

PROPOSED AMENDMENTS
TO
BY-LAWS
OF
KINGS COVE HOMEOWNERS ASSOCIATION, INC.

Substantial rewording of By-Laws. See Article VII, Article VIII and Article X for present text.

1. Proposed Amendment: Article VII, Section 1 of the By-Laws of Kings Cove Homeowners Association, Inc. is hereby deleted in its entirety and the following is substituted in its place:

VII. DIRECTORS AND MEETINGS

1. The annual meeting of the Association's membership shall be held shall be held at such convenient location in Seminole County, Florida as may be determined by the Board of Directors. The annual meeting of the Association's membership shall be held on a date and time determined by the Board for the purpose of transacting any business authorized to be transacted by the members of the Association, including without limitation, election of Directors as more particularly described in these By-Laws. Meetings of the Association's Board of Directors shall be held at such time and place as shall be determined from time to time by the President of the Association or by a majority of the Directors.

(The Remainder of Article VII of the By-Laws Remains Unchanged)

2. Proposed Amendment: Article VIII, Section 9 of the By-Laws of Kings Cove Homeowners Association, Inc. is hereby deleted in its entirety and the following is substituted in its place:

VIII. OFFICERS

(Article VIII, Sections 1 through 8, inclusive, Remain Unchanged)

9. Within ninety (90) days after the end of the Association's fiscal year, the Treasurer, his or her appointed agent, and/or the Board of Directors' designee shall prepare and complete, or contract with a third party for the preparation and completion of, a financial report for that preceding fiscal year of the Association. Not later than one hundred eighty (180) days

after the end of the preceding fiscal year, the Association shall provide each member with a written notice that a copy of the financial report is available upon request at no charge to the members. The financial report shall be based upon the Association's total annual revenues as follows:

- (a) If the Association's total annual revenues are less than \$150,000, the Association shall prepare a report of cash receipts and expenditures;
- (b) If the Association's total annual revenues are \$150,000 or more, but less than \$300,000, the Association shall prepare compiled financial statements;
- (c) If the Association's total annual revenues are \$300,000 or more, but less than \$500,000, the Association shall prepare reviewed financial statements; and
- (d) If the Association's total annual revenues are \$500,000 or more, the Association shall prepare audited financial statements.

Notwithstanding anything to the contrary in this Section 9, if approved by a majority of the Association's voting interests who are present, in person or by proxy, at a meeting of the Association's membership at which a quorum has been attained, the Association shall prepare or cause to be prepared a financial report based on a lower total annual revenue threshold. As an illustration, but not as a limitation, if the Association's total annual revenues in a fiscal year are \$300,001, instead of preparing reviewed financial statements, and if approved by a majority of the Association's voting interests who are present, in person or by proxy, at a meeting of the Association's membership at which a quorum has been attained, the Association shall prepare or cause to be prepared either a report of cash receipts and expenditures or a compiled financial statement, whichever has been approved by the Association's membership as described in this Section 9. The Association's Board of Directors, the Association's agent, and/or the Association's designee shall prepare an annual budget. The annual budget and the financial report shall also be available for inspection in accordance with Section 720.303(5) of the Florida Statutes, as it may be amended and/or renumbered from time to time, and/or any rules regarding inspection of records that may be adopted by the Association.

(The Remainder of Article VIII of the By-Laws Remains Unchanged)

3. Proposed Amendment: Article X of the By-Laws of Kings Cove Homeowners Association, Inc. is hereby deleted in its entirety and the following is substituted in its place:

X. BOOKS AND PAPERS

The official records of the Association, as defined in Section 720.303(4) of the Florida Statutes, as it may be amended and/or renumbered from time to time, shall be available for inspection by the Association's members. Any such inspection of the Association's official records shall be subject to the requirements of Section 720.303(4) of the Florida Statutes, as it

may be amended and/or renumbered from time to time. Provided, however, that the Directors may adopt reasonable rules regarding the frequency, time, location, notice, and manner of record inspections and any copying of the Association's official records.

(The Remainder of the By-Laws Remains Unchanged)
