

**AMENDED AND RESTATED  
BY-LAWS**

**OF**

**THE REGENCY OF PALM BEACH, INC.**

**A FLORIDA CORPORATION**

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**[While the Board and Bylaws Committee have endeavored to retain the content of the original Bylaws in these updated Bylaws, there is substantial rewording. If you wish to see the original provisions of the Bylaws, please see the original Bylaws.]**

**Table of Contents**

**I. GENERAL**

- 1.1 The Name.**
- 1.2 Principal Office.**
- 1.3 Identity.**
- 1.4 Definition.**

**II. DEFINITIONS**

- 2.1 Assessment.**
- 2.2 Association.**
- 2.3 Board of Administration.**
- 2.4 By-Laws.**
- 2.5 Committee.**
- 2.6 Common Areas.**
- 2.7 Common Expenses.**
- 2.8 Common Surplus.**
- 2.9 Cooperative.**
- 2.10 Cooperative Documents.**
- 2.11 Cooperative Parcel.**
- 2.12 Cooperative Property.**
- 2.13 Special Assessment.**
- 2.14 Unit or Apartment.**
- 2.15 Unit Owner or Owner of a Unit**
- 2.16 Voting Interests**

**III. PURPOSE**

**IV. OPERATION OF THE COOPERATIVE BY THE ASSOCIATION; POWERS AND DUTIES**

- 4.1 Powers and Duties.**
- 4.2 Limitation Upon Liability of Association.**
- 4.3 Restraint Upon Assignment of Shares in Assets.**
- 4.4 Approval of Disapproval of Matters.**
- 4.5 Acts of the Association.**

**V. MEMBERSHIP AND VOTING PROVISIONS**

- 5.1 Membership.**
- 5.2 Voting.**
- 5.3 Quorum.**
- 5.4 Voting Procedure.**
- 5.5 Designation of Voting Member.**

**VI. MEMBERSHIP MEETINGS**

- 6.1 Place.**
- 6.2 Notices.**
- 6.3 Annual Meeting.**
- 6.4 Special Meeting.**
- 6.5 Action by Members Without a Meeting.**
- 6.6 Adjourned Meeting.**
- 6.7 Order of Business.**

**VII. DIRECTORS**

- 7.1 Membership.**
- 7.2 Election of Directors.**
- 7.3 Organizational Meeting.**
- 7.4 Term.**
- 7.5 Recall.**
- 7.6 Regular Meetings.**
- 7.7 Special Meetings.**
- 7.8 Waiver of Notice.**
- 7.9 Quorum and Voting.**
- 7.10 Adjourned Meetings.**
- 7.11 Presiding Officer.**
- 7.12 Order of Business.**
- 7.13 Compensation.**
- 7.14 Resignation.**
- 7.15 Committees.**

**VIII. POWERS AND DUTIES**

## **IX. OFFICERS**

- 9.1 Executive Officers.**
- 9.2 Appointive Officers.**
- 9.3 Election.**
- 9.4 Term.**
- 9.5 The President.**
- 9.6 The Vice President.**
- 9.7 The Secretary.**
- 9.8 The Treasurer.**
- 9.9 Compensation.**
- 9.10 Resignations.**

## **X. STOCK OF THE ASSOCIATION**

- 10.1 Shares.**
- 10.2 Certificates of Stock.**
- 10.3 Transfer.**
- 10.4 Units of Issuance.**
- 10.5 Association's Lien.**
- 10.6 Maximum Number of Shares.**
- 10.7 Certificates to Be Held in Escrow.**

## **XI. FINANCES AND ASSESSMENTS**

- 11.1 Depositories.**
- 11.2 Fiscal Year.**
- 11.3 Determination of Assessments.**
- 11.4 Application of Payments and Commingling of Funds**
- 11.5 Fidelity Bonds.**
- 11.6 Financial Statements.**

## **XII. COLLECTION OF ASSESSMENTS**

- 12.1 Liability for Assessments.**
- 12.2 Default in Payment of Assessments for Common Expenses.**
- 12.3 Appointment of Receiver to Collect Rental.**
- 12.4 Certificate of Unpaid Assessments.**
- 12.5 Installments.**
- 12.6 Acceleration of Assessment Installments Upon Default.**

## **XIII. PROPRIETARY LEASES (SUBLEASES) AND/OR OCCUPANCY AGREEMENTS**

- 13.1 Form.**

- 13.2 Issuance and Assignment.**
- 13.3 Association and Trusts.**
- 13.4 Mandatory Provisions.**

**XIV. USE RESTRICTIONS**

- 14.1 Occupancy.**
- 14.2 Use of Common Areas.**
- 14.3 Nuisances.**
- 14.4 No Improper Use.**
- 14.5 Sub-Leases.**
- 14.6 Parking.**
- 14.7 Limitations on Ownership.**

**XV. CONVEYANCES, SALES, SUBLEASES AND TRANSFERS**

- 15.1 Transfers Subject to Approval.**
- 15.2 Notice and Application to Association.**
- 15.3 Association's Election.**

**XVI. SALE OR ACQUISITION OF ASSETS**

- 16.1 Sale of Assets.**
- 16.2 Distributions.**
- 16.3 Amendment.**

**XVII. INSURANCE**

- 17.1 Authority to Purchase; Named Insured.**
- 17.2 Coverage.**
- 17.3 Deductible and Other Insurance Features.**
- 17.4 Premiums.**
- 17.5 Shares of Proceeds.**
- 17.6 Distribution of Proceeds.**
- 17.7 The Association as Agent.**

**XVIII. RECONSTRUCTION AFTER CASUALTY**

- 18.1 Determination to Reconstruct.**
- 18.2 Responsibility for Reconstruction and Cost of Reconstruction.**
- 18.3 Estimates of Costs.**
- 18.4 Termination of Cooperative if not Reconstructed.**
- 18.5 Additional Board Authority.**

**XIV. OFFICIAL RECORDS**

**XX. PARLIAMENTARY RULES**

**XXI. INDEMNIFICATION**

**XXII. AMENDMENTS**

- 22.1 Notice.
- 22.2 Adoption.
- 22.3 Execution and Recording.

**XXIII. COMPLIANCE AND DEFAULT**

- 23.1 Violations.
- 23.2 Negligence or Carelessness of an Owner.
- 23.3 Costs and Attorney's Fees.
- 23.4 No Waiver of Rights.
- 23.5 Election of Remedies.

**XXIV. LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

**XXV. LIMITATION OF LIABILITY**

**XXVI. CABANAS AND PARKING SPACES**

- 26.1 Cabanas.
- 26.2 Parking Spaces.

**XXVII. FLOORING**

- 27.1 Carpeting and Hard Surface Flooring.
- 27.2 Balconies and Terraces.

**XXVIII. SEAL**

**XXIX. APPLICABILITY OF FLORIDA COOPERATIVE ACT**

**XXX. CAPTIONS**

**ARTICLE 1**

**GENERAL**

1.1 **The Name**. The name of the Corporation shall be THE REGENCY OF PALM BEACH, INC., hereinafter referred to as the "Association."

1.2 **Principal Office.** The principal office of the Association shall be at 2760 South Ocean Boulevard, Palm Beach, Florida 33480, or at such other place as may be subsequently designated by the Board of Directors.

1.3 **Identity.** These By-Laws are established pursuant to the Florida Cooperative Act, Chapter 719, Florida Statutes (“Act”), for the purpose of administering, operating and managing The Regency of Palm Beach (the “Cooperative”).

1.4 **Definition.** As used herein, the term “Corporation” shall be the equivalent of “Association,” and all other words as used herein shall have the definitions set forth below. Any terms not defined shall have those definitions established by the Cooperative Act.

## **ARTICLE 2**

### **DEFINITIONS**

2.1 “Assessment” means a share of the funds required for the payment of Common Expenses, which from time to time is assessed against the Unit Owner. The term “Assessments” is synonymous with the term “Carrying Charges” and either term may be used.

2.2 “Association” means Regency of Palm Beach, Inc., the corporation that owns the Cooperative Property and that is responsible for the operation of the Cooperative.

2.3 “Board of Administration” means the Board of Directors or other representative body responsible for administration of the Association.

2.4 “By-Laws” means the By-Laws of the Association existing from time to time.

2.5 “Committee” means a group of Board members, Unit Owners, or Board members and Unit Owners appointed by the Board or a member of the Board to make recommendations to the Board or take action on behalf of the Board.

2.6 “Common Areas” includes within its meaning the following:

- A. The Cooperative Property which is not included within the Units.
- B. Easements through Units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to Units and the Common Areas.
- C. An easement of support in every portion of a Unit which contributes to the support of a building.
- D. The property and installations required for the furnishing of utilities and other services to more than one Unit or to the Common Areas.

E. Any other part of the Cooperative Property designated in the Cooperative Documents as Common Areas.

2.7 “Common Expenses” means all expenses and assessments properly incurred by the Association for the Cooperative.

2.8 “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 Areas and over the amount of Common Expenses.

2.9 “Cooperative” means that form of ownership of real property wherein legal title is vested in a corporation or other entity and the beneficial use is evidenced by an ownership interest in the Association and a lease or other muniment of title or possession granted by the Association as the owner of the Cooperative Property.

2.10 “Cooperative Documents” means:

A. The documents that create a cooperative, including, but not limited to, Articles of Incorporation of the Association and By-Laws of the Association.

B. The stock or other document evidencing a Unit Owner’s membership or share in the Association.

C. The Proprietary Lease and Occupancy Agreement or other document recognizing a Unit Owner’s title or right of possession to his or her Unit.

D. The House Rules, as same may be made and amended from time to time by the Board of Directors.

2.11 “Cooperative Parcel” means the shares or other evidence of ownership in the Cooperative representing an undivided share in the assets of the Association, together with the lease or other muniment of title or possession.

2.12 “Cooperative Property” means the lands, leaseholds, and personal property owned by the Cooperative Association.

2.13 “Special Assessment” means any Assessment levied against Unit Owners other than the Assessment required by a budget adopted annually.

2.14 “Unit” or “Apartment” means a part of the Cooperative Property which is subject to exclusive use and possession.

2.15 “Unit Owner” or “Owner of a Unit” means the person or persons or permitted entity holding a share in the Cooperative Association and a lease or other muniment of title

or possession of a Unit that is granted by the Association as the Owner of the Cooperative Property.

2.16 "Voting Interests" means the voting rights distributed to the Association members as provided for in these By-Laws.

### **ARTICLE 3**

#### **PURPOSE**

The purpose of this Association is to provide its Members with housing and community facilities, consistent with the provisions set forth in its Articles of Incorporation and these By-Laws.

### **ARTICLE 4**

#### **OPERATION OF THE COOPERATIVE BY THE ASSOCIATION; POWERS AND DUTIES**

4.1 **Powers and Duties**. The Association shall be the entity responsible for the operation of the Cooperative. The powers and duties of the Association shall include those set forth in these Amended and Restated By-Laws and the Articles of Incorporation of the Association, and Proprietary Lease and Occupancy Agreement as amended from time to time. In addition, the Association shall have (i) all the common law and statutory powers of a corporation not for profit and for profit under the laws of Florida that are not in conflict with the provisions of the Cooperative Documents or the Cooperative Act; (ii) the powers and duties set forth in the Cooperative Act, as amended from time to time; as well as (iii) all powers and duties granted to or imposed upon it by the Cooperative Documents, including without limitation:

A. The irrevocable right to have access to each Unit from time to time during reasonable hours when necessary for the inspection, maintenance, repair or replacement of any Common Areas or of any portion of a Unit to be maintained by the Association pursuant to the Cooperative Documents or at any time as necessary to prevent damage to the Common Areas or to a Unit or Units. Unit Owners shall be required to provide the Association with a key for access to the Unit for the foregoing purposes.

B. The power to make and collect regular and special Assessments and other charges against Unit Owners and to regulate, administer, convey, lease, maintain, repair and replace the Cooperative Property.

C. The power to acquire or convey title to real property (excluding Units in the Cooperative) and to mortgage real property upon the approval of two-thirds (2/3) of all the voting interests of the Association either at a meeting or by written agreement.

D. The power to purchase Units in the Cooperative and to hold, lease,

mortgage or sell a Unit so acquired, subject to the restrictions on leasing set forth herein.

E. The power to acquire, sell or mortgage personal property and to hold, regulate, administer, lease, maintain, repair, and replace same.

F. The right to grant, modify or move easements which are part of or cross the Common Areas.

G. The duty to maintain official records according to good accounting practices, and the requirements of the Cooperative Act, as same may be amended from time to time.

H. The power to contract for the management and maintenance of the Cooperative Property and to authorize a management agent to assist the Association in carrying out its powers and duties by performing such functions as the submission of proposals, collection of Assessments, preparation of records, enforcement of rules, maintenance, repair and replacement of those portions of the Cooperative Property for which the Association is obligated or authorized to provide same and such other management functions as the Board of Directors may delegate with such funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted in the Cooperative Documents and the Cooperative Act, including, but not limited to, the making of Assessments, promulgation of rules and execution of contracts on behalf of the Association.

I. The power to borrow money, execute promissory notes and other evidences of indebtedness and to give as security therefor mortgages and security interests in property owned by the Association, subject to the limitation on mortgaging Association real property set forth in Paragraph C of this Article 4.1. The Association giving a collateral assignment of assessments in connection with a loan, shall not require a vote of the Unit Owners.

J. The power to adopt and amend rules and regulations concerning the details of the operation and use of the Units, cabanas, and the Common Areas.

K. The power to lease and/or charge a fee for the exclusive use of Common Areas to any Unit Owner being granted, by the Association, a right to such exclusive use. The fee shall be determined by the Board from time to time.

L. All of the powers which a corporation in the State of Florida may exercise.

4.2 **Limitation Upon Liability of Association.** Notwithstanding the duty of the Association to maintain and repair parts of the Cooperative Property, the Association shall not be liable to Unit Owners for injury or damage, other than for the cost of maintenance and repair, caused by any latent condition of the Cooperative Property. Further, the

Association shall not be liable for any such injury or damage caused by defects in design or workmanship or any other reason connected with any additions, alterations or improvements done by or on behalf of any Unit Owners regardless of whether or not same shall have been approved by the Association pursuant hereto. Further, the Association shall not be liable to any Unit Owner or lessee or to any other person or entity for any property damage, personal injury, death or other liability on the grounds that the Association did not obtain or maintain insurance (or carried insurance with any particular deductible amount) for any particular matter where (i) such insurance is not required hereby or (ii) the Association could not obtain such insurance at reasonable costs or upon reasonable terms.

4.3 **Restraint Upon Assignment of Shares in Assets.** The share of a Unit Owner in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the Unit. However, the Board may give a collateral assignment of assessments in connection with a loan.

4.4 **Approval or Disapproval of Matters.** Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject of an Association meeting or vote by written agreement, that decision shall be expressed by the same person who would cast the vote for that Unit if at an Association meeting, unless the joinder of all record Owners of the Unit is specifically required by these By-Laws.

4.5 **Acts of the Association.** Unless the approval or action of Unit Owners and/or a certain specific percentage of the Board of Directors of the Association is specifically required in the Cooperative Documents, applicable rules and regulations or applicable law, all approvals or actions required or permitted to be given or taken by the Association under the Cooperative Documents shall be given or taken by the Board of Directors, without the consent of Unit Owners, and the Board may so approve and act through the proper officers of the Association without a specific resolution. When an approval or action of the Association is permitted to be given or taken hereunder or thereunder, such action or approval may be conditioned in any manner the Association deems appropriate or the Association may refuse to take or give such action or approval without the necessity of establishing the reasonableness of such conditions or refusal.

## ARTICLE 5

### **MEMBERSHIP AND VOTING PROVISIONS**

#### 5.1 **Membership.**

Membership in this Association shall be limited to record owners of Units in the Cooperative. Transfer of Unit ownership, either voluntarily or by operation of law, shall automatically terminate membership, and the transferee shall automatically become a Member of this Association. If Unit ownership is vested in more than one person, all of the persons owning a Unit shall be authorized to attend meetings. If Unit ownership is vested in a trust or, to the extent permitted by the Cooperative Documents, any other entity, the

entity may designate a representative or an individual officer or employee to exercise its rights as a Member. Membership in the Association shall entitle the member to use and occupancy of an Apartment within the Cooperative Property, subject, however, to the provisions of the Articles of Incorporation, the provisions of the proprietary lease and/or occupancy agreement required by these By-Laws which is executed by the member and the Association, and the House Rules.

5.2 **Voting.** On all matters upon which the membership shall be entitled to vote, there shall be one (1) vote for each Unit. Said votes shall be exercised or cast in the manner provided in these By-Laws. Any person or entity owning more than one (1) Unit shall be entitled to one vote for each Unit owned by the person or entity. The vote of a Unit shall not be divisible. Unless otherwise set forth in the Cooperative Documents or in the Cooperative Act, matters shall be voted on by the membership of the Association and shall be determined by a vote of a majority of the voting interests ("Voting Interests") present and voting, in person or by proxy, at any meeting at which a quorum is established, or by written agreement.

5.3 **Quorum.** Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the Voting Interests of the Association shall constitute a quorum. A quorum is not required for elections pursuant to Section 7.2 hereof.

5.4 **Voting Procedure.** Votes may be cast in person, by written agreement or by limited proxy, except as provided in Section 7.2 hereof. However, general proxies may be used to establish a quorum, for voting for non-substantive charges to items for which a limited proxy is given, and for procedural items. All proxies shall be in writing, signed by the person entitled to vote, shall be filed with the Secretary of the Association prior to or at the meeting at which they are to be used, or prior to or at any lawful adjournment thereof, and shall be effective only for the specific meeting for which originally given and any lawful adjournment thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Unit Owner executing it.

5.5 **Designation of Voting Member.** If a Unit is owned by one or more persons, their right to vote shall be established by the record title to the Unit and any one of them may cast the vote for the Unit. If a Unit is owned by a trust or, to the extent permitted by the Cooperative Documents, another entity, then the trustee or chief officer may vote the vote of the Unit.

## ARTICLE 6

### **MEMBERSHIP MEETINGS**

6.1 **Place.** All meetings of Members shall be held at the principal office of the Association or at such other place in Palm Beach County, Florida, and at such time as shall be designated by the Board and stated in the notice of meeting.

6.2 **Notices.** It shall be the duty of the Secretary to send by regular mail, hand delivery or electronic transmission a notice of each annual or special meeting to each Unit Owner and to post a copy of said notice in a conspicuous place on the property at least fourteen (14) continuous days but not more than sixty (60) days prior to such meeting. The Board may adopt a rule to provide that, in lieu of posting notice of a members' meeting on the Cooperative Property, the notice and agenda may be conspicuously posted and repeatedly broadcast on a closed-circuit cable television system serving the Association in the manner required by the Act. Notice of any meeting shall list the time, place and purpose thereof and shall incorporate an identification of agenda items. Owners may, in writing, waive notice of specific meetings before or after the meeting. All notices shall be mailed, hand delivered or sent by electronic transmission to the address last furnished to the Association by the Unit Owner as it appears on the books of the Association to each Unit Owner. Proof of posting, delivery or mailing of the notice (if required) shall be given by the affidavit of the person serving the notice, or a United States Postal Service Certificate of mailing, shall be included in the official records of the Association affirming that the notice was mailed or hand delivered in accordance with Florida law.

6.3 **Annual Meeting.** The annual meeting for the purpose of electing directors and transacting any other authorized business shall be held during the first quarter of the year (January, February or March) at such date and time as shall be selected by the Board of Directors. At the annual meeting, the Members shall elect a Board by plurality vote (cumulative voting prohibited), and shall transact such other business as may be properly brought before the meeting.

6.4 **Special Meeting.** Special meetings of the Members for any purpose, unless otherwise prescribed by statute, may be called by the President, or shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors or at the request, in writing, of Members representing one-fourth (1/4) of the total Voting Interests in the Association. Such requests shall state the purpose of the proposed meeting. Business transacted at all special meetings shall be confined to the subjects stated in the notice of meeting.

6.5 **Action by Members Without a Meeting.** Notwithstanding anything herein to the contrary, any action required or permitted to be taken at any annual or special meeting of Members may be taken by written agreement without a meeting, signed by the Members (or persons authorized to cast the vote of any such Members as elsewhere herein set forth), so long as at least a quorum of the members participates and so long as the number of votes required to authorize or approve such action is obtained. Voting by written agreement shall be done in accordance with the provisions of the applicable Statute, as same may be amended from time to time.

6.6 **Adjourned Meeting.** If any meeting of Members cannot be organized because a quorum is not present, either in person or by proxy, the meeting shall be adjourned from time to time until a quorum is present. If any agenda item at a meeting of the members cannot be approved because approval of more than a quorum of the

members is required but such required percentage is not present or is not achieved, the meeting may be adjourned from time to time until the requisite vote is achieved.

6.7 **Order of Business**. The order of business at annual Members' meetings and as far as practical at other Members' meetings, shall be:

- A. Calling to order by President or Chairman;
- B. Appointment of chairperson of the meeting by the President or, in his or her absence, by a majority of the Board of Directors. The chairperson may be the attorney for the Association or a representative of the Association's management company who will conduct the meeting without vote;
- C. Appointment of inspectors of election;
- D. Determination of quorum. However, a quorum is not needed for election of Directors so long as at least 20% of the eligible voters cast a ballot.
- E. Election of directors;
- F. Proof of notice of the meeting or waiver of notice;
- G. Reading and disposal of any unapproved minutes;
- H. Reports of officers;
- I. Reports of committees;
- J. Unfinished business;
- K. New business;
- L. Adjournment.

The chairperson of the meeting may rearrange the order of business at annual Members' Meetings in order to proceed more efficiently.

## **ARTICLE 7**

### **DIRECTORS**

7.1 **Membership**. The affairs of the Association shall be managed by a Board of nine (9) directors. All directors shall be Members of the Association or the spouse or domestic partner of a Member residing with the Member.

7.2 **Election of Directors.** Election of directors shall be conducted in the following manner:

A. Election of directors shall be held at the annual Members' meeting.

B. The Board of Directors shall be elected by written ballot or voting machine. Proxies shall not be used in the election of the Board of Directors, either in general elections or elections to fill vacancies caused by recall, resignation, or otherwise. No Unit Owner shall permit any other person to vote his or her ballot, and any such ballots improperly cast shall be deemed invalid. Elections shall be decided by a plurality of those ballots cast. Cumulative voting is prohibited. There shall be no quorum requirement; provided, however, at least twenty percent (20%) of the eligible votes must cast a ballot in order to have a valid election.

C. Written notice of the scheduled election shall be mailed, hand delivered or electronically transmitted to each Member at his or her last known address as it appears on the books of the Association. The first notice of the date of the election shall be mailed, hand delivered or electronically transmitted to each Member not less than sixty (60) days before the scheduled election. The first notice must contain the name and correct mailing address of the Association.

D. Any Unit Owner or other eligible person desiring to be a candidate for the Board shall give written notice to the Association not less than forty (40) days before the scheduled election. Written notice shall be effective when received by the Association.

E. Upon the timely request of the candidate as set forth in this subparagraph, the Association shall include, with the second notice of election described in paragraph F below, a copy of an information sheet which may describe the candidate's background, education and qualifications as well as any other factors deemed relevant by the candidate. The information sheet shall not exceed one side of a sheet which shall be no larger than eight and one-half (8-1/2) by eleven (11) inches. Any candidate desiring the Association to mail or personally deliver copies of an information sheet to the eligible voters must furnish the information sheet to the Association not less than 35 days before the election. The Association is not liable for the contents of the information sheets prepared by the candidates. The Association shall not edit, alter or otherwise modify the content of the information sheet. The original copy provided by the candidate shall become part of the official records of the Association.

F. Not less than fourteen (14) days before the scheduled election, the Association shall mail, deliver or electronically transmit to the eligible voters at the addresses listed in the official records of the Association a second notice of the election, together with a ballot and any information sheets timely submitted by the candidates. Each Unit shall receive one (1) ballot. The second notice and accompanying documents shall not contain any communication by the Board which endorses, disapproves or otherwise comments on any candidate. Accompanying the ballot shall be an outer envelope

addressed to the person or entity authorized to receive the ballots and a smaller inner envelope in which the ballot shall be placed. The exterior of the outer envelope shall indicate the name of the voter and the Unit or Unit numbers being voted and shall contain a signature space for the voter. Once the ballot is completed, the voter shall place the completed ballot in the inner smaller envelope and seal that envelope. The inner envelope shall then be placed within the larger outer envelope and the outer envelope shall then be sealed. Each inner envelope shall contain only one ballot, but if a person owns more than one Unit and is, therefore, entitled to cast more than one ballot, the separate inner envelopes required may be enclosed within a single outer envelope. The voter shall sign the exterior of the outer envelope in the space provided for his or her signature. The outer envelope shall either be mailed or hand delivered to the Association. Upon receipt by the Association, no ballot may be rescinded or changed.

G. The written ballot shall indicate in alphabetical order by surname, each and every Unit Owner or other eligible person who desires to be a candidate for the Board and who gave written notice to the Association not less than forty (40) days before a scheduled election, unless such person has, prior to the mailing of the ballot, withdrawn his or her candidacy in writing. No ballot shall indicate which candidates are incumbents on the Board. No write-in candidates shall be permitted. No ballot shall contain a section providing for the signature of a voter. Envelopes containing ballots received by the Association shall be retained and collected by the Association and shall not be opened except in the manner hereinafter provided and in accordance with the Florida Cooperative Act.

H. Any envelopes containing ballots not prevalidated as provided in subsection 7.2(I) below shall be collected by the Association and shall be transported to the location of the election. An impartial committee of persons appointed by the Board shall validate and process the ballots. The Association shall have available additional blank ballots at the meeting for distribution to the eligible voters who have not cast their votes. Each ballot distributed at the meeting shall be placed in an inner and outer envelope as provided in subsection 7.2(F) hereof. At the meeting, as the first order of business, ballots not yet cast shall be collected. Next, the signatures and Unit identifications on the outer envelopes shall be checked against the list of qualified voters, unless previously verified as set forth in subsection 7.2(I) below. Any exterior envelope not signed by the eligible voter shall be marked "disregarded" and any ballots contained therein shall not be counted. The voters shall be checked off on the list as having voted. Then, in the presence of any Unit Owners in attendance, and regardless of whether a quorum is present, all inner envelopes shall be first removed from the outer envelopes and shall be placed in a receptacle. Upon the commencement of the opening of the outer envelopes, the polls shall be closed, and no more ballots shall be accepted. Inner envelopes shall then be opened and the ballots shall be removed and counted in the presence of any Unit Owners. Any inner envelopes containing more than one ballot shall be marked "disregarded" and any ballots contained therein shall not be counted. All envelopes and ballots, whether disregarded or not, shall be retained as part of the official records of the Association for such time period as may be required by the Act. Board members whose terms expire and

who are not reelected shall relinquish their Board positions, and those positions shall be assumed by the duly elected Board members.

I. The Association may verify outer envelope information in advance of the meeting by following the procedure set forth in Chapter 719 of the Florida Statutes, and Chapter 61B of the Florida Administrative Code.

J. The Board shall not create or appoint any committee for the purpose of nominating a candidate or candidates for election to the Board. However, the Board may create or appoint a search committee which shall not have the authority to nominate any candidate, but may encourage eligible and qualified persons to become candidates for the Board.

K. The provisions of Paragraphs (B) through (J) of this Section 7.2 are in accordance with Chapter 719 of the Florida Statutes and Chapter 61B of the Florida Administrative Code. In the event such Statute or Code is repealed, the Board shall determine the procedure for elections of directors. In the event said Statute or Code is amended, these By-Laws shall be deemed automatically amended to comply with any such changes.

L. Notwithstanding anything contained herein to the contrary, an election is not necessary unless there are more eligible candidates than vacancies. In such case, not later than the date of the scheduled election, the Association shall call and hold a meeting of the membership to announce the names of the new Board members, or shall notify the Unit Owners that one or more Board member positions remain unfilled, as appropriate under the circumstances. In the alternative, the announcement may be made at the annual meeting.

M. If the office of any director becomes vacant by reason of death, resignation, retirement, disqualification, or otherwise, a majority of the remaining directors, though less than a quorum, may appoint a successor who shall hold office for the balance of the unexpired term of office. The appointment filling the vacancy may be made at any regular or special meeting of the Board.

7.3 **Organizational Meeting.** The organizational meeting of a newly elected Board shall be held after their selection within ten (10) days of their election, at such place and time as shall be fixed by the directors at the meeting at which they were elected. Notice of such organizational meeting; which notice specifically incorporates an identification of agenda items, shall be posted conspicuously on the Cooperative Property at least 48 continuous hours preceding the meeting, except in an emergency.

7.4 **Term.** Vacancies on the Board caused by the expiration of a director's term shall be filled by electing new Board members. The term of each director's service shall be for three (3) years and subsequently until his or her successor is duly elected and qualified, or until he or she is removed in the manner elsewhere provided. The directors shall serve staggered terms.

7.5 **Recall.** Any member of the Board may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all Unit Owners in accordance with Chapter 719 of the Florida Statutes and the Florida Administrative Code.

7.6 **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone, facsimile, electronic mail or telegraph, and shall be transmitted at least forty-eight (48) hours prior to the meeting. Regular meetings of the Board and only those committee meetings which committees have the authority to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget, shall be open to all Unit Owners, and notice of such meetings shall be posted conspicuously at the Cooperative forty-eight (48) continuous hours preceding the meeting for the attention of the Members of the Association except in the event of an emergency. However, written notice of any meeting at which non-emergency special assessments, or at which amendments to rules regarding Unit use will be adopted or approved, shall be mailed, hand delivered or electronically transmitted to the Unit Owners and posted conspicuously on the Cooperative Property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice requirement shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. The Board may adopt a rule to provide that, in lieu of posting notice of a regular Board meeting on the Cooperative Property, the notice and agenda may be conspicuously posted and repeatedly broadcast on a closed-circuit cable television system serving the Association in the manner required by the Cooperative Act. Notice of any meeting where assessments against Unit Owners are to be considered for any reason shall contain a statement that assessments will be considered and the nature of any such assessments. The right of a Member to attend regular Board meetings includes the right to speak at such meetings with reference to all designated agenda items. A Member does not have the right to speak with reference to items not specifically designated on the agenda, but the Board, in its discretion, may permit a Member to speak on such items. The Board may adopt reasonable rules governing the frequency, duration, and manner of Unit Owner statements. Any Member may tape record or videotape meetings of the Board, committee or Members; provided, however, that the equipment utilized does not produce distracting sound or light emissions and subject to any rules which may be adopted by the Board regarding placement, assemblage of audio and video equipment, prior notice to record the meeting, and distraction resulting from moving about during recording of the meeting.

7.7 **Special Meetings.** Special meetings of the Board of Directors may be called by the President or, in his or her absence, by the Vice President, and must be called by the President or Secretary at the written request of three (3) of the directors. Notice of the meeting shall be given personally or by mail, telephone, facsimile, electronic mail or telegraph, which notice shall state the time, place and purpose of the meeting, and shall be transmitted not less than forty-eight (48) hours prior to the meeting. Special meetings of the Board shall be open to all Unit Owners, and notice of a special meeting shall be posted

conspicuously at the Cooperative forty-eight (48) continuous hours in advance for the attention of the Members of the Association except in the event of an emergency. However, written notice of any special meeting at which non-emergency special assessments, or at which amendments to rules regarding Unit use will be proposed, discussed or approved, shall be mailed, hand delivered or electronically transmitted to the Unit Owners and posted conspicuously on the Cooperative Property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice requirement shall be made by an affidavit executed by the person providing the notice and filed among the official records of the Association. The Board may adopt a rule to provide that, in lieu of posting notice of a special Board meeting on the Cooperative Property, the notice and agenda may be conspicuously posted and repeatedly broadcast on a closed-circuit cable television system serving the Association in the manner required by the Act. Notice of any meeting where assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. The right of a Member to attend special Board meetings includes the right to speak at such meetings with reference to all designated agenda items. The provisions set forth in Section 7.6 hereof with respect to speaking at meetings and recording of meetings shall also apply to special meetings.

7.8 **Waiver of Notice.** Any director may waive notice of a meeting before or after the meeting and that waiver shall be deemed equivalent to the giving of notice. Attendance by any director at a meeting shall constitute a waiver of notice of such meeting, except when his or her attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

7.9 **Quorum and Voting.** A quorum at directors meetings shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except when approval by a greater number of directors is required by the Cooperative Documents. Directors may not vote by proxy or secret ballot at Board meetings, except, if allowed by statute, for election of officers. A vote or abstention for each director present shall be recorded in the minutes. Any director present at a meeting of the Board who does not vote against a resolution considered at such meeting or does not abstain due to an asserted conflict of interest is deemed to have assented to the action taken by the Board at such meeting. Directors may meet by telephone conference and those attending by telephone conference may be counted toward a quorum and may vote by telephone, provided the telephone conference is conducted on a speaker so that the conversation of those Board members attending by telephone may be heard by the Board and any other person attending the meeting.

7.10 **Adjourned Meetings.** If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

7.11 **Presiding Officer.** The presiding officer of the directors' meetings shall be the President, his or her designee or, in the absence of the President, the Vice-President or his or her designee. In the absence of the President or Vice-President, the directors present shall designate one of their number to preside or designate the attorney of the Association or a representative of the Association's management company to act as chairman.

7.12 **Order of Business.** The order of business at directors' meetings shall, to the extent practical, be:

- A. Calling of roll;
- B. Proof of due notice of meeting;
- C. Reading and disposal of any unapproved minutes;
- D. Reports of officers and committees;
- E. Unfinished business;
- F. New business;
- G. Adjournment.

7.13 **Compensation.** Directors shall not be entitled to compensation for their services. No director, officer or manager required to be licensed under Florida Statutes Chapter 486 shall solicit, offer to accept, or accept any thing or service of a value for which consideration has not been provided for his or her own benefit or that of his or her immediate family, from any person providing or proposing to provide goods or services to the Association. Any such individual who knowingly so solicits, offers to accept, or accepts any thing or service of value is subject to a civil penalty pursuant to Florida Statutes.

7.14 **Resignation.** Any Board member may resign at any time at a Board or members' meeting or by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective.

7.15 **Committees.** Any committee formed for the purpose of assisting in the promulgation of a budget or any committee that is delegated the authority to take final action on behalf of the Association shall conduct its meetings in accordance with the procedural requirements applicable to Board of Directors' meetings, set forth in Section 7.6 hereof. All other committee meetings shall be exempt from those requirements.

## **ARTICLE 8**

### **POWERS AND DUTIES**

The Board shall exercise all powers and duties of the Association under Chapters 617 and 719, Florida Statutes, and the Cooperative Documents, except where a vote of the members is specifically required. Such powers and duties of the Board shall include, without limitation (except as limited elsewhere herein and to the extent that same is in accordance with Chapter 719, Florida Statutes) the following:

- A. Operation, care, upkeep and maintenance of the Common Areas and facilities.
- B. Determination and adoption of the annual budget of Common Expenses required for the operation of the Cooperative and the Association.
- C. Levying and collection of regular and special Assessments for Common Expenses from Unit Owners required to pay same.
- D. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Areas and Cooperative Property.
- E. Adoption and amendment of the rules and regulations covering the details of the operation and use of Cooperative Property and facilities.
- F. Maintaining of bank accounts on behalf of the Association and the designation of the signatories required therefor.
- G. Purchasing, leasing or other acquiring of Units in the name of the Association, or its designee.
- H. Purchase of Units at foreclosure or other judicial sales, in the name of the Association or its designee.
- I. Selling, leasing, mortgaging, or otherwise dealing with Units acquired by, and subleasing Units leased by, the Association or its designee.
- J. Organization of Corporations to act as designees of the Association in acquiring title to Units or leasing Units by the Association.
- K. Obtaining and reviewing insurance for the Cooperative Property.
- L. Making repairs, additions and improvements to, or alterations of, the Cooperative Property, and repairs to and restoration of the Cooperative Property, in accordance with the provisions of the Cooperative Documents.

M. Enforcement of the obligations of the Unit Owners, the allocation of profits and expenses, and the performance of anything and everything else necessary and proper for the sound management of the Cooperative.

N. Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the common elements and giving a collateral assignment of assessments as collateral. If any sum borrowed by the Board on behalf of the Association pursuant to authority contained in this subparagraph N is not repaid by the Association, a Unit Owner, who pays to the creditor such proportion thereof as his or her share in the Common Expenses bears to the interest of all the Unit Owners in the Common Expenses, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

O. Contracting for the management of the Cooperative and the delegation to such manager such powers and duties of the Board as the Board may deem appropriate in the circumstances, and contracting for the management or operation of portions of the Cooperative Property susceptible to separate management or operation thereof, and the granting of concessions for the purpose of providing services to the Unit Owners. As an exception to the foregoing, there shall be no delegation of powers and duties wherein (1) same are contrary to the Statutes of the State of Florida and are accordingly not susceptible of being delegated; (2) those delegations and duties which may be required by the Cooperative Documents to have approval of the Board or of the Unit Owners; (3) the delegation is a power and duty which by its very nature is a decision or fiduciary responsibility to be made by the Board and is therefore not susceptible of delegation; and (4) same may be contrary to the Cooperative Documents.

## **ARTICLE 9**

### **OFFICERS**

9.1 **Executive Officers.** The executive officers of the Association shall be a President, one or more Vice Presidents, Secretary, and Treasurer, all of whom shall be members of the Board and shall be elected by and serve at the pleasure of the Board. Any two of said offices may be united in one person, except that the President shall not also be the Secretary or an assistant Secretary of the Association nor may the President also be the Treasurer or an assistant Treasurer of the Association.

9.2 **Appointive Officers.** The Board may appoint such other officers and agents as they may deem necessary, who shall hold office at the pleasure of the Board and have such authority and perform such duties as from time to time may be prescribed by said Board, including, but not limited to, those duties of the officers delineated hereinbelow.

9.3 **Election.** The Board, at its first meeting after each annual meeting of general members, shall elect all officers.

9.4 **Term.** The officers of the Association shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of a majority of the whole Board.

9.5 **The President.** The President shall be the chief executive officer of the Association. Subject to the provisions of Sections 6.7 and 7.12 hereinabove, the President shall preside at all meetings of Members and of the Board, shall exercise the executive powers of the Association and have general supervision over its affairs and other officers, and shall perform all of the duties incident to the office and such other duties as may be delegated to the President from time to time by the Board.

9.6 **The Vice President.** The Vice President shall perform all of the duties of the President in the absence of the President, and such other duties as may be required by the Board.

9.7 **The Secretary.** The Secretary or assistant Secretary shall issue notices of all Board meetings and all meetings of Members, shall attend and keep the minutes of same, and shall have charge of all of the books of the Association as well as its records and papers, except those kept by the Treasurer. All minutes shall be kept in a businesslike manner and shall be available for inspection by Unit Owners as set forth in the Act.

9.8 **The Treasurer.**

A. The Treasurer or the Treasurer's designee shall have custody of the Association's funds and securities, shall keep full and accurate accounts of the Association's receipts and disbursements, and shall deposit all monies and other valuable effects in the name of, and to the credit of, the Association in such depositories as may be designated by the Board. The books shall reflect an account for each Unit in the manner required by the Cooperative Act.

B. The Treasurer or the Treasurer's designee shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements, and shall render an account of all his or her transactions as the Treasurer, and of the financial condition of the Association to the Board whenever it may require it.

C. The Treasurer or the Treasurer's designee shall collect all assessments and shall report promptly to the Board the status of collections.

D. The Treasurer or the Treasurer's designee shall maintain accounting records according to good accounting practices and shall render to Unit Owners or their authorized representatives, at least annually, a written summary of the Association's fiscal activities.

9.9 **Compensation.** Officers shall not receive compensation for their services.

9.10 **Resignations.** Any officer may resign at any time at a Board or members' meeting or by written resignation, delivered to the President or Secretary, which shall take effect upon its receipt unless a later date is specified in the resignation, in which event the resignation shall be effective from such date. The acceptance of a resignation shall not be required to make it effective.

## ARTICLE 10

### **STOCK OF THE ASSOCIATION**

10.1 **Shares.** Each owner of shares of stock in this Association shall be entitled solely by reason of ownership of said shares in the Association to occupy the Apartment to which he or she has been issued a proprietary lease, and in the appropriate cases, a cabana to which he or she has been issued a proprietary lease, in the Cooperative Property for each block of shares of stock owned by said Member. In accordance with the terms of a proprietary lease and/or occupancy agreement entered into between the Association and the Member simultaneously with the issuance of said shares to the Member and in accordance with these By-Laws. The shares of this Association may be issued only in connection with the execution and delivery of a proprietary lease and/or occupancy agreement by and between the Association and Member, applicable to the Apartment in the Cooperative Property owned or leased by the Association, as to which said block of shares shall be applicable, and in appropriate cases also applicable to a cabana in the Cooperative Property. Stock ownership in this Association shall have the prerequisites of and be equivalent with membership in this Association, and shall constitute "ownership of an Apartment" as that term may be generally used in these By-Laws.

10.2 **Certificates of Stock.** Certificates of stock of the Association shall be in the form approved by the Board of Directors and shall be signed by the President, or the Vice President, and the Secretary or an Assistant Secretary, or the Treasurer, or an Assistant Treasurer, and sealed with the seal of the Association and shall be numbered in the order in which issued Certificates shall be bound in a book and issued in consecutive order therefrom and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and the date of issue. Each Certificate exchanged or returned to the Association shall be cancelled and the date of cancellation shall be indicated thereon by the Secretary or the Stock Transfer Agent and further indicated in the Certificate Book opposite the memorandum of its issue. In the discretion of the Board of Directors, Certificates of stock shall also reflect the lien rights of the Association as set forth in Article 10, Section 10.5, and Article 12 of these By-Laws and in addition, the words "The shares of stock represented by this Certificate may be transferred only in accordance with the By-Laws of the Association" may be reflected on the face of the Stock Certificates.

10.3 **Transfer.** Transfers of shares shall be made only on the books of the Association by the holder in person or by powers of attorney duly executed and witnessed and filed with the Secretary, and on the surrender of the Certificate of such shares, except that shares sold by the Association to satisfy any lien which it holds thereon, may be transferred without the surrender of such Certificate. No transfer of stock shall be valid as against the Association, its stockholders and creditors for any purpose until it shall have been entered in the Stock Book by an entry showing from whom and to whom transferred.

10.4 **Units of Issuance.** There shall be issued the number of shares of stock set forth in the schedule below for each Apartment or Unit and cabana in the Cooperative Property owned by the Association, to the Member having the rights of occupancy thereto, simultaneously and in conjunction with the execution and delivery of a proprietary lease and/or occupancy agreement applicable to such Apartment or Unit, and, in the appropriate case, cabana. Unless and until all proprietary leases and/or occupancy agreement which shall have been executed by the Association and its members have been terminated, the shares of stock which accompany each proprietary lease and/or occupancy agreement shall be represented by a single certificate and shall not be sold or transferred except to the Association, or as an entirety to a person who has acquired such proprietary lease and/or occupancy agreement or a new one in place thereof, after complying with and satisfying the requirements of such proprietary lease and/or occupancy agreement and these By-Laws in respect to the sale, transfer or assignment thereof.

**SCHEDULE OF SHARES ATTRIBUTABLE TO  
APARTMENTS AND CABANAS**

One Bedroom Apartments (17)	-	79 shares per apartment	-	1343
Two Bedroom Apartments (65)	-	121 shares per apartment	-	7865
Three Bedroom Apartments (2) (#307 and #404)	-	173 shares per apartment	-	346
Apartment No. 110	-	79 shares	-	79
Cabanas (16)	-	12 shares per cabana	-	192
				9825
TOTAL			-	9825

The Schedule of Shares in this Section 10.4 may not be amended save with the unanimous consent of the membership.

10.5 **Association's Lien.** The Association shall at all times have a first lien on the shares of stock owned by each Member to secure the payment by such Member of all carrying charges payable or becoming payable by such Member under the provisions of any proprietary lease and/or occupancy agreement issued by the Association, and at any time held by such Member, and for all other indebtedness from such Member to the Association, and to secure the performance by the Member of all the covenants and conditions of said proprietary lease and/or occupancy agreement to be performed or complied with by the Member. Unless and until such Member or lessee makes default in the payment of any such carrying charges or other indebtedness or in the performance of any such covenants or conditions, such shares shall continue to stand in the name of the Member on the books of the Association, and the Member shall be entitled to exercise the right to vote thereon. Upon any default by the Member in the payment of any of the carrying charges or other indebtedness due from him to the Association, upon default by the Member under the terms of his or her proprietary lease and/or occupancy agreement, or under the terms of these By-Laws, the Association shall have the right to enforce said lien in accordance with the terms of these By-Laws and/or the proprietary lease and/or occupancy agreement, and in conjunction with said enforcement, to issue to any purchaser of such shares a Certificate of the shares of stock so purchased substantially the same as the Certificate which had been issued to such defaulting Member, and thereupon the Certificate for such stock which may have been issued to such defaulting Member shall become void, and said defaulting Member shall surrender the same to the Association upon demand.

10.6 **Maximum Number of Shares.** The maximum number of shares which this Association shall have issued and outstanding at any time, including any treasury shares owned by the Association in respect of Apartments and cabanas is Nine Thousand Eight Hundred Twenty-Five (9,825) shares. This Section 10.6 may not be amended save with the unanimous consent of the membership.

10.7 **Certificates To Be Held In Escrow.** Upon resolution of the Members or of the Board of Directors, Certificates representing shares of stock of the Association shall be held in escrow by an Escrow and Stock Transfer Agent appointed by the Association, and instead of said Certificates, the membership shall be issued escrow receipts evidencing their registered ownership of the shares and issuance of said Certificates, together with a copy of the Certificate. Said Certificates shall be delivered or said shares transferred only with the consent of the Association as evidenced by action of the Board of Directors. The terms of the escrow arrangement shall be in the discretion of the Board of Directors. If such a Stock Transfer Agent and Escrow Agent is appointed, he or she may be authorized to co-sign the stock certificates of the Association as Transfer Agent or Stock Transfer Agent, together with the President, Vice President, Treasurer or Secretary of the Association, the provisions of Section 10.2 of this Article 10 to the contrary, notwithstanding. If an Escrow Agent is appointed and said Escrow Agent issues the escrow receipts, then wherever in these By-Laws a Member is required to deliver the stock certificates he or she may in lieu thereof deliver to escrow receipt issued by the Escrow Agent.

## ARTICLE 11

### **FINANCES AND ASSESSMENTS**

11.1 **Depositories.** The funds of the Association shall be deposited in such banks and depositories as may be determined and approved by appropriate resolutions of the Board. Funds shall be withdrawn only upon checks and demands for money signed by such officer(s) or agent(s) as may be designated by the Board.

11.2 **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January of each year; provided, however, that the Board, whenever it deems it advisable, is expressly authorized to change to a different fiscal year in accordance with the applicable provisions of the Internal Revenue Code.

#### 11.3 **Determination of Assessments.**

A. The Board of Directors shall fix and determine the sum or sums necessary and adequate to assess Unit Owners for their share of the Common Expenses set forth in the budget for the Association and the Cooperative. Funds for the payment of Common Expenses shall be assessed against Unit Owners in accordance with the schedule of shares set forth in Section 10.4 of these By-Laws. Assessments shall be payable not less frequently than quarterly and shall be due on the first day of each quarter or month unless otherwise ordered by the Board. Assessments shall be made against Unit Owners 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. Special Assessments, if necessary, shall be levied in the same manner provided in the Act and shall be payable in the manner determined by the Board.

B. Any meeting at which a proposed annual budget of the Association or an amendment thereto will be considered by the Board (or Unit Owners as provided in subsection C of this Section 11.3) shall be open to all Unit Owners. At least fourteen (14) days prior to such a meeting, the Board shall mail, hand deliver or electronically transmit to each Unit Owner at the address last furnished to the Association by the Unit Owner, a notice of such meeting and a copy of the proposed annual budget. An officer or manager of the Association or other person providing notice of such meeting, shall execute an affidavit evidencing compliance with such notice requirement and such affidavit shall be filed among the official records of the Association.

C. If the Board adopts in any fiscal year an annual budget which requires assessments against Unit Owners which exceed 115 percent of assessments for the preceding fiscal year, the Board shall conduct a special meeting of the Unit Owners to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least ten (10%) percent of all voting interests. The special meeting shall be conducted within sixty (60) days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board shall hand deliver or mail to each Unit Owner at the address

last furnished to the Association, a notice of the meeting. An officer or manager of the Association, or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement and such affidavit shall be filed among the official records of the Association. Unit Owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interests. If there is not a quorum at the special meeting or a substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled.

Any determination of whether assessments exceed one hundred fifteen (115%) percent of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the Cooperative Property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the Cooperative Property.

D. The proposed annual budgets of Common Expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to those expenses listed in the Cooperative Act. In addition to annual operating expenses and to the extent applicable, the budgets shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the Cooperative Act would require reserves. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The Association through the Board may adjust replacement reserve assessments annually to take into account any extension of the useful life of a reserve item caused by deferred maintenance. The foregoing reserve account requirements shall not apply to an adopted budget in which the Members of the Association have determined by a majority vote of those present, in person or by proxy, at a duly called meeting of the Association at which a quorum is established, to provide no reserves or less reserves than those described in this subparagraph.

E. When the Board determines the amount of any Assessment, the Treasurer shall mail or present to each Unit Owner a statement of Assessment specifying the amount of same and to whom and where same should be payable and sent. Upon request, the Treasurer shall give a receipt for each payment received.

11.4 **Application of Payments and Commingling of Funds**. All funds collected by the Association shall be maintained separately in the Association's name. For investment purposes only, reserve funds may be commingled with operating funds of the Association. Commingled operating and reserve funds shall be accounted for separately and a commingled account shall not, at any time, be less than the amount identified as reserve funds.

11.5 **Fidelity Bonds.** The Association shall obtain and maintain fidelity bonding of all persons who control or disburse funds of the Association in the principal sum not less than that required by the Cooperative Act, as same may be amended from time to time.

11.6 **Financial Statements.** The Board shall cause to be prepared financial statements either compiled, reviewed or audited, financial statement or a report of cash receipts and expenditures in lieu of financial statements, in accordance with the Cooperative Act, as amended from time to time.

## ARTICLE 12

### **COLLECTION OF ASSESSMENTS**

12.1 **Liability for Assessments.** A Unit Owner, regardless of how title is acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, shall be liable for all Assessments and other charges coming due while that person is the Unit Owner. Each Unit Owner is liable for a proportionate share of the Common Expenses equal to his or her proportionate share of stock ownership set forth in Article 10 of these By-Laws. The Unit Owner shall also be jointly and severally liable with the previous Owner for all unpaid Assessments and other charges that came due up to the time of the transfer of title. This liability is without prejudice to any right the Owner may have to recover from the previous Owner the amounts paid by the Owner. The person acquiring title shall pay the amount owed to the Association upon transfer of title. Failure to pay the full amount when due shall entitle the Association to record a claim of lien against the Cooperative Parcel and proceed in the same manner as provided herein and in the Act, as amended from time to time, for the collection of unpaid Assessments. The liability for Assessments may not be avoided by waiver of the use or enjoyment of any Common Elements or by the abandonment of the Unit for which the Assessments are made or otherwise.

12.2 **Default in Payment of Assessments for Common Expenses.** Assessments and installments thereof not paid within fifteen (15) days from the date when they are due shall bear interest at the highest lawful rate from the date due until paid. In addition to the above stated interest, the Association shall charge an administrative late fee in an amount not to exceed the highest amount provided for in the Cooperative Act, as same may be amended from time to time, on Assessments and installments thereof not paid when due. All partial payments upon account shall be applied in the manner prescribed in the Cooperative Act, as same may be amended from time to time. The Association has a lien on each Cooperative Parcel to secure the payment of Assessments. The lien is effective from the date of the recording of a claim of lien in the Public Records of Palm Beach County. All claims of lien must state the description of the Cooperative Parcel, the name of the record Owner, the name and address of the Association, the amount due and the due dates and must be executed and acknowledged by an officer or authorized agent of the Association. The claim of lien shall secure (whether or not stated therein) all unpaid Assessments, which are due at the time a claim of lien is recorded, as well as all regular and special Assessments which may be levied or which may accrue subsequent to the recording of the claim of lien and prior to satisfaction of the lien or the

issuance of a certificate of title, together with interest, late charges and all reasonable costs and attorney's fees incurred by the Association incident to the collection and foreclosure process. Upon payment in full, the person making the payment is entitled to a satisfaction of the lien. The Association may bring an action in its name to foreclose its lien in the same manner a mortgage of real property is foreclosed and may also bring an action at law to recover a money judgment for the unpaid Assessments without waiving any claim of lien. The Association is entitled to recover its reasonable attorney's fees incurred in either a lien foreclosure action or an action to recover a money judgment for unpaid assessments. As an additional right and remedy of the Association, upon default in the payment of Assessments as aforesaid, the Association may declare the Assessment installments for the remainder of the fiscal year in which a claim of lien has been filed to be accelerated, as provided in Section 12.6 below.

12.3 **Appointment of Receiver to Collect Rental.** If the Unit Owner remains in possession of the Unit or rents the Unit, the rents are hereby deemed assigned to the Association upon default by the Unit Owner in the timely payment of assessments and the Association may collect rental from the tenant if the Unit is rented, or from the Unit Owner if the Unit Owner remains in possession after an action for foreclosure is filed, and may request the Court in its discretion to require the tenant or the Unit Owner to pay such rental for the Unit into the Court Registry or the Association is entitled to the appointment of a receiver to collect such rental.

12.4 **Certificate of Unpaid Assessments.** Within fifteen (15) days after request by a Unit Owner or mortgagee of a Unit, the Association shall provide a certificate stating whether all Assessments and other moneys owed to the Association by the Unit Owner with respect to his or her Unit have been paid. Any person other than the Unit Owner who relies upon such certificate shall be protected thereby. The Association or its authorized agent may charge a reasonable fee for the preparation of the Certificate.

12.5 **Installments.** Regular Assessments may be collected monthly or quarterly, in advance, at the option of the Board of Directors. Special assessments shall be payable on such terms as may be established by the Board.

12.6 **Acceleration of Assessment Installments Upon Default.** If a Unit Owner shall be in default in the payment of an installment upon an Assessment, the Board may accelerate the remaining installments of the Assessment upon notice to the Unit Owner, and the then unpaid balance of the Assessment shall be due upon the date stated in the notice.

## ARTICLE 13

### **PROPRIETARY LEASES (SUBLEASES) AND/OR OCCUPANCY AGREEMENTS**

13.1 **Form.** The Board of Directors shall adopt a form of proprietary lease and/or occupancy agreement to be used by the Association for the leasing of all Apartments in

the Cooperative Property to Members. Such proprietary leases and/or occupancy agreements shall be for such terms, with or without provisions for renewals and shall contain such restrictions, limitations and provisions in respect to the assignment thereof, the subletting of the premises demised thereby, and the sale and transfer of shares of stock of the Association accompanying the same and such other terms, provisions, conditions and covenants as the Board deems advisable. Said proprietary lease and/or occupancy agreement may further provide for the manner and vote whereby it and all outstanding proprietary leases and/or occupancy agreements executed by the Association and its Members may be amended and revised, but all proprietary leases shall be identical.

13.2 **Issuance and Assignment.** Proprietary leases and/or occupancy agreements shall be assigned or transferred only in compliance with, and may not be assigned or transferred in violation of, the terms, conditions and provisions of these By-Laws and of such proprietary leases and/or occupancy agreements. A duplicate original of each proprietary lease and/or occupancy agreement shall always be kept on file in the office of the Association.

13.3 **Association and Trusts.** Leases and accompanying capital stock shall be issued to and held by natural persons or trusts formed for the purpose of estate or financial planning, except the Association or institutional mortgagee taking title by foreclosure or deed in lieu of foreclosure. Any institutional mortgagee acquiring title shall designate in writing the family who shall be the occupying tenant or tenants, which family shall be subject to all the requirements of such lease as if said family were the tenant named in said lease.

13.4 **Mandatory Provisions.** Each and every proprietary lease and/or occupancy agreement shall be deemed to contain the following provisions, which need not be included in the language of said proprietary lease and/or occupancy agreement, but which nevertheless shall be binding upon each and every member as if set out in full in such agreements:

A. **Determination of Assessments and the Payment Thereof.**

1. All regular Assessments and other payments shall be due and payable on a quarter-annual basis, on the first day of January, April, July and October of each year, unless the Board of Directors shall make such payments due on a monthly basis or at another time.

2. In the event of special or emergency Assessments, the Association shall give the Member at least ten (10) days written notice of the member's share of any such Assessment as determined by the Board of Directors, such notice to be addressed to the Member at his or her Apartment or at such other address as to which the Member may from time to time advise the Association in writing that he or she desires notification to be given.

3. The determination by the Board of Directors of the amount of any regular Assessments, special Assessments or other payments, herein collectively referred to as "carrying charges", shall not be subject to approval, amendment, or challenge, review or change by the Member or any of them; such determination shall be final, binding and conclusive on the Members, the Association's Members, and all other persons whatsoever. However, nothing herein shall be construed to give the Board of Directors the power to change each Member's percentage responsibility for Common Expenses.

4. The Member shall be obligated to pay the amount of the Assessments and carrying charges levied and determined by the Association and its Board of Directors, regardless of the extent to which he or she uses or does not use his or her Apartment, any area or facility located on, or constituting a part of the Cooperative Property or premises of which it is a part.

B. Termination of Membership. It is an essential condition of the Proprietary Lease that the estate thereby created, shall cease, determine and become null and void at the option of the Association on the happening of any one of the following events or contingencies:

1. If at any time during the term thereof, the Association shall determine by the affirmative vote of a majority of its entire Board of Directors, ratified in writing by at least five-sixths (5/6ths) of the Members, either at a meeting of Members duly called for that purpose, or otherwise by their assent in writing, to sell the Cooperative Property and its interest in the real estate upon which the Cooperative Property is situate (whether that interest be fee simple, leasehold or otherwise), then and in such event the Lease and all rights and estate of the Member hereunder shall cease and terminate at a time fixed by the Association for the consummation of the sale of said real property, or the Association's interests therein, to the end that the Association may deliver good and sufficient title to any purchaser thereof, free, clear and discharged of any estate or interest of the Member therein.

2. Total or substantial destruction of the Cooperative Property by fire or other casualty as defined in Section 18.1(B) hereof.

3. If at any time during the term of a Lease, a Member shall cease to be the owner of and have standing in his or her name on the books of the Association, the capital stock of the Association attributable to his or her Apartment; provided, however, in the event of the death of the Member, during the term of this Lease, and the personal representative of the Member shall duly perform each and every one of the obligations of the Member hereunder, said rights of the Association to terminate this Lease by virtue of the preceding provisions shall be suspended for a period of eighteen (18) months from the date of death of the Member.

4. If at any time during the term of the Lease, a Member or his or her successors in interest shall be adjudged a bankrupt; or a receiver of all or substantially

all of the property of the member be appointed; or a Member shall make a general assignment for the benefit of his or her creditors; or if any interest of the Member hereunder or in the stock of the Association shall be attached or levied on by any judicial process, and such attachment or levy shall not have been released within ten (10) days; or if the member shall pledge or give as security his or her stock interest in the Association or his or her interests hereunder, to any person, real or corporate, other than to the Association, or to a state or national banking institution approved by the Board of Directors, without the consent of the Board of Directors.

5. If any sale, assignment or purported assignment, or any subletting or purported subletting is made by the Member hereunder except as herein otherwise expressly provided for, or except as expressly provided for in the By-Laws of the Association, or if the Member shall make default in payment of rent or any installment or part thereof, or of any other sums payable by Member to the Association hereunder, and such default shall continue for a period of thirty (30) days after notice in writing thereof to Member; or if Member shall make default of any of the covenants to be kept or performed by the Member hereunder, and any such defaults shall continue or be repeated after written notice to said Member, or if after the expiration of thirty (30) days following such written notice, any such default shall continue or be repeated.

6. If the Member shall suffer any lien to be placed on or against the property of the Association on account of any material or labor used in the making of any decorations, improvements or repairs of the demised Apartment, chargeable to said member under the terms hereof, and in the further event that said lien is not released within thirty (30) days after notice of the filing of same shall be given to said Member.

## **ARTICLE 14**

### **USE RESTRICTIONS**

In order to provide for congenial occupancy of the Cooperative Property and for the protection of the values of the Units, the use of the Cooperative Property shall be restricted to and shall be in accordance with the following provisions:

#### **14.1 Occupancy.**

A. No Unit shall be permanently occupied by more than two (2) persons for each bedroom in the Unit. In addition, temporary guests are permitted so long as they do not create an unreasonable source of noise or annoyance to the other residents. Occupancy of a Unit is limited to one family – no more than one family may occupy a Unit. A “family” is defined as:

1. One person or group of two or more persons, each of whom is related to each of the others by blood, marriage or adoption; or
2. One unmarried couple, and the children of either or both of them, who reside

together as a single household.

In addition, an Owner or tenant is permitted to have live-in housekeepers, nannies, or care givers, subject to compliance with the limit on the number of occupants. Occupancy of as Unit by groups of unrelated persons is prohibited.

B. Under no circumstances may any Unit be used for any business purpose which would cause a level of noise, odor, traffic, debris or other activity inconsistent with residential use.

C. A guest shall be considered any occupant who is not a Unit Owner or an approved sub-lessee.

D. If a Unit is purchased by several people, the purchasers MUST designate which of the purchasers will occupy the Unit as the single family of people occupying the Unit as a single housekeeping unit. The others will be permitted as guests.

E. There shall be no time limitation on guest occupancy provided the guest occupies the Unit with the Owner or the approved sub-lessee or the guest is a member of the Owner's or approved sub-lessee's "immediate family", as defined below.

F. Guest occupancy in the absence of the Unit Owner or sub-lessee shall be limited to Unit Owner's or sub-lessee's "immediate family." The term "immediate family" is defined as the parents, children, grandchildren and siblings of the Owner or sub-lessee, and the spouse or domestic partner of such persons. Prior to any occupancy of the Unit by any guest in the absence of the Owner or sub-lessee, the Owner or sub-lessee must provide written notice to the Association of the name or names of the intended guests, clarification (and verification if requested by the Association) of the relationship of the guest to the Owner or sub-lessee, the anticipated date of arrival, and the anticipated date of departure.

14.2 **Use of Common Areas.** The Common Areas shall be used only for furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

14.3 **Nuisances.** No nuisances (as defined by the Association) shall be allowed on the Units, cabanas or Cooperative Property, nor shall any use or practice be allowed which is a source of annoyance to residents or occupants of Units or which interferes with the peaceful possession or proper use of the Units, cabanas or Cooperative Property by its residents or occupants. The Board of Directors is hereby authorized to adopt additional rules and regulations regarding noise, including, but not limited to, regulations regarding the types of activities that are permitted, the level of noise that is permitted, and the hours during the day during which certain types of activities are permitted.

14.4 **No Improper Uses.** No improper, offensive, hazardous or unlawful use shall be made of the Units, cabanas or Cooperative Property or any part thereof, and all

valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereover shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereover, relating to any portion of the Units, cabanas or Cooperative Property, shall be corrected by, and at the sole expense of, the party obligated to maintain or repair such portion of the Units, cabanas or Cooperative Property, as elsewhere herein set forth. Notwithstanding the foregoing and any provisions of the Articles of Incorporation or these By-Laws, the Association shall not be liable to any person(s) for its failure to enforce the provisions of this subsection.

14.5 **Sub-Leases**. The term sub-lease means the Unit Owner leasing the Unit to a tenant. Only an entire Unit may be sub-leased and no portion of a Unit may be sub-leased. A Unit shall not be sub-leased without the prior written approval of the Association, as provided in Article 15 hereof, which approval shall not be unreasonably withheld. No Unit Owner may sub-lease his or her Unit more than once in a twenty-four (24) month period, measured from the commencement of the most recent prior lease. No sub-lease may be for a term of less than three (3) months or more than twelve (12) months. A Unit shall be considered sub-leased any time it is occupied by a sub-lessee. The Association shall have the right to require that a substantially uniform form of sub-lease be used. The Association has authority and standing to evict any sub-lessee of a Unit Owner who is in breach or violation of these Cooperative Documents or the rules and regulations of the Association. In the event the Association approves a sub-lease, such approval of a sub-lease shall not release the Unit Owner from any obligation under these Cooperative Documents, and the sub-lessee shall have the right to use the facilities and Common Areas to the exclusion of the Unit Owner unless the sub-lessee waives such rights in writing. Regardless of whether or not expressed in the applicable sub-lease, if any, all Unit Owners shall be jointly and severally liable with their sub-lessees to the Association for any amount which is required by the Association to effect such repairs or to pay any claim for injury or damage to property caused by the negligence or intentional act of the sub-lessee or for the acts and omissions of the sub-lessee(s) or occupant(s) (whether or not subject to a sub-lease), and any guests or invitees of the sub-lessee. All sub-lessees shall comply with and be subject to the provisions of the Cooperative Documents, Rules and regulations as well as the Act and other Florida Statutes and the provisions of same shall be deemed expressly incorporated into any lease of a Unit. Sub-subleases are prohibited.

14.6 **Parking**. The following guidelines shall apply with regard to permitted and prohibited vehicles on the Cooperative Property (including, without limitation, any assigned or unassigned parking spaces):

A. ONLY passenger automobiles, station wagons, sport utility vehicles and passenger vans may park on the Cooperative Property. In addition, the motorcycles and scooters will be permitted, so long as the motorcycle or scooter is approved in writing by the Board of Directors and subject to such limitations as the Board of Directors may require.

B. Without limiting the general provisions set forth above, the following

types of vehicles WILL NOT be permitted to park on the Cooperative Property, except as provided by sub-paragraph (C) below:

1. Commercial vehicles of any type;
2. Vans, other than passenger vans (passenger vans must have windows on all body panels);
3. Limousines or "stretch" limousines, except in areas designated by the Board of Directors;
4. Trucks in excess of one-half ton capacity;
5. Agricultural vehicles;
6. Dune buggies;
7. Any trailer or other device transportable by vehicular towing;
8. Semis, tractors or tractor trailers;
9. Buses;
10. Travel trailers;
11. Boats and boat trailers with or without boat, except in areas designated by the Board of Directors;
12. Vehicles which are not fully mechanically operable or not currently licensed or registered for use;
13. Motorcycle delivery wagons;
14. Recreational vehicles, except in areas designated by the Board of Directors;
15. Mobile homes or mobile houses;
16. Truck mounted campers attached or detached from the truck chassis;
17. Motor homes or motor houses;
18. Motor vehicles not having any bodies whatever, or incomplete buggies;

19. Swamp buggies; and
20. Passenger automobiles that have been converted for racing.
21. Vehicles which leak oil or other fluids.

If there is a vehicle which because of its size or length obstructs the view of other drivers, the Board may require the vehicle to be parked in a designated location to avoid creating a hazard. The Board's determination of whether such a vehicle should be parked in a designated location is controlling.

C. While engaged in making deliveries or service calls, or if being utilized by Association employees, trucks and other commercial vehicles may be parked in designated areas, but not overnight.

D. All vehicles parked on the property contrary to the provisions contained herein shall be subject to being towed in accordance with Section 715.07, Florida Statutes, as amended from time to time, at the expense of the owner of the vehicle. Towing shall not be the exclusive remedy of the Association.

E. Notwithstanding anything herein to the contrary, but subject to subparagraph C above, no vehicle or other device shall be permitted to park on Cooperative Property for other than delivery or service call purposes, if its dimensions exceed the dimensions of the parking space assigned or designated.

F. The Board may adopt and amend additional rules and regulations regarding the issuance and display of decals to identify residents' or guests' vehicles.

14.7 **Limitations on Ownership.** No ownership or possessory interest in a Unit may be conveyed, leased or otherwise transferred to a corporation, partnership or other entity of any kind except for trusts formed for the purpose of estate or financial planning. This provision is not applicable to the acquisition of Units by the Association. Notwithstanding the provisions above regarding the acquisition of title by an entity, any entity acquiring title to a Unit through the foreclosure of a mortgage or other lien or by deed in lieu of foreclosure may hold title, but any person taking occupancy of the Unit while title is held by such entity shall be subject to the requirements of this section applicable to leases, regardless of whether the occupants are leasing the Unit or occupying the Unit by, through or on behalf of the entity. Title to a Unit may not be held in the name of more than two (2) natural persons. No person or permitted entity other than the Association may own an interest, directly or indirectly, jointly or individually, in more than two (2) Units in the Cooperative.

## **ARTICLE 15**

### **CONVEYANCES, SALES, SUBLEASES AND TRANSFERS**

In order to insure the community of congenial residents and thus protect the value of the Units, the sale, subleasing, and transfer of Units by any Owner shall be subject to the following provisions:

15.1 **Transfers Subject To Approval.** The following transfers shall be subject to prior written approval of the Board of Directors and any transfer undertaken without prior written approval of the Board of Directors shall be void:

- A. All sales of Units, whether by deed, foreclosure sale, deed in lieu of foreclosure, or other judicial process.
- B. All sub-leases of Units.
- C. All transfers by gift.
- D. All transfers by devise or inheritance.
- E. Any other transfer of title to or possession of a Unit.

15.2 **Notice and Application to Association.** Prior to approving any transfer subject to approval hereunder, the Owner shall properly submit to the Association written notice of the transferor's intent to make the transfer with a copy of the documentation evidencing the intended transfer, including, but not limited to, a copy of the contract for sale in the case of a sale, a copy of the proposed sub-lease in the case of a sub-lease, a copy of the transferor's Last Will and Testament in the event of a transfer by devise, and a copy of any other documentation pertaining to a proposed transfer subject to approval hereunder which the Association may reasonably require, completed applications on forms prescribed by the Association, a personal interview with the proposed transferee(s) and any other intended occupants of the unit, and such other and further information about the intended transferees or occupants as the Association may reasonably require.

All transfers subject to approval shall require, as a condition of approval, the payment to the Association of a transfer fee not to exceed the maximum amount permitted by the Cooperative Act, as same may be amended from time to time. All transfers by lease may be conditioned upon the posting of a security deposit with the Association not to exceed the maximum amount permitted by the Cooperative Act, as same may be amended from time to time.

15.3 **Association's Election.** Within sixty (60) days of receipt of the last of the information required pursuant to Section 15.2 above, the Association must either approve or disapprove the transfer. Failure on the part of the Association to respond within said sixty (60) day period shall constitute automatic approval for the proposed transfer.

A. Approval. In the event the Association approves a sub-lease, the Association shall notify the transferor and transferee of its approval in writing. In the event the Association approves any other transfers subject to approval hereunder, the

Association shall deliver to the transferor or the transferor's designee an executed certificate of approval, approving the transfer, executed by an authorized representative of the Association.

B. Disapproval of Transfer of Lease. In the event the Board of Directors disapproves a proposed sale, unless good cause exists, as defined below, the Association must, within thirty (30) days of receipt of the last of the information provided pursuant to Section 15.2 hereof, provide the owner with an executed contract from the Association or another purchaser acceptable to the Association, which contract must provide for the purchase of the Unit on the same terms as were set forth in the original proposed contract for sale, which contract must provide for a closing date within thirty (30) days from the date it is delivered to the owner by the Association. If the conveyance or transfer was a gift, devise or inheritance, unless good cause exists, as defined below, the purchase price shall be determined by an appraiser selected by and at the expense of the substitute purchaser. If the Unit Owner does not agree with the appraisal, the owner may select and pay for another appraisal and the purchase price shall be the average of the two appraisals. If the Association does not respond to the application within thirty (30) days, as set forth above, or the substitute purchaser provided by the Association does not close within thirty (30) days, as set forth above, the original transaction shall be deemed approved and the Unit Owner may proceed to closing and shall be entitled to a Certificate of Approval as described in Paragraph A of this Section 15.3.

If good cause exists for the Association to disapprove a proposed sale, conveyance or transfer by gift, devise or inheritance, the Association shall not be obligated to purchase or provide a substitute purchaser for the Unit. Good cause shall be defined to include the following:

1. The applicant fails to qualify for membership in the Association, including, but not limited to, those applicants who fail to qualify for membership because of the restrictions on occupancy or ownership set forth in the Cooperative Documents or Rules and Regulations;

2. The person seeking approval (which shall include all proposed occupants of the Unit) failed to provide the information, fees or appearance required to process the application in a timely manner or included materially inaccurate or materially false information in the application, or the person seeking approval failed to participate in the personal interview with the Board;

3. The person seeking approval or any proposed occupant of the Unit has been convicted of a felony involving violence to persons or property, sale, distribution, or use of controlled substances, or a felony demonstrating dishonesty or moral turpitude or has been charged with any such felon(ies) and the person was not acquitted or the charges were not dropped;

4. The person seeking approval (or any proposed occupant of the Unit) is a registered sex offender in any state;

5. The person seeking approval does not reasonably appear to have adequate financial resources available to meet his/her obligation to the Association and cannot demonstrate such resources;

6. The applicant takes possession of the Unit prior to approval by the Association as provided for herein;

7. The person seeking approval (or any proposed occupant of the Unit) has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his or her conduct in this cooperative as a sub-lessee, guest, owner or occupant of a Unit; or

8. The applicant fails to comply with the requirements of Section 15.2 hereof.

C. Disapproval of Sub-Lease. In the event the Board of Directors disapproves a sub-lease, the sub-lease shall not be made and the proposed sub-lessee shall not take occupancy of the Unit. No sub-lease will be approved unless and until all financial obligations of the Owner to the Association are brought current or are satisfied, as the case may be.

## ARTICLE 16

### **SALE OR ACQUISITION OF ASSETS**

#### 16.1 **Sale of Assets.**

A. The Association shall not sell or otherwise transfer its interest in and to the Cooperative Property which its Members occupy and its interests in the lands appurtenant thereto, including what is referred to as the "Manager's Apartment 110", except that this restriction shall not be deemed to prohibit the Association from reorganizing should the occasion arise. Thereafter, the Association may sell or otherwise transfer its interests as owner or the Cooperative Property and lands upon which said building is situate with the written consent and approval of not less than two-thirds (2/3rds) of the Members; providing, however, that any such sale or transfer shall be subject to the interests of the Members under their outstanding proprietary lease and/or occupancy agreements unless the membership shall have otherwise given its consent to such sale or transfer in accordance with the provisions of said proprietary lease and/or occupancy agreements.

B. If any sale or transfer shall be approved by the Members as aforesaid, said approval shall also determine and specify whether or not any part or all of the proceeds of said sale or transfer shall be distributed to the membership. Any such distribution shall be in accordance with Section 16.2 of this Article 16.

## 16.2 **Distributions.**

A. All distributions to members of the proceeds of any sale of the assets of the Association, or any other lawful distributions to members by the Association shall be in proportion to the Members' stock ownership shares of stock of the Association issued and outstanding.

B. The sale of any of the Association's assets other than its interests as owner of the Apartment house and its interests in the appurtenant lands may be made under such terms and conditions as the Board of Directors may approve, except that the sale or transfer of any asset having a fair market value on the date of approval of said sale or transfer by the Board of Directors in excess of Ten Thousand Dollars (\$10,000.00) shall also require the approval of not less than two-thirds (2/3rds) of the Members unless said sale or transfer is in exchange for like property acquired by the Association for similar use as that property sold or exchanged.

16.3 **Amendment.** Section 16.2 of this Article 16 shall not be amended in any way which will reduce any member's share of any distribution of the assets of the Association without the consent of such Member, it being understood, however, that nothing herein shall be construed to require the Association to distribute more than the proceeds of sale, net after costs and expenses of any sale or disposition of assets.

## **ARTICLE 17**

### **INSURANCE**

Insurance shall be carried upon the Cooperative Property and upon each Unit, subject to the following provisions:

17.1 **Authority to Purchase; Named Insured.** All insurance policies upon the Cooperative Property shall be purchased by the Association, except as specified below. The named insured shall be the Association individually, and as agent for the Unit Owners and their mortgagees, without naming them. Such policies shall provide that payments by the insurer for losses shall be made to the Association for the benefit of the Unit Owners and their mortgagees.

## 17.2 **Coverage.**

A. **Casualty.** Except as otherwise provided herein, the Association shall obtain and maintain fire, wind, general casualty, flood and extended coverage insurance with a responsible insurance company upon all of the Insurable Improvements of the entire Cooperative, including the Common Areas, the Units, and the personal property of the Association, for the full replacement or insurable value thereof, including coverage for changes in building codes, and less a commercially reasonable deductible as determined by the Board, provided the Board may exclude foundation and excavation costs in its discretion. Notwithstanding the foregoing requirement, the Association, through its Board

of Directors, will have fulfilled its duty to obtain insurance coverage if it obtains and maintains such insurance coverage as may be reasonably available from time to time given market and economic conditions, provided such coverage shall always meet the minimum level of adequate coverage required by Chapter 719, Florida Statutes, as amended from time to time. The original policy of insurance shall be held by the Association, and mortgagees shall be furnished, upon request, mortgage endorsements covering their respective interests. The word "Building" or "Insurable Improvement" in every hazard policy issued to protect a Cooperative Property does not include Unit floor, wall, or ceiling coverings; electrical fixtures; appliances; air conditioner or heating equipment; water heaters; water filters; built-in cabinets or countertops; window treatments, including curtains, drapes, blinds, hardware and similar window treatment components; replacements of any of the foregoing, which are located within the boundaries of a Unit and serve only one Unit; all air conditioning compressors that service only an individual Unit, whether or not located within the Unit boundaries. The Unit Owners shall be responsible to insure any portion of the Cooperative Property which is excluded from the Association's coverage obligations hereunder or which may be removed from Association insurance responsibilities by virtue of future amendments to Chapter 719, Florida Statutes, as well as alterations, modifications or additions made to the Unit or Common Areas by a Unit Owner, or his or her predecessor in interest or title. If the Association's master insurance policy obligations are increased by amendments to the Florida Statutes, the Association shall insure such items.

B. Liability. The Association shall obtain and maintain public liability insurance covering all of the Common Areas and Cooperative Property and insuring the Association and the Unit Owners as their interest may appear in such amount as the Board of Directors may deem appropriate. The Board of Directors shall have authority to compromise and settle all claims against the Association or upon insurance policies held by the Association. The Unit Owners shall have no personal liability upon such claims, except as may be otherwise provided by law, and nothing herein contained shall in any way be construed as imposing upon the Association a duty to assess Unit Owners for the purpose of raising sufficient funds to discharge any liability in excess of insurance coverage.

C. Workmen's Compensation. The Association shall procure a workmen's compensation policy to meet the requirements of law or deemed appropriate by the Board.

D. Other Insurance. The Association may procure such other insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

E. Insurance By Unit Owners. Unit Owners are required to purchase and maintain adequate insurance coverage. Title insurance is optional, and is the sole responsibility of the Unit Owner. Flood insurance, excess to the Association's coverage is optional. Unit Owners are required to carry basic property (aka casualty) insurance and liability insurance. Such insurance must include liability coverage of at least \$300,000.00

for injury to persons or property occurring within the Unit, the Common Areas, or claims involving the Unit Owner's tenants, guests, and invitees. Owners are also required to carry property insurance in amounts deemed sufficient by the Board (which may establish additional and supplemental individual Unit Owner's insurance obligations from time to time by rule) covering all real and personal property in the Owner's Unit which is excluded from coverage under the Association's policy. The Association may but is not obligated to require Unit Owners to provide proof of insurance. Owners are also encouraged to carry Loss Assessment coverage, and such other coverages as their individual insurance agent may recommend to provide full protection. The Board may require that Unit Owners provide Certificates of Insurance, or other appropriate evidence of the Unit Owner's carrying insurance required by these By-Laws.

17.3 **Deductible and Other Insurance Features.** The Board of Directors shall establish the amount of the deductible under the insurance policies procured by the Association, and other features, as they deem desirable and financially expedient, in the exercise of their business judgment.

17.4 **Premiums.** Premiums upon insurance policies purchased by the Association shall be paid by the Association and charged to the Unit Owners as Common Expenses.

17.5 **Shares 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 such bank in Florida with trust powers as may be designated as Insurance Trustee by the Board of Directors of the Association, which bank shall be referred to as the Insurance Trustee. Proceeds of insurance shall be shared as follows:

A. **Common Areas.** Proceeds on account of damage to Common Areas shall be an undivided share for each Unit Owner, each share being the same as the allocation of Assessments in Section 12.1 hereinabove.

B. **Units.** Proceeds on account of damage to Units shall be held in the following undivided shares:

1. **When the Building is to be Restored.** For the Owners of damaged Units in proportion to the cost of repairing the damage suffered by such Unit Owner, which cost shall be determined by the Association; each Unit Owner shall be bound by a certificate issued by the Association as to his or her proportionate share of the cost of repairs.

2. **When the Building is Not to be Restored.** An undivided share for each Unit Owner, such share being the same as the allocation of Assessments in Section 12.1 hereinabove.

C. Mortgages. In the event a mortgage endorsement has been issued as to a Unit and submitted to the Association, the share of the Unit Owner shall be held for the mortgagee and the Unit Owner as their interests may appear in such endorsement submitted to the Association; 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, and no mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except distributions of such proceeds made to the Unit Owner and mortgagee pursuant to the provisions of these Bylaws.

D. Common Areas and Units. When both Common Areas and those portions of the Unit insured by the Association are damaged by a single casualty, the proceeds of insurance shall be allocated between damage to Common Areas and Units as the Board of Directors shall determine. It shall be presumed that when there are insurance proceeds received on account of such a casualty, but insufficient proceeds for casualty repair (including but not limited to shortfalls occasioned by the existence of a deductible), that such shortfalls shall first be applied to damages to the Common Areas, and then to damages to the Units, it being the intent of this provision that when there is a common casualty loss causing significant damage to the premises, the shortfalls occasioned by deductibles shall be first apportioned to all Unit Owners in proportion to their share of the Assessments and not applied first to Unit damage.

17.6 Distribution of Proceeds. Proceeds of insurance policies received by the Association or the Insurance Trustee shall be distributed in the following manner:

A. Expense of the Trust. All expenses of any Insurance Trustee shall be paid first or provisions made for such payment.

B. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired, the remaining proceeds shall be paid to defray the cost of such repairs as elsewhere provided. Any proceeds which remain after defraying such costs shall be distributed to the Unit Owners and their mortgagees, if there is a mortgagee endorsement submitted to the Association, remittances to Unit Owners and their mortgagees being payable in the manner provided in such mortgagee endorsement or jointly if the endorsement does not provide otherwise.

C. Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which proceeds are paid shall not be repaired, the insurance proceeds shall be distributed to the Unit Owners and their mortgagees, if there is a mortgagee endorsement submitted to the Association, remittances to Unit Owners and their mortgagees being payable in the manner provided in such endorsement or jointly if the endorsement does not provide otherwise.

D. Certificate. In making distribution to Unit Owners and their mortgagees, the Insurance Trustee, if any, may rely upon a certificate of the Association made by its President and Secretary as to the names of the Unit Owners, and their

mortgagees, and their respective shares of the distribution.

17.7 **The Association as Agent.** The Association is hereby irrevocably appointed agent for each Unit Owner and for each owner mortgagee and for each owner of any other interest in the Cooperative Property for the purpose of adjusting or compromising and settling all claims arising out of insurance policies purchased by the Association, and is empowered to execute and deliver releases upon the payment of claims.

## ARTICLE 18

### **RECONSTRUCTION AFTER CASUALTY**

This provision shall apply to the reconstruction and repair of any portion of the Cooperative Property damaged by casualty.

#### 18.1 **Determination to Reconstruct.**

A. Any portion of the Cooperative Property damaged by casualty shall be reconstructed and repaired, as appropriate, as promptly as reasonably possible after the casualty, whether the responsibility for reconstruction or repair lies with the Association or with the Unit Owner, unless the determination is made not to reconstruct or repair the Cooperative Property pursuant to subsection (B) hereof.

B. The Unit Owners may vote not to reconstruct or repair the Cooperative Property after casualty and terminate the Cooperative in the event a casualty results in more than fifty percent (50%) of Units in the Cooperative being condemned by the local building department and one hundred percent (100%) of the Association's casualty insurance policy becomes payable based upon the extent of the damage. Should those two events both occur, the membership may vote to forego reconstruction and repair, and vote to terminate the Cooperative. Such a vote may be initiated by the Board or by a petition signed by at least a majority of the total votes of the membership. In either event, the vote not to reconstruct and to terminate the Cooperative must occur within one hundred eighty (180) days of the determination to condemn the property by the local building department or the final insurance adjustment, whichever occurs later, and the vote to forego reconstruction and repair and to terminate the Cooperative must be approved in the manner required by Section 13.4(B)(1) hereinabove for termination of memberships.

#### 18.2 **Responsibility For Reconstruction and Cost Of Reconstruction.**

A. If any portion of the Cooperative Property for which the Association is required to provide casualty insurance is damaged by casualty, the reconstruction and repair of that portion of the Cooperative Property shall be undertaken by the Association. Any Unit Owner who undertakes such reconstruction or repair without prior written approval from the Board of Directors waives any claim or right the Owner may

have to receive insurance proceeds from the Association's casualty insurance policy for any such damage. Even if the Association consents to the Unit Owner performing such reconstruction or repair, the Owner's recovery from the Association shall be limited to the amounts approved and paid by the Association's insurance carrier.

B. If any portion of the Cooperative Property which the Unit Owner is required to insure is damaged by casualty, such damaged property shall be reconstructed and repaired by the Unit Owner. If the Unit Owner fails to perform such repair within a reasonable time, as determined by the Board, the Association may perform such repair and the cost thereof shall be assessed against the Owner of the damaged Unit and shall be enforceable in the same manner as an Assessment under Section 12 hereof.

C. All reconstruction and repair undertaken as a result of casualty shall be in substantial accordance with the pre-existing construction prior to the casualty damage and any material alteration, whether by the Association or the Unit Owner, must first be approved in the manner elsewhere provided in these By-Laws or the applicable Statute.

D. Any reconstruction or repair expense which is not covered by insurance proceeds from the Association's casualty insurance policy shall be assessed in the following manner:

1. To the extent the insurance proceeds are insufficient because of any deductible in the Association's policy attributable to windstorm, the deficiency shall be the subject of a special Assessment levied against all Owners in the proportionate shares by which the Owners otherwise share Assessments under Section 12.1 hereinabove.

2. To the extent the insurance proceeds are insufficient because of a deductible for any other peril (other than windstorm) or for any other reason other than a deductible, the deficiency in the insurance proceeds is a Common Expense only if the damaged portion of the Cooperative Property is the responsibility of the Association to maintain, repair or replace under these By-Laws or the Proprietary Lease and Occupancy Agreement, and is the expense of the individual Unit Owner if the damaged portion of the Cooperative Property is the responsibility of that Unit Owner to maintain, repair or replace under these By-Laws or the Proprietary Lease and Occupancy Agreement.

18.3 **Estimates of Costs.** After a determination is made to rebuild or repair damage to property for which the Association or Unit Owner has the responsibility of reconstruction and repair, the Association or Unit Owner shall obtain promptly reliable and detailed estimates of the cost to rebuild or repair. However, if the Association determines to perform the work on behalf of the Unit Owners, the Association shall obtain the estimates for that portion of the work to be performed by the Association.

18.4 **Termination of Cooperative if not reconstructed.** If the Owners vote not to reconstruct the Cooperative by vote required in Article 18.1(B) hereof, the Cooperative shall be terminated in accordance with the procedures set forth in Section 13.4(B)(1) hereof.

18.5 **Additional Board Authority.** In addition to Board authority granted by law and the Cooperative Documents, the Board shall have the following power and authority after a casualty:

A. To determine after a casualty whether the Units can be safely occupied.

B. To declare any portion of the Cooperative Property or Association Property unavailable for occupancy by Owners, tenants, or guests after a casualty, including during the rebuilding process. Such decision by the Board shall be made only if necessary to protect the health, safety, or welfare of the Association, Owners, tenants, or guests.

C. To mitigate damage and take action to prevent the spread of fungus (mold, mildew, etc.) by tearing out wet drywall and carpet (even if the Unit Owner is obligated to insure and/or replace those items) and to remove personal property from the Unit and store at a offsite location, with Owners responsible for reimbursing the Association for items for which the Owner is responsible, including storage charges, but which may be necessary to prevent further damage. The Association shall bear no liability for such actions, and shall have no liability for loss or damage to Unit contents removed and/or stored by the Association, if the action taken by the Association is taken in good faith.

D. To contract on behalf of Unit Owners, with said Owners responsible to reimburse the Association, for items for which the Owner is responsible but which may be necessary to prevent further damage. Without limitation, this includes, dry-out of Units and replacement of damaged air conditioners when necessary to provide climate control in the Units.

E. To implement a disaster plan prior to, during or after an impending casualty including, but not limited to, shutting down elevators, electricity, security systems, and air conditioners.

F. The Board may relocate the principal office or designate alternative principal offices or authorize the officers to do so.

G. To hold Board meetings with notice given only to those Directors with whom it is practicable to communicate, and the notice may be given in any practicable manner, including publication or radio. The Director or Directors in attendance at such a meeting shall constitute a quorum.

H. To change or postpone the annual meeting date to a date and time determined by the Board, even if such change will result in not holding an annual meeting in a particular calendar year.

I. To use reserve funds to meet Association needs, and use reserve funds as collateral for Association loans.

J. To adopt, by Board action, emergency assessments with such notice deemed practicable by the Board.

K. To adopt emergency Rules and Regulations governing the use and occupancy of the Units and Common Areas, with notice given only to those Directors with whom it is practicable to communicate.

## **ARTICLE 19**

### **OFFICIAL RECORDS**

The Association shall maintain official records as defined in the Cooperative Act, as same may be amended from time to time, which shall be subject to inspection as provided in the Act, as the Act may be amended from time to time.

## **ARTICLE 20**

### **PARLIAMENTARY RULES**

Roberts' Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Articles or these By-Laws.

## **ARTICLE 21**

### **INDEMNIFICATION**

The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, or committee member of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, unless (1) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he or she did not act in good faith, nor in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he or she had reasonable cause to believe his or her conduct was unlawful, and (2) such court further specifically determines that indemnification should be denied. The termination of any

action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

## ARTICLE 22

### AMENDMENTS

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

22.1 **Notice**. Notice of the subject matter of a proposed amendment shall be included in the notice of any meeting at which a proposed amendment is to be considered.

22.2 **Adoption**. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-fourth (1/4) of the Voting Interests of the Association. A proposed amendment must be approved by not less than two-thirds (2/3) of the total voting interests of the Association, which may be accomplished at any Members meeting or by written agreement without a Members meeting.

No By-law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text underlined, and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial rewording of By-Laws. See By-Law . . . for present text." Nonmaterial errors or omissions in the By-Law process shall not invalidate any otherwise properly promulgated amendment.

22.3 **Execution and Recording**. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the By-Laws, which certificate shall be executed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Palm Beach County.

## ARTICLE 23

### COMPLIANCE AND DEFAULT

23.1 **Violations.** In the event of a violation (other than the non-payment of an assessment) of any of the provisions of the Cooperative Documents or the Rules and Regulations, the Association, by direction of its Board, shall notify the relevant Unit Owner of said breach by written notice, transmitted to the Unit Owner at his or her Unit by regular mail. If such violation shall continue for a period of ten (10) days from the date of mailing of the notice, except in the event of an emergency, the Association shall have the following remedies, which shall be cumulative:

1. To commence an arbitration proceeding with the Division of Florida Land Sales, Condominiums and Mobile Homes to enforce performance on the part of the Unit Owner or other party;

2. To commence an action at law to recover its damages;

3. To commence an action in equity for such equitable relief as may be necessary under the circumstances, including injunctive relief or eviction;

4. To pursue any and all other remedies authorized in the Cooperative Act; or

5. If there is some condition in a Unit which would likely cause harm to the Common Areas or other Unit, such as a leak, the Association may take all actions the Association in good faith deems necessary to address the problem and prevent further damage.

23.2 **Negligence or Carelessness of an Owner.** Each Unit Owner shall be liable for the expenses of any maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness, or by the negligence of any member of his or her family, his or her or their guests, employees, agents, licensees, or lessees. Such liability shall include misuse, occupancy or abandonment of any Unit or its appurtenances, failure to monitor the Unit and allowing excessive humidity in the Unit. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company as to its rights of subrogation. The cost of any maintenance, repair or replacement performed pursuant to this section shall be charged to said Unit Owner as a specific assessment, enforceable in the same manner as any other assessment under these By-Laws, including by recordation and foreclosure of a claim of lien.

23.3 **Costs and Attorney's Fees.** In any proceeding arising because of an alleged violation of the Cooperative Documents or Rules and Regulations, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

23.4 **No Waiver of Rights.** The failure of the Association or a Unit Owner to enforce any right, provisions, covenant or condition which may be granted by the governing documents shall not constitute a waiver of the right of the Association or Unit Owner to enforce such right, provision, covenant or condition in the future.

23.5 **Election of Remedies.** All rights, remedies and privileges granted to the Association or a Unit Owner pursuant to any terms, provisions, covenants or conditions of the governing documents shall be deemed to be cumulative, and the exercise of any one or more shall neither 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 granted by the governing documents.

## **ARTICLE 24**

### **LIABILITY SURVIVES TERMINATION OF MEMBERSHIP**

The termination of membership in the Association shall not relieve or release any former Unit Owner or Member from any liability or obligation incurred under or in any way connected with the Cooperative during the period of ownership and membership, or impair any rights or remedies which the Association may have against such former Unit Owner and Member, arising out of, or which is in any way connected with, such ownership and membership.

## **ARTICLE 25**

### **LIMITATION OF LIABILITY**

Notwithstanding the duty of the Association to maintain and repair parts of the property, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements, or other Unit Owners or persons.

## **ARTICLE 26**

### **CABANAS AND PARKING SPACES**

#### **26.1 Cabanas.**

A. The Association shall provide sixteen (16) cabanas upon the Cooperative Property, which may be leased to Members, but only in conjunction with and as an appurtenance to an Apartment. The rights of a Member to the exclusive use and occupancy of a cabana shall be evidenced by an addendum to the proprietary lease and/or occupancy agreement applicable to such Member's Apartment, which addendum shall be executed by and between the said Member and the Association. Said addendum shall be in a form acceptable to the Board of Directors and shall be substantially the same form in each case for every cabana. The cabanas shall be numbered 1 through 16, unless the Board of Directors by appropriate resolution shall otherwise unambiguously identify them.

B. Once the addendum in respect of a cabana has been executed by a Member, the cabana shall for all purposes be an integral part of, and indivisible from, that Member's Apartment. A conveyance or transfer of that Member's Apartment shall automatically constitute a like conveyance and transfer of the cabana whether or not the instruments of transfer shall so state, unless the instruments of transfer shall specifically state that the cabana is transferred or conveyed to the Association. However, with the consent of the Board of Directors, a Member having the exclusive use and occupancy rights to a cabana may convey or transfer said cabana to another Member of the Association, without simultaneously conveying or transferring the Member's Apartment to said other Member.

C. The Association through the Board of Directors shall have the authority to regulate use of cabanas by reasonable rules and regulations.

26.2 **Parking Spaces.** The Board of Directors shall, from time to time, assign to the membership of this Association the parking spaces upon the property of this Association so that with respect to each Apartment in this Association, a Member shall have an equal or equivalent number of parking spaces. Once parking spaces shall have been assigned to a Member by the Association, their location shall not be moved, except by consent of the Owner or Owners involved or upon the sale of the Apartment, in which event the Board of Directors will assign a parking space to such purchaser which space need not be the same space assigned to the former Member. Further, the Association may reassign parking spaces if required by law or code or any governmental body.

## **ARTICLE 27**

### **FLOORING**

27.1 **Hard Surface Flooring.** An Owner who desires to install in place of carpeting any hard-surface floor covering (e.g. marble, slate, ceramic tile, wood flooring, linoleum or synthetic hard surface flooring) also shall install a sound absorbent underlayment of such kind and quality equivalent or superior to one half inch of cork and perimeter sound isolation material installed in accordance with the requirements of the Board to substantially reduce the transmission of noise to adjoining Units. If governmental code requires a thicker and greater sound absorbent underlayment than the above standard, then in such case the thicker and greater sound absorbent required by the governmental standard shall apply.

The Unit Owner is required to properly apply to the Association and obtain prior written Association approval from the Association prior to any such installation. If the installation is made without prior approval, the Board may, in addition to exercising all the other remedies provided in this Declaration, require the Unit Owner to cover all such hard-surface flooring with carpeting, or require the removal of such hard-surface flooring at the expense of the offending Unit Owner.

This Section 27.1 shall not apply to Unit numbers 101 through 117, inclusive.

27.2 **Balconies and Terraces.** The structural integrity of balconies and terraces constructed of steel reinforced concrete is adversely affected by water and salt intrusion. For this reason, no indoor-outdoor carpet, tile or river rock or similar coverings may be installed or used on exposed balconies and terraces. The only material that a Unit Owner may install or use on floors of exposed balconies and terraces is that certain product which has been approved by the Board of Directors for use on exposed balconies and terraces. The Board may from time to time change the product which may be used as better products are developed. Further, the Unit Owner is required to properly apply to the Association and obtain prior written approval from the Association before any installation or application.

**ARTICLE 28**

**SEAL**

The seal of the Association shall have inscribed thereon the name of the Association, the year of its organization, and the words "non-profit." Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

**ARTICLE 29**

**APPLICABILITY OF FLORIDA COOPERATIVE ACT**

These Bylaws as well as the Proprietary Lease and Occupancy Agreement and the Articles of Incorporation shall be deemed automatically amended to conform to Florida Statutes, Chapter 719, which is the Florida Cooperative Act, as Chapter 719 is amended from time to time.

**ARTICLE 30**

**CAPTIONS**

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provisions hereof.

IN WITNESS WHEREOF, the undersigned have set their hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Witnesses (as to both): THE REGENCY OF PALM BEACH, INC.

\_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Association President

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

Attest: \_\_\_\_\_

Association Secretary

\_\_\_\_\_  
Print Name

STATE OF FLORIDA        )  
COUNTY OF PALM BEACH )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_ by \_\_\_\_\_ as President and \_\_\_\_\_, as Secretary of  
THE REGENCY OF PALM BEACH, INC., a Florida not-for-profit corporation, on behalf  
of the Corporation. They are personally known to me or have produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC, State of Florida

T:\ROBERT B\REGENCY OF PALM BEACH\Amended Bylaws Updated 1.11.12.DOC

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APPROVED BY MAJORITY VOTE, PASSED @ MEETING 2/1/2017

AMENDMENTS TO THE AMENDED AND RESTATED BYLAWS (“Bylaws”) AND  
PROPRIETARY LEASE AND OCCUPANCY AGREEMENT (“Proprietary Lease”)  
OF THE REGENCY OF PALM BEACH, INC.

[Added language is underlined.]

\* \* \* \* \*

1. Article XIV, Section 14.7 of the Bylaws is amended to read as follows:

“14.7 **Limitations on Ownership.** No ownership or possessory interest in a Unit may be conveyed, leased or otherwise transferred to a corporation, partnership or other entity of any kind except for trusts formed for the purpose of estate or financial planning. This provision is not applicable to the acquisition of Units by the Association. Notwithstanding the provisions above regarding the acquisition of title by an entity, any entity acquiring title to a Unit through the foreclosure of a mortgage or other lien or by deed in lieu of foreclosure may hold title, but any person taking occupancy of the Unit while title is held by such entity shall be subject to the requirements of this section applicable to leases, regardless of whether the occupants are leasing the Unit or occupying the Unit by, through or on behalf of the entity. Title to a Unit may not be held in the name of more than two (2) natural persons. No person or permitted entity other than the Association may own an interest, directly or indirectly, jointly or individually, in more than two (2) Units in the Cooperative.

It is common for a Unit to be owned by a trust formed for the purpose of estate or financial planning as permitted above. There is a concern that family members or persons designated as trustees or beneficiaries will occupy Units in the Regency community without screening by the Association as required for purchases and leases.

Application to and prior written Association approval is required for purchase by or other transfer to a trust or trustee. Association approval for purchase by or transfer to a trust does not constitute Association approval for the grantor(s), trustee(s) or beneficiary(ies) who will occupy the Unit. Application to and prior written Association approval is required for each and every grantor, trustee, beneficiary, or other person who will occupy the Unit, BEFORE such persons may occupy the Unit. The Owner shall properly make application to the Association according to the procedure set forth in Article XV of these Bylaws regarding sales and leases. If there is a change in the grantor(s), trustee(s) or beneficiary(ies) or other persons who will occupy the Unit, application to and prior

written Association approval is required for each person who may occupy the Unit before such person may occupy the Unit.

The trustee of the trust is responsible to receive Association bills, notices and other communications; make sure all Association monetary obligations for the Unit are timely paid; and make sure all occupants, visitors and invitees comply with all Association governing documents and rules. Except in the case of a married couple; if there is more than one trustee, the trustee and the beneficiaries shall designate one particular trustee who shall be primarily responsible for such duties.

**Approval of All New Residents.** Association approval is required for every new resident occupying a Unit for more than thirty (30) days in one calendar year. The new resident shall follow the same application procedure as for lessees or purchasers. This requirement shall apply to all new residents even if the resident is occupying the Unit with the Owner or sub-lessee. This requirement is in addition to any limitations on guest occupancy."

2. Article XV of the Bylaws is amended by the addition of a new Section 15.1.1 which shall read as follows:

"15.1.1 Application to and prior written Association approval is required for purchase by or other transfer to a trust or trustee. Association approval for purchase by or transfer to a trust does not constitute Association approval for the grantor(s), trustee(s) or beneficiary(ies) who will occupy the Unit. Application to and prior written Association approval is required for each and every grantor, trustee, beneficiary, or other person who will occupy the Unit, BEFORE such persons may occupy the Unit. The Owner shall properly make application to the Association according to the procedure set forth in Article XV of these Bylaws regarding sales and leases. If there is a change in the grantor(s), trustee(s) or beneficiary(ies) or other persons who will occupy the Unit, application to and prior written Association approval is required for each person who may occupy the Unit before such person may occupy the Unit."

3. Article VII of the Proprietary Lease is amended by the addition of a new Sections G and H which shall read as follows:

**G. Trusts.** Application to and prior written Association approval is required for purchase by or other transfer to a trust or trustee. Association approval for purchase by or transfer to a trust does not constitute Association approval for the grantor(s), trustee(s) or beneficiary(ies) who will occupy the Unit. Application to and prior written Association approval is required for each and every grantor, trustee, beneficiary, or other person who will occupy the Unit, BEFORE such persons may occupy the Unit. The Owner shall properly make application to the Association according to the procedure set forth in Article XV of the Bylaws regarding sales and leases. If there is a change in the grantor(s), trustee(s) or beneficiary(ies) or other persons who will occupy the Unit, application to and prior written Association approval is required for each person who may occupy the Unit before such person may occupy the Unit.

**H. Approval of All New Residents.** Association approval is required for every new resident occupying a Unit for more than thirty (30) days in one calendar year. The new resident shall follow the same application procedure as for lessees or purchasers. This requirement shall apply to all new residents even if the resident is occupying the Unit with the Owner or sub-lessee. This requirement is in addition to any limitations on guest occupancy.