacement and refurbishment of the property.

(c) The Board of Directors of the Association shall fix and determine from time to time, the sums necessary to ~~adequately care for~~ pay the Ad Valorum Tax Assessments.

(d) When the Board of Directors has determined the amount of these funding requirements, the Treasurer of the Association or designated Management entity shall mail, send electronically or personally provide ~~or present~~ to each Owner of Unit Weeks a statement of said funds due. All monies due shall be payable to ~~the~~ The Reef Ocean Resort

~~Association, Inc. and upon request, said Treasurer or Management entity shall give a receipt for each payment made.~~

15. Article VIII, Section 1 of the above referenced Bylaws shall be amended to read as follows:

Section 1. Violations:

In the event of a violation (other than nonpayment of an assessment) by the Owner in any of the provisions of the Declaration of Condominium, of these By-Laws, of the Rules and Regulations or of the applicable portions of the Condominium Act, the Association, by direction of its Board of Directors, may notify the Owner by written notice of said breach, transmitted by mail electronically or by personal delivery, and if such violation shall continue for a period of seven (7) days from date of Notice, the Association, through its Board of Directors, shall have the right to treat such violation as an intentional, ~~and~~ inexcusable and material breach of the Declaration, of the By-Laws, of the Rules and Regulations or of the pertinent provisions of the Condominium Act, and the Board of Directors may then, at its option, ~~have~~make the following elections:

- (a) An action at law to recover ~~for its~~the Association's damages, on behalf of the Association or on behalf of the other Unit Owners.
 - (b) An action in equity to enforce performance on the part of the Unit Owner;
- or
- (c) An action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief.
 - (d) Impose monetary penalties as determined by the Board of Directors.

16. Article XII, of the above referenced Bylaws shall be amended to read as follows:

Article XII INDEMNIFICATIONS

The Association shall indemnify every Director, ~~and every Officer~~ and committee member, his heirs, and personal representatives, against all loss, cost and expense reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, ~~or Officer~~ or committee member of the Association, except as to matters wherein he shall be finally adjudged in such action,

suit or proceeding, to be liable for or guilty of gross negligence or willful misconduct. The foregoing rights shall be in addition to and not exclusive of all other rights to which such Director, ~~or~~ Officer or committee member may be entitled.

17. Article XVI Section 5 of the above referenced Bylaws shall be amended to read as follows:

Section 5. Units of Interval Estates:

~~In the case an~~ Owner of Unit Weeks in ~~such a~~ Unit shall be required to give Notices under Section 2 and 3 of this Article XVI only as to liens, suits, and proceedings affecting title to the Unit Weeks which he owns. Any lien against an Owner of Unit Weeks, or against the Unit Weeks owned by him, shall be limited to the Unit Weeks owned by him and shall not encumber the property, real or personal, of any other Owner of Unit Weeks in said Unit.