

The Palm Beach Shores Apartments Inc.
2022 Owners Meeting

Additional Information Relating to the Limited Proxy Voting Items

By-Law Amendments: Your board is continuing a process of updating The Palm Beach Shores Apartment Inc. By-Laws which was started in 2020. The amendments address various statements which are variously no longer accurate, legal, or consistent with current practice. You must cast a separate vote for each of the six (6) rewritten By-Law sections.

Each revised By-Law section is marked up to show changes as required by FL 719.1055 (4). Text additions are underlined, deleted language is indicated by a strikethrough / hyphen.

The Board of Directors recommends you vote **IN FAVOR** of all six (6) By-Law section amendments. Each line item receiving forty (40) or more "IN FAVOR" votes will pass and be incorporated into an updated 2022.02 By-Law revision.

Voting Item D. By-Law 17) Directors may be removed with or without ~~for-cause~~ by an affirmative vote in writing of a majority of the members. No director shall continue to serve on the board if during his term of office his proprietary lease shall be terminated for any reason whatsoever, or if, during such term, his status as resident member shall be changed to that of an equity member.
DID NOT PASS 33 / 15

Voting Item E. By-Law 22) **COMPENSATION OF DIRECTORS**

Directors, as such, shall not receive any salary for their services, provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation thereof. Said compensation must be no higher than local market rates and related records must be readily available for inspection by any owner. ~~The salaries for directors for services other than as such shall be fixed by the members.~~
DID NOT PASS 28 / 18

Voting Item F. By-Law 26) **NOTICES**

Whenever, under the provisions 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 post-paid 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. Alternatively, if the lessee has given written consent to electronic transmission, said notices may be sent via email to the address therewith provided.

PASSED 47 / 1

Voting Item G. By-Law 45)

MEMBERSHIP

Except as provided in paragraph 47 and in order to carry out the object and purpose of the corporation, membership in the corporation shall be limited to owners of proprietary leases issued by the corporation. A separate proprietary lease shall be issued for each apartment unit and each proprietary lease shall constitute a separate membership and entitle the holder thereof to cast one vote. As herein defined, membership may be either "resident" or "equity". The person to whom the Co-operative apartment proprietary leases shall originally be 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 time of such contracts to purchasers of individual apartment units, and such first holder or holders, 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. ~~No membership shall be issued to a person or persons with children under the age of 18.~~

PASSED 45 / 3

Voting Item H. By-Law 62)

CASH RESERVES DEPOSIT FUND

The Treasurer, acting as agent for the Members, shall maintain sufficient ready cash reserves to fund budgeted and unanticipated operating expense. ~~a deposit fund of \$5,000, or, if in October to December of any year the fund falls below an amount required to pay property taxes for such year, the Treasurer shall inform each member and request reimbursement on the pro-rata percentage as set forth under the lease and the fund shall be brought up to the \$5,000. The Deposit Fund, upon action of the Board of Directors, may be used for operating expenses, including, but not limited to taxes, hazard insurance, light, water, garbage collection, salary of caretaker, salary of superintendent, hire of special help, and cost of repairs and replacements.~~ The Treasurer, acting as agent for the Members, shall maintain sufficient cash reserves to fund budgeted capital maintenance projects. ~~The Deposit Fund~~

~~also applies to capital improvements as voted by the Board of Directors and to each member's deposit account as per By-Laws. A separate account to be kept of each depositor, required to keep his account equal to his percentage, as set out in his lease, of the \$5,000. All This cash reserves deposit fund balance is are refundable to owners only in case of sale or liquidation of the assets of the Corporation. In the event a lease is assigned to a new lessee, the specified share specified in By-Law 64 of said cash reserves deposit fund shall become the property of the assignee. No Board of Directors in any one calendar year may expend out of or make commitment for the expenditure of more than \$5,000 for capital improvements without the express approval and authorizations of the members given at a regularly or specially convened meeting of the members.~~

DID NOT PASS 36 / 11

Voting Item I. By-Law 67)

NATURAL PERSONS

No lease shall ever be executed to, or transferred to; other than a natural person or persons. A person holding membership in this corporation, or a lease, or acquiring same by transfer, as a non-corporate trust, regardless of the degree of relationship between such owners or trustees for a member or members of his own family, shall be considered as a natural person; providing, however, that if such lease is held pursuant to such trust, the trustees and all beneficiaries of the trust shall be bound by all the provisions of the corporation Charter, By-Laws, and the corporation resolutions as fully as if they were each considered as a member and as a lessee.

PASSED 47 / 1