

BY-LAWS
OF
BY THE SEA COUNCIL OF CO-OWNERS, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is BY THE SEA COUNCIL OF CO-OWNERS, INC. This is a non-profit corporation organized under the Texas Non-profit Corporation Act, and it is sometimes referred to in these By-laws as the "Council" or the "corporation". The principal office of the corporation shall be located at 7310 Seawall Boulevard, Galveston, Texas. 77550, but meetings of members may be held at such other place within the State of Texas as may be designated by the Board of Directors from time to time.

ARTICLE II

DEFINITIONS

The definitions contained in the Condominium Declaration for BY THE SEA, a condominium apartment project in Galveston County, Texas (referred to in these By-laws as the "Declaration") are adopted for these By-laws, and all defined terms and words used herein, unless otherwise indicated, shall be used in the same manner as such terms or words are used in the Declaration dated the 15th day of September, 1975, filed for record in the Condominium Records of Galveston County, Texas, on the _____ day of _____, 197 , and recorded in Book _____, Page _____, in the Office of the County Clerk of Galveston County, Texas, to which Declaration and said record thereof reference is here made for all purposes.

ARTICLE III

MEMBERSHIP

1. Composition. - Each Owner of an Apartment Unit, including Developer, shall in virtue of such ownership automatically be a member of the Council and shall remain a member thereof until such time as his total ownership ceases for any reason, at which time his membership in the Council shall also automatically cease. Membership in the Council shall be appurtenant to and shall automatically follow the ownership of each Apartment Unit, and upon any transfer of ownership howsoever caused or brought about, the new Owner shall automatically be and become a member of the Council. No certificates of membership shall be issued. It shall be the obligation of each Owner to furnish satisfactory evidence to the Board of Directors of the ownership of his Apartment at the time his ownership is acquired.

2. Voting Rights. - The aggregate number of votes for all members of the Council shall be one hundred (100) which shall be proportionately divided among the Unit Owners in accordance with and in direct proportion to their respective percentage of ownership interest in the common elements. If any person, including Developer, shall own

more than one (1) Apartment Unit, then his representation for voting purposes shall be determined by his aggregate ownership interest in the common elements so that he may exercise the voting rights allocated to each Apartment Unit owned by him. In the event any Apartment is jointly owned by two (2) or more persons, then the person or persons owning more than fifty (50) per cent. interest in such Unit shall exercise the full voting rights of such Apartment Unit. The Developer through any of its officers, directors or representatives may exercise all the votes allowed to the unsold Apartment Units while owned by Developer, its successors or assigns.

3. Annual Meetings. - An annual meeting of the members for the purpose of voting on such matters or transacting such business may properly come before the meeting shall be held on the First of September of each year at 10:00 o'clock A.M. at the registered office of the Council in Galveston, Texas, or on such other date, time and place as the Board of Directors shall annually determine and fix by notice to the members.

4. Special Meetings. - Special meetings of the members may be called by the President of the Council or by the Board of Directors or by Owners of Apartment Units who in the aggregate represent at least 25% ownership interest in the common elements as set out in the Declaration. Notices of special meetings shall be in writing and may be mailed or personally delivered, and shall state the date, time, place and general purpose of the meeting. No business shall be transacted at any special meeting which is not generally stated in the notice, unless Unit Owners representing at least 51 votes, either in person or by proxy, consent to the transaction of such business. All special meetings shall be held at a convenient location in the City of Galveston, Texas, to be determined by the person or persons calling the meeting.

5. Proxy. - At any meeting of members, a member entitled to vote thereat may vote by proxy, executed in writing by the member or his duly authorized representative and filed with the Secretary at such meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable.

6. Notice of Meetings. - The President or the members of the Council as to special meetings called by him or them, and the Board of Directors as to annual or special meetings called by it, shall cause written notices stating the place, day and hour of any such meeting to be delivered personally or by mail to each member not less than five (5) nor more than thirty (30) days before the date of such meeting. In case of a special meeting, or when required by statute, the Declaration or these By-laws, the purpose or purposes for which such meeting is called shall be generally stated in the notice. If mailed, the notice of meeting shall be deemed to have been delivered when deposited in the U. S. Mail, addressed to the member at his address last appearing on the books or records of the Council, or supplied by such member to the Council for the purpose of notices. All members attending any meeting shall be deemed to have received proper notice of such meeting.

7. Quorum. - The presence in person or by proxy of members holding 51% of the total votes of the membership shall constitute a quorum at such meeting. If a quorum is present at any meeting of

members, unless otherwise expressly provided for by statute, the Articles of Incorporation, the Declaration or these By-laws, all questions voted upon shall be decided by a simple majority of the valid votes cast, including adjournment of the meeting from time to time without further notice. If a quorum is not present, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum aforesaid shall be present or represented.

8. Waiver of Notice. - Written waiver of notice of any meeting signed by the member or members entitled to such notice, whether before or after the date of the meeting stated therein, shall be equivalent to the giving of such notice.

9. Action without Meeting. - Any action required to be taken or any action which may be taken at any meeting of the members, may be taken without a meeting if a written consent, setting forth the action so taken shall be signed by all of the members entitled to vote upon the subject matter thereof and recorded in the records of the Council, whereupon the same shall have the same effect as though taken at a formal meeting of the members.

10. Sundays and Holidays. - If any day fixed in these By-laws for a meeting of the members shall fall on a Sunday or a legal Holiday then such meeting of the members shall be held at the same time and place on the next day thereafter ensuing which is not a Sunday or a legal Holiday. No meeting of members shall be called for a day which is a Sunday or a legal Holiday.

11. Legal Entities. - Members of the Council which are legal entities other than natural persons may be directly represented at any meeting of the members through any of their officers or other representatives as they may designate without execution of a proxy.

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Term. - The affairs of the Council shall be managed by a Board of Directors (hereinafter called the "Board") to initially consist of three (3) Directors, each of whom shall serve for a term of two (2) years and until his successor is duly elected and qualified. At the end of the term of the initial Directors the Board shall consist of nine (9) Directors or such number as may from time to time be specified by Amendment to these By-laws, but in no case less than three (3), to be elected by the members as provided for in the succeeding Article. The Directors to be elected by the members as aforesaid, shall each serve for a term of two (2) years and until his successor is duly elected and qualified.

2. Resignation. - Any Director may resign his office at any time by giving written notice of his resignation to the President of the Council, and any such resignation shall be effective on the effective date stated in such notice.

3. Vacancies. - Any vacancy occurring in the Board, including the initial Board, shall be filled for the unexpired term by majority vote of the remaining Directors, although they may be less than a quorum.

4. Quorum. - At all meetings of Directors the presence of a majority of the Directors shall constitute a quorum, and unless otherwise provided for or required by statute or in these By-laws, all questions at any meeting at which a quorum is present, shall be determined by a majority of the votes cast. If less than a quorum is present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

5. Regular Meetings. - A regular annual meeting of the Board shall be held without notice, other than the notice hereby given, immediately after and at the same place as the annual meeting of the members. The Board may provide by Resolution the time and place of the holding of additional regular meetings of the Board with not other notice than such Resolution.

6. Special Meetings. - Special meetings of the Board may be called by or at the request of the President or by or at the request of one-third (1/3) of the number of Directors then in office. The person or persons authorized to call such special meeting of the Board may fix the date, time and place for such meetings. Written notice of special meetings shall be given at least three (3) days prior to the date of meeting by personal delivery or by mail or telegram addressed to the address of each Director as last shown by the record of the Council. If mailed, such notice shall be deemed delivered as of the date when deposited in the U. S. Mail, Postage Prepaid. Each notice shall briefly set out the purpose of the meeting, and the time, date and place of the meeting.

7. Waiver of Notice. - Before or at or after any meeting of the Board any Director may verbally or in writing waive notice of the time, date, place and purpose of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed as a waiver of the required notice of such meeting. If all Directors are present at any meeting of the Board, no notice thereof shall be required and any business may be transacted at such meeting.

8. No Compensation. - Directors as such shall not receive or be entitled to any pay or compensation for their services as directors, but nothing herein shall be construed to preclude or prevent any Director from serving the Council in any other capacity, and receiving compensation therefor.

9. Written Consent. - Any action required by law or in these By-laws to be taken at a meeting of the Board, or any action which may or could be taken at any regular or special meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the actions so taken shall be signed by all of the Directors and recorded in the records of the Board, whereupon the same shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V.

ELIGIBILITY, NOMINATION AND ELECTION OF DIRECTORS

1. Eligibility. - Except as hereinafter provided, the Directors must be members of the Council. The exceptions to the foregoing eligibility requirement are (i) the initial Directors named in the Articles of Incorporation, (ii) persons appointed to fill the unexpired term of any initial Director, and (iii) if any member of the

Council is a corporation, partnership, trust or other legal entity, then a Director may be an officer, Director, partner, trustee or beneficiary of any such member of the Council. Any Director who is required to be a member of the Council and who ceases to be a member for any reason or who is otherwise no longer eligible to be a Director may be removed from office by majority vote of the remaining Directors. ★

2. Nominations. - Nominations for election to the Board of Directors shall be made by a nominating committee, except that nominations may also be made from the floor at any annual meeting of the members of the Council at which Directors are to be elected. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two or more members of the Council who may, but need not be members of the Board. The nominating committee shall be appointed by the Board prior to each annual meeting of the members of the Council at which Directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of Directors to be elected. ★

3. Election. - Election to the Board of Directors shall be by secret written ballot. At such election the members of the Council or their proxies may cast in respect to each vacancy the votes which they are entitled to exercise under the provisions of the Declaration and these By-laws. The persons receiving the highest number of votes shall be elected. Cumulative voting shall not be permitted. The first election of Directors by the members of the Council shall be held at the annual meeting of the members of the Council on or next following the date of the expiration of the two-year term of the initial Directors.

ARTICLE VI

AUTHORITY, POWERS, AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors shall manage and administer the affairs of the Council and shall have all such duties, rights, powers and authority given to it by all applicable laws, and statutes of the State of Texas, the Declaration or these By-laws and as may from time to time be delegated to it by the Council, in addition to the following:

- (a) To elect officers of the Council.
- (b) To manage and administer the affairs of the Council the common elements and common interests of the project property and the Unit Owners.
- (c) To keep or cause to be kept sufficient books and records with a detailed account of the receipts and expenditures affecting or concerning the common elements, the common expenses and the administration of the condominium regime established by the Declaration. Both the books and vouchers accrediting the entrys thereon shall be available for examination by all members of the Council at convenient hours on work days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and shall be audited at least once a year by an auditor outside of the organization, as provided for in the Condominium Act of the State of Texas.
- (d) To engage the services of a manager or management agent who shall manage and operate the common elements for all Unit Owners, upon such terms and for such compensation and with such specific duties and authority as the Board may approve or as may be specified in the contract of employment executed by an officer of the Council pursuant to authority of the Board of Directors in behalf of all Unit Owners. The compensation paid to the manager or the management agent shall be a common expense of all Unit Owners.
- (e) To formulate and enforce reasonable policies, rules, regulations from time to time to govern the use, management and operation of the common elements.
- (f) To plan and adopt from time to time an annual budget or the estimated annual common expenses for the maintenance, repair, upkeep, protection, preservation, insurance, replacement, management, and administration of the common elements, as well as for other common insurance and other common services or benefits, and to provide the manner of assessing and collecting from the Unit Owners their respective prorata shares of such estimated common expenses all as more particularly provided for in the Declaration.
- (g) To make and enter into arrangements, contracts or agreements with the Board of Directors or other governing bodies or boards of other condominium regimes for common services, benefits or purposes.
- (h) To provide for the designation, hiring and removal of employees and other personnel, including bookkeepers, accountants

and attorneys, and to engage or contract for the services of others, and in general to make purchases of labor, materials and/or services for the repair, upkeep, maintenance, replacement, protection, insurance, management or administration of the common elements and other common interests.

(1) In general, the Board shall have all such duties, rights and authority to do all such acts and things as are not by said Condominium Act or other law or the Declaration or these By-laws directed to be done or exercised directly by the Unit Owners or members of the Council, which shall be necessary or reasonably required for the successful and orderly administration, management and operation of the condominium regime established by the Declaration to which these By-laws pertain.

ARTICLE VII.

OFFICERS

1. Enumeration of Offices. - The principal offices of the Council shall be a President and one or more Vice-Presidents, a Secretary, and one or more Assistant Secretaries, and a Treasurer, and such other officers as the Board may from time to time appoint. The President and the Vice-Presidents shall at all times be members of the Board of Directors. Other officers need not be members of the Board of Directors or members of the Council. The office of Secretary and Treasurer may be held by the same person at the same time.

2. Election of Officers. - The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

3. Term. - The officers of the Council shall be elected or appointed annually by the Board of Directors and each officer shall hold office for one (1) year and until his successor has been elected or appointed, unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

4. Special Appointments. - The Board may elect to appoint such other officers as the affairs of the Council may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

5. Removal and Resignation. - Any officer may be removed from office without cause at any time by majority vote of the Board of Directors. Any officer may resign at any time by giving written notice of resignation to the President or Secretary of the Council, and any such resignations shall take effect on the effective date specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. - Vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7. Multiple Offices. - The office of Secretary and Treasurer may be held by the same person at the same time, otherwise no person shall simultaneously hold more than one office, except in the case of special offices created pursuant to paragraph 4. of this Article.

8. No Compensation. - The officers shall serve without any pay or compensation for services as such, except that if the management agent or manager holds any office he may be paid for his services as management agent or manager, including performance of the duties of his office. Nothing herein, however, shall be construed to preclude or prevent any officer from serving the Council in any other capacity and receiving compensation therefor.

9. Duties of Officers. - The duties of the officers are as follows:

(a) President: The President shall preside at all meetings of the members of the Council and of the Board of Directors at which he shall be present; he shall have all the general powers and duties which are usually vested in the office of President of a non-profit corporation under the laws of the State of Texas.

(b) Vice-President: The Vice-President or Vice-Presidents, at the request of the President or in his absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice-President or Vice-Presidents shall have such other powers and perform such other duties as may be assigned to him or them by the Board.

(c) Secretary: The Secretary shall keep the minutes of all meetings of members of the Council and of the Board of Directors in books provided for that purpose; he shall see to it that all notices are duly given in accordance with the provisions of the By-laws or as required by law or the Declaration; he shall be custodian of the records and corporate seal of the Council, and in general he shall perform all duties incident to the office of a Secretary of a non-profit corporation under the laws of the State of Texas, and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

(d) Assistant Secretary: The Assistant Secretary shall perform the duties of Secretary upon direction or in the absence of the Secretary.

(e) Treasurer: The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Council and shall deposit or cause to be deposited in the name of the Council all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time be selected by resolution of the Board of Directors. He shall also render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Council and in general he shall perform all of the duties incident to the office of a Treasurer of a non-profit corporation under the laws of the State of Texas, and such other duties as may be assigned to him by the Board of Directors.

ARTICLE VIII

BOOKS AND RECORDS

The books, records and papers of the Council shall at all times during reasonable business hours be subject to inspection by any member of the Council. The Declaration, the Articles of Incorporation, and the By-laws of the Council shall be available for inspection by any member of the Council at the principal office of the Council where copies may be purchased at reasonable cost.

ARTICLE IX

CORPORATE SEAL

The Board of Directors may adopt and have a corporate seal for the Council which shall be in such form and with such wording as the Board may determine.

ARTICLE X

INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. The Council shall indemnify any Director or officer or former Director or former Officer of the Council for expenses and costs (including attorneys fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in Court or otherwise, by reason of his being or having been such Director or Officer, except in relation to matters as to which he shall have been guilty of negligence or misconduct in respect to the matter in which indemnity is sought.

2. If the Council has not fully indemnified him, the Court in the proceedings in which any claim against any such Director or Officer, or former Director or former Officer, has been asserted, or any Court having the requisite jurisdiction of an action instituted by such Director or Officer, or former Director or former Officer on his claim of indemnity, may assess indemnity against the Council, its receiver or trustee, for the amount paid by any such Director or former Director or Officer or former Officer in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of any amount paid to the Council), and any expenses and costs (including attorneys fees) actually and necessarily incurred by him in connection therewith to the extent that the Court shall deem reasonable and equitable, provided, nevertheless, that indemnity may be assessed under this Article only if the Court finds that the person indemnified was not guilty of negligence or misconduct in respect of the matter for which indemnity is sought.

ARTICLE XI

AMENDMENTS

These By-laws may be amended from time to time at any annual or special meeting of the Council called for that purpose at which a quorum of members of the Council is present by a majority vote of the members present and voting in person or by proxy. The members of the Council may delegate to the Board of Directors the power to alter, amend, or repeal these By-laws or to adopt new By-laws. The amendments to these By-laws need not be filed for record, and it shall be the duty and obligation of all persons interested in these By-laws to inquire from the Secretary of the Council whether any amendments or new By-laws have been adopted.

ARTICLE XII

FISCAL YEAR

The Fiscal Year of the Council shall be as fixed by Resolution of the Board of Directors from time to time.

ARTICLE XIII

MORTGAGES

The Owner of each Apartment Unit who places or has placed a mortgage or other lien on his Apartment Unit hereby consents that the Council through any of its officers may report to the Mortgagee any default made by such Unit Owner in the payment of any assessment for common expenses.

ARTICLE XIV

SEVERABILITY

If any article, paragraph, sentence, clause or phrase of these By-laws or the application thereof in any circumstance shall be held invalid or unenforceable, the validity or enforceability of the remainder of these By-laws or of the application of any such article, paragraph, sentence, clause or phrase in any other circumstance shall not be affected thereby.

ADOPTION

NIS LAND CORPORATION, a Texas corporation, being the Developer and sole owner at this time of the condominium project known as BY THE SEA, according to the Declaration therefor, as such sole owner and as provided for by the Condominium Act of the State of Texas, does hereby approve and adopt the foregoing By-laws to govern the administration of the building and property constituted into said condominium regime known as BY THE SEA and as the By-laws of BY THE SEA COUNCIL OF CO-OWNERS, INC., which shall be the Council of Co-owners of this condominium regime organized as a Texas non-profit corporation, and these By-laws may be amended from time to time as provided for above and in said Texas Condominium Act.

APPROVED AND ADOPTED this 15TH day of SEPTEMBER, 1975.

NIS LAND CORPORATION

By H. Shapiro
President

ATTEST:

Mon H. J. Shapiro
Secretary

CONDOMINIUM RECORD
2112 PAGE 334

By The Sea Council of Co-Owners, Inc.

**Financial Statements
and Supplementary Information**

November 30, 2004



certified public accountants and business consultants

WILLIAM C. ANSELL, CPA
ANN MASEL, CPA
DOUGLAS A. DICKEY, CPA
T. MARK RUSH, CPA

December 14, 2004

To the Board of Directors
By The Sea Council of Co-Owners, Inc.
7310 Seawall Blvd
Galveston, TX 77551

We have compiled the accompanying statement of Assets, Liabilities, and Fund Balance-income tax basis of By The Sea Council of Co-Owners, Inc. as of November 30, 2004, and the related Statement of Revenues and Expenses - income tax basis and the accompanying supplementary information for analysis purposes for the One Month and the year to date then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Company for Income Tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The statements do not reflect the Company's federal income tax provision for the year to date ended November 30, 2004. The effects of this departure from income tax basis of accounting have not been determined. Management has elected to omit substantially all of the disclosures and the Statement of Cash Flows required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position. Accordingly, these financial statements are not designed for those who are not informed about such matters.

DRDA, P.C.
Galveston, TX

By The Sea Council of Co-Owners, Inc.
Statement of Assets, Liabilities and Fund Balance
November 30, 2004

Assets

Current Assets

Cash in Checking-Moody	\$ 60,099.17
Petty Cash	340.00
Cash in Money Market	179,919.91
First National Bank C.D.	95,000.00
Accts Rec Maint & Ins Fees	2,997.00
Accts Rec Management Fees	1,239.00
Prepaid Insurance	<u>42,182.21</u>
 Total Current Assets	 381,777.29

Property & Equipment

Total Property & Equipment	<u>0.00</u>
 TOTAL ASSETS	 <u><u>\$ 381,777.29</u></u>

See Accountants' Compilation Report

By The Sea Council of Co-Owners, Inc.
Statement of Assets, Liabilities and Fund Balance
November 30, 2004

Liabilities and Fund Balance

Current Liabilities

Payroll Taxes Payable	\$ 237.53
Accounts Payable-Trade	6,343.58
Accts Pay-Audit Fee	5,000.00
Deferred Income - Insurance	51,402.01
Deferred Income-Maint	<u>27,375.09</u>
Total Current Liabilities	90,358.21

Fund Balance

Operating Fund Balance	265,450.63
Net Income	<u>25,968.45</u>
Total Fund Balance	<u>291,419.08</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 381,777.29</u></u>

See Accountants' Compilation Report

By The Sea Council of Co-Owners, Inc.
Statement of Revenues and Expenses - (Income Tax Basis)
One Month Ended November 30, 2004
and the Year Then Ended

Revenue	One Month	Year-To-Date
Maintenance Fees	\$ 24,882.00	\$ 74,646.00
Rental Management Fees	750.00	2,250.00
Vending	123.50	428.75
Insurance Fees	5,711.33	17,133.99
Interest Income	251.19	821.18
Late Fee Income	96.42	240.04
Roof Lease	1,924.00	6,664.15
Other	0.00	3,308.76
Ser Reimbursement	<u>0.00</u>	<u>107.50</u>
Total Revenue	33,738.44	105,600.37
Recurring Operations		
Salaries & Wages-Admin	2,981.00	11,583.56
Salaries & Wages-Security	1,141.00	3,793.55
Salaries & Wages-Maintenance	2,608.13	8,545.29
Salaries & Wages-Housekeeping	1,080.00	3,510.00
Payroll Taxes	670.01	2,363.43
Painting	1,459.07	2,012.77
Building	335.18	899.19
Maintenance-Tools & Supplies	617.53	1,517.84
Cleaning & Guest Supplies	122.54	369.22
Yard	0.00	1,796.00
Decorating	0.00	798.01
Utilities-Electric	1,361.05	4,836.04
Utilities-Cable	1,349.63	4,048.89
Utilities-Water	1,480.00	4,270.95
Utilities-Telephone	63.70	274.88
Utilities-Trash Removal	244.24	732.72
Elevator	941.34	4,108.67

See Accountants' Compilation Report

By The Sea Council of Co-Owners, Inc.
Statement of Revenues and Expenses - (Income Tax Basis)
One Month Ended November 30, 2004
and the Year Then Ended

	One Month	Year-To-Date
Insurance	5,523.09	16,462.77
Postage Meter Rental	0.00	463.51
Bank Charges	0.00	69.35
Pest Control	69.28	190.53
Copier Expense	0.00	168.66
Office Supplies	29.71	283.39
Owner's Supplies	0.00	68.78
Other	0.00	199.18
Taxes-Other	0.00	55.34
Professional Services-Acct	275.00	825.00
Professional Services-Scrtty	2,784.40	5,384.40
	<hr/>	<hr/>
Total Recurring Operations	25,135.90	79,631.92
 NET INCOME (LOSS)	 \$ 8,602.54	 25,968.45
	<hr/>	<hr/>

See Accountants' Compilation Report