

As Amended through  
January 9, 1974

BY-LAWS

THE VILLAS ON THE OCEAN NO. 1, INC.

3600 North Ocean Drive  
Riviera Beach, Florida 33404

OFFICES

1. The principal office of the corporation shall be in the city of Riviera Beach, Florida.
2. The Board of Directors is hereby granted full power and authority to change the place of the principal office from one place to another in said city and to establish such additional offices, whether within or without said city, as the Board of Directors shall deem desirable.

MEETINGS OF MEMBERS

3. All meetings of the members shall be held at the office of the corporation in Riviera Beach, Florida, or may be held at such place and time as shall be stated in a duly executed waiver of notice thereof.
4. An annual meeting of members, commencing with the year 1969, shall be held at the city of Riviera Beach, Florida, office on the \_\_\_\_\_ day of January in each year, if not a legal holiday, and if a legal holiday, then on the next secular day following at 8:00 o'clock P.M., at which time they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting, and all special meetings, as hereinafter provided, shall be held at the office of the corporation in Riviera Beach, Florida.
5. Written notice of the annual meeting shall be served upon or mailed to each member entitled to vote thereat at such address as appears on the books of the corporation, at least ten (10) days prior to the meeting.
6. At least ten (10) days before every election of Directors, a complete list of the members entitled to vote at said election, arranged numerically by apartment units with the residence of each, shall be prepared by the secretary. Such list shall be open at the place where the election is to be held for said ten (10) days to the examination of any member, and shall be produced and kept at the time and place of election during the whole time thereof, and subject to the inspection of any member who may be present.
7. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of members. Such request shall state the purpose or purposes of the proposed meeting.
8. Written notice of a special meeting of members, stating the time and place and object thereof, shall be served upon or mailed to each member entitled to vote thereat at such address as appears on the books of the corporation, at least five (5) days before such meeting.
9. Business transacted at all special meetings shall be confined to the objects stated in the notice.

THE VILLAS ON THE OCEAN NO. 1, INC.

3600 North Ocean Drive  
Riviera Beach, Florida 33404

The Certificate of Merger between the following Florida corporations:

<u>Corporate Name</u>	<u>Date Original Charter Filed</u>
The Villas on the Ocean, No. 2, Inc.	March 26, 1962
The Villas on the Ocean, No. 3, Inc.	July 22, 1963
The Villas on the Ocean, No. 4, Inc.	July 22, 1963
The Villas on the Ocean, No. 5, Inc.	July 22, 1963
The Villas on the Ocean, No. 6, Inc.	April 22, 1964
The Villas on the Ocean, No. 7, Inc.	April 22, 1964
The Villas on the Ocean, No. 8, Inc.	April 22, 1964
and	
The Villas on the Ocean, No. 1, Inc.	March 26, 1962

all being Florida corporations not for profit, --- MERGING into

THE VILLAS ON THE OCEAN NO. 1, INC. *P. 12*

the continuing corporation not for profit, organized and existing under the Laws of the State of Florida, which Certificate of Merger was filed with the Secretary of State on the 25th day of March, A.D. 1968, pursuant to Chapter 617, Florida Statutes.

(The above is an excerpt from the Certification by the Secretary of State attached to the Articles of Merger.)

ARTICLE I - Paragraph (b) of the Articles of Merger states:

"The By-Laws of the surviving corporation shall be the present By-Laws of The Villas on the Ocean No. 1, Inc."

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10. Fifty-one (51) percent of the total number of votes of the corporation, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by statute, by the Certificate of Incorporation, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

11. When a quorum is present at any meeting, the vote of a majority of the votes present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Statutes or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

12. At any meeting of the members, every member having the right to vote shall be entitled to vote in person, or by proxy appointed by an instrument in writing subscribed by such member for such meeting. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

13. Whenever the vote of members at a meeting is required or permitted by any provisions of the Statutes or of the Certificate of Incorporation or of these By-Laws to be taken in connection with any corporate action, the meeting and vote of members may be dispensed with, if all the members who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such corporate action being taken.

14. Whenever any member entitled to vote has been absent from any meeting of members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive evidence that due notice of such meeting was given to such member as required by the By-Laws of the corporation.

#### DIRECTORS

15. Until succeeded by directors elected at the first annual meeting of members, directors need not be members, and the minimum number of directors shall be three (3), and the maximum number of directors shall be seven (7). Thereafter, all directors shall be members, and the number of directors shall be determined by the members at the annual meeting, within the limits above specified.

16. The directors may hold their meetings and keep the books of the corporation at any place within the State of Florida, which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, meetings of the Board shall be held at the office of the corporation in the city of Riviera Beach, Florida.

17. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining directors, though less than a quorum, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred.

18. Directors may be removed for cause by an affirmative vote of a majority of the members. No director shall continue to serve on the Board if, during his term of office, his Certificate of Membership shall be terminated for any reason whatsoever.

19. (a) The property and business of the corporation shall be managed by its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the members.

(b) Any Board or Boards of Directors prior to the first Board of Directors elected by the members at its first annual meeting, shall have the absolute right and power to mortgage, pledge, hypothecate, transfer or sell any of the corporation's property or assets, whether in connection with the borrowing of money or otherwise, and any such actions by the Board or Boards of Directors shall create no liability on said Board or Boards of Directors, or any member of same, to the corporation or the members. After the first annual meeting of members and election of the first Board of Directors by the membership, and when and if authorized by the affirmative vote of three-fourths (3/4) of the voting power of the membership of the corporation, at a meeting of the members duly called for that purpose, or when authorized by the written consent of three-fourths (3/4) of the entire voting power of the membership, such Board of Directors is expressly authorized to sell, lease, exchange or mortgage all of the property and assets of the corporation, including its goodwill and its corporate franchise, upon such terms and conditions and for such consideration as the Board of Directors shall deem expedient and for the best interest of the corporation.

20. The salaries of all employees and agents of the corporation shall be fixed by the Board of Directors, excepting that the salaries for officers or directors for services other than as such shall be fixed by the members, as provided in succeeding Paragraph 23.

#### COMMITTEES

21. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each committee to consist of at least three members of the corporation, one of whom shall be a director, which, to the extent provided in said resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it, provided the said resolution or resolutions shall specifically so provide. Such committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

22. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

#### COMPENSATION OF DIRECTORS AND OFFICERS

23. Directors and officers, as such, shall not receive any salary for their services, provided that nothing herein contained shall be construed to preclude any director or officer from serving the corporation in any other capacity and receiving compensation therefor. The salaries for directors or officers for services other than as such shall be fixed by the members.

#### MEETINGS OF THE BOARD

24. The first meeting of each Board newly elected by the members shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable.

25. Regular meetings of the Board may be held without notice at such time and place within the city of Riviera Beach, Florida, or at such other place within the State of Florida as shall be determined from time to time by the Board or by written consent of all members of the Board.

26. Special meetings of the Board may be called by the president on five (5) days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

27. At all meetings of the Board a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or by these By-Laws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

#### NOTICES

28. Whenever under the provision of the Statutes or of the Certificate of Incorporation or of these By-Laws, notice is required to be given to any director or member, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to such director or member at such address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed.

29. Whenever any notice is required to be given under the provisions of the Statutes or of the Certificate of Incorporation or of these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

#### OFFICERS

30. The officers of the corporation shall be chosen by the directors and shall be a president, a vice-president, a secretary and a treasurer. The Board of Directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Two or more offices may be held by the same person, except that the offices of president and secretary may not be held by the same person.

31. The Board of Directors at its first meeting, after each annual meeting of members, shall choose a president, and one or more vice-presidents, a secretary and a treasurer, none of whom, excepting the president, need be a member of the Board.

32. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

33. The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

#### THE PRESIDENT

34. The president shall be the chief executive officer of the corporation; he shall preside at all meetings of the members and directors, shall be ex officio member of all standing committees, shall have general and active management of the business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect.

35. He shall execute all documents and contracts requiring a seal of the corporation, except where the same are required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

#### VICE-PRESIDENTS

36. The vice-presidents in the order of their seniority shall, in the absence or disability of the president, perform the duties and exercise the powers of the president, and shall perform such other duties as the Board of Directors shall prescribe.

#### THE SECRETARY AND ASSISTANT SECRETARIES

37. The secretary shall attend all sessions of the Board and all meetings of the members and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall keep the seal of the corporation in safe custody and, when authorized by the Board, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his signature or by the signature of the treasurer or an assistant secretary.

38. Assistant secretaries in order of their seniority shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties as the Board of Directors shall prescribe.

#### THE TREASURER AND ASSISTANT TREASURERS

39. The treasurer shall have the custody of the corporation funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

40. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the president and directors, at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as treasurer and of the financial condition of the corporation.

41. If required by the Board of Directors, he shall give the corporation a bond, the premium therefor to be paid by the corporation in such sum and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration of the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

42. Assistant treasurers, in order of their seniority, shall, in the absence or disability of the treasurer, perform the duties, exercise the powers and assume the obligations of the treasurer, and shall perform such other duties as the Board of Directors shall prescribe.

#### DIRECTORS' ANNUAL STATEMENT

43. The Board of Directors shall present at each annual meeting and when called for by vote of the members at any special meeting of the members, a full and clear statement of the business and condition of the corporation.

#### CHECKS

44. All checks or demands for money and notes of the corporation shall be signed by any two of the following officers: President or Vice President and Secretary or Treasurer, or by such officer or officers or such other person or persons as the Board of Directors from time to time may designate.

#### FISCAL YEAR

45. The corporation shall operate upon the calendar year beginning on the first day of January and ending on the thirty-first day of December of each year. The Board of Directors is expressly authorized to change from a calendar-year basis to that of a fiscal-year basis whenever deemed expedient and for the best interests of the corporation.

#### SEAL

46. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization, and the words "Seal, Florida corporation not for profit". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

#### MEMBERSHIP

47. Membership in the corporation shall be limited to owners of Certificates of Membership and Proprietary Leases issued by the corporation. A separate Certificate of Membership and Proprietary Lease shall be issued for each apartment unit and each Certificate of Membership and Proprietary Lease shall constitute a separate membership and entitle the holder thereof to cast the number of votes specified on the Certificate of Membership. As defined herein, membership may be either "resident", or "equity". The person, trustee, firm or corporation to whom the Certificates of Membership and Proprietary Leases shall be originally issued by the corporation in exchange for the acquisition of corporate assets shall be deemed to be the first holder or holders thereof prior to transfer by them of such Certificates of Membership and Proprietary Leases to purchasers of individual apartment units, and such first holder or holders, whether a person, firm or corporation, shall be deemed resident members with occupancy rights and shall be entitled to full voting rights, all without regard to any provisions contained in these By-Laws.

#### EQUITY MEMBERS

48. Any person, firm or corporation owning a Certificate of Membership without occupancy rights having been granted by the Board of Directors shall be deemed an equity member.

#### RESIDENT MEMBERS

49. (a) Any natural person owning a Certificate of Membership under which the owner is currently entitled to occupancy rights shall be a resident member. Resident membership shall carry with it full voting rights.

(b) Any resident member shall be entitled to have his Certificate of Membership issued in the name of any other person, firm or corporation which he may select, and may also be entitled to have his Certificate of Membership transferred to such a person, firm or corporation subsequent to its issue to the resident member, provided that the Proprietary Lease shall be issued to and executed in the name of the resident member. Both parties shall be jointly and severally responsible for the full fulfillment of the obligations of the lessee contained in the lease. Both shall further be jointly and severally responsible for the payment of any and all assessments assessed to the member by virtue of the Certificate of Incorporation, these By-Laws and the Proprietary Lease.

#### TRANSFER OF MEMBERSHIP

50. Membership in the corporation of either class may be transferred only as an incident to the transfer of a Certificate of Membership. With the approval of the Board of Directors, an equity member, being a natural person, may become a resident member. Conversely, a resident member may be ordered transferred to equity membership by direction of the Board of Directors in the event of breach by the resident member of the occupancy obligations stated in these By-Laws and in the Proprietary Lease.

#### COOPERATIVE APARTMENT CERTIFICATES OF MEMBERSHIP AND PROPRIETARY LEASES

51. The first Board of Directors shall adopt a standard form of Certificate of Membership and Proprietary Lease and after such adoption, the form of the Certificate of Membership and the Proprietary Lease shall not be changed, altered or amended except that occupancy provisions may be changed, altered or amended by the authority of the resident members obtained in like manner as required to amend these By-Laws. For the purpose of uniformity, any changes authorized by such members' approval shall be binding and serve to amend Certificates of Membership and Proprietary Leases theretofore executed.

#### ANNUAL ASSESSMENTS

52. (a) The Board of Directors shall, from time to time, fix and determine the sum or sums necessary and adequate for the continued ownership, operation, and maintenance of the corporate property and for the furnishing by itself or in conjunction with other corporations, firms, limited partnerships, persons or entities, by contract, or otherwise, of community facilities, services and benefits for the use of the corporation and its members jointly and in conjunction with such other corporations, firms, limited partnerships, persons or entities. Such sums shall include, the ground rent payable by the corporation (sometimes hereinafter referred to as the "annual ground rent assessment"), and in addition such sums shall include, but shall not be limited to, taxes and assessments, insurance premiums for fire, wind storm and extended coverage insurance, legal and accounting fees, management fees, operating expenses, garbage and waste disposal fees, maintenance, replacements and repair, betterments, charges for utilities and water, cleaning and janitor service and the creation of reasonable contingency or other reserve or surplus funds and expenses for other lawful purposes (whether such sums shall be in connection with the property or facilities of the corporation or the community facilities used jointly by the corporation and its members with other corporations, firms, limited partnerships, persons or entities), all of the foregoing other than the annual ground rent assessment being sometimes hereinafter referred to as the "general annual assessment". In this connection it is understood that reference in these By-Laws contained to "annual assessments" or "assessments" shall refer to both the "annual ground rent assessment" and the "general annual assessment", just as though there were no distinction made in this paragraph, it being understood that unless particular reference is made to "annual ground rent assessment" or "general annual assessment", there shall be no distinction intended. The total cash requirements of the corporation shall be determined on



a basis of non-profit to the corporation, but this does not preclude the corporation, through its Board of Directors, from fixing and determining certain reasonable contingency or reserve requirements for the protection of the members.

(b) The total general annual assessment shall be fixed as a single sum against all apartments and prorated thereto as follows: The total general annual assessment shall be divided by the total square footage of all members' apartments within the party walls, exclusive of balconies, thereby arriving at the general annual assessment per square foot of each apartment. Each member's general annual assessment shall be determined by multiplying the assessment per square foot by the total square footage of the member's apartment, and such sum shall be determined and assessed as the general annual assessment for such member's apartment.

(c) The annual ground rent assessment in the fixed sum of \$\_\_\_\_\_ per year shall be allocated to the Certificates of Membership and Proprietary Leases representing the respective apartment units, as follows:

APARTMENT NO.

ANNUAL GROUND RENT

(d) The annual ground rent assessment and general annual assessment shall be payable monthly, quarterly, semi-annually or annually, as determined by the Board of Directors.

(e) It is understood between the members and the corporation that the general annual assessment, as may be fixed from time to time, is based upon the projection and estimate of the Board of Directors and may be in excess of or less than the sums required to meet the cash requirements of the corporation, in which event, the Board of Directors by appropriate action may increase or diminish the amount of said general annual assessment and make such adjustments respecting reserves as in their discretion is meet and proper, including the charging of each member for his proportionate share of any deficiency or the distribution to each member of his proportionate share of any excess of sums paid beyond the requirements of the corporation or its reasonable reserve requirements as fixed by the Board of Directors. No increase or decrease of the general annual assessment shall, however, have any retroactive effect. The annual ground rent assessment shall not be subject to change, but rather shall remain constant during the term of the ground lease.

(f) The Board of Directors may include in the general annual assessment for any year, any liabilities or items of expense which accrued or became payable in a previous year, or which might have been included in the general annual assessment for a previous year but were not included therein, and also any sums which the Board of Directors may deem it necessary or prudent to provide as a reserve against liabilities or expenses then accrued or thereafter to accrue, although not payable in that year. The determination of the general annual assessment shall be made on a calendar year basis commencing on January first of the year following the incorporation of the corporation, and the Board of Directors shall meet annually on the first Tuesday in the month of January of each year to fix said general annual assessment. The estimated cash requirement for the portion of a year prior to the first full year of the corporation's existence shall be met by such general assessment as may be established by the Board of Directors at a special meeting convened for said purpose.

(g) In case of emergency requiring additional funds, the Board may levy special assessments which shall become payable in such manner as determined by the Board.

(h) The Board of Directors shall have the power to impose reasonable fines and/or default interest against any member who shall fail to pay the aforesaid annual and/or special assessments within five (5) days after the times that shall be stipulated for payment thereof. \*\*Monthly payments or special assessments are due the first day of each month. A penalty of five (5%) per cent per month will be charged on payments delinquent more than ten (10) days.\*\*

TRANSFER OF CERTIFICATES OF MEMBERSHIP  
AND PROPRIETARY LEASES

53. The primary object of this corporation is to operate and maintain its property and the community facilities used jointly by the corporation with others on a mutual and cooperative basis for the housing needs of resident members. Coupled, however, with the rights of occupancy, valuable equity rights arise from the acquisition of Certificates of Membership. To the fullest degree, these equity rights are deemed transferable, either absolutely or by way of pledge. The right of occupancy under the Certificate of Membership and/or Proprietary Lease, nevertheless, is a matter of discretionary decision by the Board of Directors and every transfer to resident membership, with its right of occupancy as defined in the Certificate of Membership, is subject to the approval of the Board of Directors. The approval of the Board of Directors shall not be required in a case of transfer of a Certificate of Membership except where the transferee desires the status of resident membership. The right of occupancy shall not be denied any transferee or vendee who, at the time of such transfer or at the death of a resident member if the transfer results from his death, is or was the resident member's lawful spouse. This paragraph shall be inapplicable to the person, trustee, firm or corporation to whom the Certificates of Membership and Proprietary Leases shall originally be issued by the corporation in exchange for the acquisition of corporate assets, and such holder shall be deemed to be the first holder thereof and entitled to transfer same, including the right of occupancy thereto, without the consent or approval of the Board of Directors.

SUBLEASING

54. The control by the Board of Directors of the right of occupancy extends to subleasing by either resident, or equity members. Application for authority to sublease shall be made to the Board of Directors on such forms and upon such terms as it may, from time to time, prescribe. Approved subleases shall be uniform as to conditions other than term and rental, and on forms provided by the corporation. However, no sublease shall be approved by the Directors for a period \*\* of less than three (3) months or \*\* in excess of one year, and such sublease shall contain no option for the sub-lessee to renew said sublease for any additional period. However, the Board of Directors may approve the same sub-lessee from year to year if they so desire. The status of resident membership shall not be affected by approved subleasing. In the event that any member shall sublease his apartment unit without complying with the provisions of these By-Laws, then the Board of Directors shall have the power to evict the lessee of such unit on five (5) days' notice to such lessee, without the consent of the member by whom said apartment was leased. This paragraph shall be inapplicable to the person, trustee, firm or corporation to whom the Certificates of Membership and Proprietary Leases shall originally be issued by the corporation in exchange for the acquisition of corporate assets, and such holder shall be deemed to be the first holder thereof and entitled to sublease same without the consent or approval of the Board of Directors.

DEFAULT UNDER CERTIFICATES OF MEMBERSHIP  
AND PROPRIETARY LEASES

55. (a) In the event of default by the member, resident or equity, in the payment of any sums, charges, or assessments required to be paid under his Certificate of Membership, Proprietary Lease or

these By-Laws, the corporation may by direction of its Board of Directors give notice to the member in the manner provided for in these By-Laws, that unless said default be cured within fifteen (15) days from the date of such notice the Certificate of Membership and Proprietary Lease will be terminated and cancelled. If such default be not cured within the fifteen (15) day notice period aforesaid, the corporation may then declare the Certificate of Membership and Proprietary Lease as terminated for non-payment of any such sums, charges, or assessments, declare the member to be a tenant at sufferance, and offer for sale a substitute Certificate of Membership and Proprietary Lease for the apartment at an amount determined by the Board of Directors to be its fair market value. On the disposal of the substitute Certificate of Membership and Proprietary Lease, the corporation shall pay to the member the amount of the disposal price less any unpaid assessments or charges accrued to the date of disposition, the expenses of sale (which shall include a reasonable brokerage commission), costs or expenses incurred by the corporation in evicting the member from the apartment if such member shall refuse to voluntarily vacate in accordance with the terms of his Proprietary Lease, and the estimated cost of placing the apartment in suitable condition for a new occupant.

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(b) In the event of violation by the member of any of the provisions of his Certificate of Membership, Proprietary Lease or the Certificate of Incorporation or of the By-Laws or of the Rules and Regulations of the corporation as now or hereafter constituted, the corporation may by direction of its Board of Directors give notice to the member to correct and cure such violation, and if the member should fail to correct and cure such violation within thirty (30) days from the date of said notice, or if the violation shall be persistently renewed, the Board of Directors may then, in such event, elect to cancel and terminate the member's right of occupancy or to cancel and terminate the Certificate of Membership and Proprietary Lease. If the Board of Directors should elect to terminate the member's right of occupancy, such member shall then be treated and considered as a tenant at sufferance and such member agrees to promptly quit and surrender the occupancy of said apartment and thereafter shall be and become an equity member. If the Board of Directors should instead elect to terminate the Certificate of Membership and Proprietary Lease upon expiration of said thirty (30) day notice period, the member thereafter shall be treated and considered as a tenant at sufferance and agrees to promptly quit and surrender occupancy of said apartment, and the Board of Directors shall offer for sale a substitute Certificate of Membership and Proprietary Lease upon the same terms and conditions and in the same manner as in the case where the member's default was for non-payment of any sums, charges or assessments required to be paid under his Certificate of Membership and Proprietary Lease upon the same terms and conditions and in the same manner as in the case where the member's default was for non-payment of any sums, charges or assessments required to be paid under his Certificate of Membership, Proprietary Lease and these By-Laws, as hereinbefore set forth.

(c) In the event that the Board of Directors shall elect to declare the Certificate of Membership and Proprietary Lease terminated for any of the reasons recited in subparagraph (b) above, then the member whose Certificate of Membership and Proprietary Lease is to be terminated shall have the right to an appeal to the membership at a meeting called for such purpose provided such member shall have first obtained a petition signed by fifteen (15) members then in residence (each apartment constituting only one (1) member), directed to the Board of Directors requesting a hearing before the membership. Upon the receipt of such a petition signed by the required number of such members, then the Board of Directors shall call a meeting in accordance with the requirements of notice contained in these By-Laws, and a quorum for such purposes shall consist of fifty-one (51%) per cent of the members. As a prerequisite to the right of such an appeal, the member making such appeal shall deposit with the Board of Directors a fee of \$50.00 as a deposit to defray any costs sustained by the corporation in the sending of notice or any other legitimate expense occasioned by such appeal. No such right of appeal is granted to any member whose membership shall have been terminated due to unpaid assessments or charges.

#### SURRENDER OF APARTMENT

56. In the event of termination of a Certificate of Membership and Proprietary Lease or termination of the occupancy rights thereunder, the member, or any other person or persons in possession by or through the right of the member shall thereafter be considered and treated as tenants at sufferance and shall promptly quit and surrender the apartment to the corporation in good repair, ordinary wear and tear and damage by fire or other casualty excepted, and the corporation shall have the right to re-enter and repossess the apartment. The member, for himself and any successor in interest by operation of law or otherwise, hereby waives any and all notice and demand for possession if such be required by the laws of the State of Florida.

#### REGISTRATION OF PLEDGED CERTIFICATES OF MEMBERSHIP AND PROPRIETARY LEASES

57. The secretary of the corporation shall maintain a suitable register for the recording of pledged Certificates of Membership and Proprietary Leases. Any pledgee of a Certificate of Membership and Proprietary Lease may, but is not obliged to, notify the secretary of the pledge and the terms thereof, furnishing the secretary with such information as may be required by the Board of Directors. In the event notice of default is given any member under the provisions of By-Laws Article 55, a copy of said notice shall likewise be mailed to the registered pledgee. In addition, in the event of the sale by the corporation of its assets, and prior to the distribution of the proceeds thereof to the members, suitable notice shall be given all registered pledgees. No other obligation is accepted or assumed by the corporation with respect to such registration of pledged Certificates of Membership and Proprietary Leases.

#### SALE OF CORPORATE PROPERTY

58. Upon the sale of the assets of the corporation, whether occasioned by voluntary disposition thereof, or as a part of the dissolution or liquidation of affairs of the corporation, all members having valid Certificates of Membership then outstanding shall be entitled to share in the net proceeds of sale and in any other property or assets authorized to be distributed. Each of such members shall be entitled to receive, as his share of the distributable assets, the same proportion thereof as the assigned capital value of his Certificate of Membership bears to the total capital valuation of the corporation, less any sums which the member may owe the corporation, including any arrearage of annual or special assessments. Unless otherwise voted by the members, the directors then in office shall serve as trustees for the corporation and the members in the division of all distributable assets. Upon any such sale, dissolution or liquidation as aforesaid, and receipt by the member of his share of the distributable assets, as aforesaid, the member shall surrender to the corporation his Certificate of Membership and Proprietary Lease together with all of his rights thereunder.

#### JOINT OWNERSHIP

59. (a) Any Certificate of Membership and Proprietary Lease may be owned by more than one owner, either jointly or as tenants in common, but in such event both the member and the proprietary lessee shall be entitled collectively to only the number of votes recited in the Certificate of Membership. If the owners of any such Certificate of Membership and Proprietary Lease are unable to agree upon their votes upon any subject at any meeting, they shall lose their right to vote on such subject, but if all the owners of any such Certificate of Membership and Proprietary Lease shall not be present at the meeting, either in person or by proxy, the votes of the one or ones so present shall be the votes of all such owners.

(b) In all cases where there are two or more owners of any one Certificate of Membership and Proprietary Lease, and such multiple owners or their transferees cannot agree among themselves as to their respective rights to occupy the apartment unit represented by such Certificate of Membership and Proprietary Lease, the Board of Directors shall have the right to terminate their respective occupancy rights, or to withhold the same in case of transferees, and to convert their status of membership from that of resident to equity, regardless of the degree of relationship between such owners or transferees.

#### VOTING RIGHTS

60. Each Certificate of Membership in the corporation shall entitle the holder or holders thereof to the number of votes in the management of the affairs of the corporation, as recited in such Certificate of Membership. Such votes shall be determined on the basis of one (1) vote for each one hundred (100) square feet contained in each member's apartment. For that purpose, if any apartment contains fifty (50) square feet or over, the member entitled to such apartment shall have one (1) additional vote, and for less than fifty (50) square feet, the additional footage shall be dropped. In other words, a member having an apartment containing five hundred sixty (560) square feet would be entitled to six (6) votes, and a member having an apartment containing nine hundred thirty (930) square feet would be entitled to nine (9) votes.

#### CAPITAL VALUATION

61. The capital valuation of the corporation shall be an amount equal to the sales price of all living units in the apartment building or buildings owned by the corporation, which valuation shall be fixed on or before \$676,000 -, 1969, by the first Board of Directors, of which shall be allocated to each cooperative apartment Certificate of Membership and Proprietary Lease the sales price thereof. The amount so allocated shall be deemed the assigned capital value of the individual cooperative apartment Certificate of Membership and Proprietary Lease, and such assigned capital value shall be stated on the Certificate of Membership, and shall not thereafter be subject to change, nor shall it be affected by the purchase price paid therefore by any transferee from the first holder of the Certificate of Membership and Proprietary Lease concerned.

#### CONSTRUCTION

62. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean masculine or feminine, singular or plural, wherever the context so requires.

#### APARTMENT AND FACILITIES USE

63. (a) The property and facilities of the corporation shall at all times be restricted in use to the housing and related needs of the lawful occupants of the apartments and their guests.

\*\* (b) Children will not be accepted as permanent residents; however, guests of any age will be permitted for a maximum of nine (9) weeks in any one calendar year.\*\*

\*\* (c) No Pets Allowed. (Exception: the two dogs and one cat already living here, which cannot be replaced.)\*\*

#### MANAGEMENT CONTRACT

64. The Board of Directors shall be authorized to enter into a Management Contract for the management of the corporation's apartment buildings with any person, firm or entity, at an annual management fee

for such management service as shall be fixed by the Board of Directors, provided that the term of said contract shall not extend beyond the term of two (2) years unless extended or renewed at a meeting of the members. Said fee shall be included in the general annual assessment levied under Paragraph 52 hereof.

#### PARKING AREA

65. The first Board of Directors of the corporation shall assign to each apartment unit a parking space on the lands leased by the corporation, and once so assigned, the right to use the assigned space shall be an adjunct of the Certificate of Membership and Proprietary Lease concerned and may only be surrendered or exchanged with the prior consent of the Board of Directors of the corporation.

#### VALIDITY OF BY-LAWS

66. If any By-Law or part thereof shall be adjudged invalid, the same shall not affect the validity of any other By-Law or part thereof.

#### RULES AND REGULATIONS

67. The Board of Directors may from time to time adopt Rules and Regulations for the operation of the corporation and its apartment houses and all members shall abide thereby; provided, however, that said Rules and Regulations shall be equally applicable to all members similarly situated and uniform in their application and effect.

#### MERGER AND CONSOLIDATION

68. The Board of Directors of this corporation shall have the power and authority to authorize and direct the officers of this corporation to merge or consolidate with any other non-profit corporation having substantially similar purposes and powers, but only after the officers, directors and members of this corporation have complied with the provisions of Section 617.051 et. seq. of the Florida Statutes as the same may be modified and amended from time to time.

#### AMENDMENTS OF BY-LAWS

69. These By-Laws may only be altered, amended or added to at any duly called meeting of the members, provided (1) that the notice of meeting shall contain a full statement of the proposed amendment, (2) that the quorum requirements for such purpose shall be a majority of all outstanding votes, and (3) that no amendment, alteration or addition to these By-Laws shall be valid if its operation would be inconsistent with or adversely affect equity rights contained in the Certificates of Membership or Proprietary Leases.