

BY-LAWS
OF
ROYAL COAST CONDOMINIUM ASSOCIATION, INC.

A CORPORATION NOT FOR PROFIT UNDER
THE LAWS OF THE STATE OF FLORIDA.

1. Identity. These are the By-Laws of Royal Coast Condominium Association, Inc., (hereinafter called "Association"), a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 11th day of August , 1969. The Association has been organized for the purpose of administering a condominium pursuant to Chapter 711, of the Florida Statutes, 1967, called the Condominium Act in these By-Laws, which condominium is identified by the name, ROYAL COAST CONDOMINIUM, and is located upon the following land in Broward County, Florida:

A portion of Government Lot 1, Section 7, Township 49 South, Range 43 East, Broward County, Florida, more fully described as follows:

Beginning at the intersection of the East right-of-way line of State Road A-1-A and a line 1480 feet North of (as measured at right angles), and parallel to the South line of the Northwest one-quarter (NW¼) of the Southeast one-quarter (SE¼) of said Section 7; thence Easterly along the said parallel line, a distance of 241 feet; thence, Northerly at right angles, a distance of 81.08 feet; thence, Easterly at right angles, a distance of 61.67 feet; thence, Northerly at right angles, a distance of 5.33 feet; thence Easterly at right angles, a distance of 65.83 feet; thence, Northerly at right angles, a distance of 53.83 feet; thence, Easterly, at right angles, a distance of 101 feet, more or less, to the High Tide Line of the Atlantic Ocean, (the same as located, and existing on April 11, 1968); thence Northeasterly meandering the said High Tide Line, a distance of 60 feet, more or less; thence, Westerly along a line 1680 feet North of (as measured at right angles), and parallel to the said South line of the Northwest one-quarter (NW¼) of the Southeast one-quarter (SE¼) of Section 7, a distance of 435 feet more or less to the said East right-of-way of State Road A-1-A; thence Southwesterly, along the said East right-of-way line, making an included angle of 102° 41' 30", a distance of 205.01 feet to the Point of Beginning. Containing 1.49 acres more or less. Subject to the rights of Broward County, Florida, for the artificial nourishment, extension and/or addition to the existing shoreline for shore protection purposes.

1.1 The office of the Association shall be at 2000 South Ocean Boulevard, Pompano Beach, Florida.

1.2 The fiscal year of the Association shall be the calendar year.

1.3 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.

2. Members.

2.1 Qualification. The members of the Association shall consist of all of the record owners of apartments in ROYAL COAST CONDOMINIUM, and such membership shall become effective immediately upon a party becoming a record title owner of an apartment in ROYAL COAST CONDOMINIUM.

2.2 Change of Membership. After receiving the approval of the Association elsewhere required, change of membership in the Association shall be established by recording in the Public Records of Broward County, Florida, a deed or other instrument establishing a record title to an apartment in the Condominium, and delivery to the Association of a certified copy of such instrument, the grantee in such instrument thereby immediately becoming a member of the Association in the place and stead of the prior owner. The membership of a prior owner shall thereby be terminated.

2.3 Voting Right. The members of the Association shall be entitled to cast one (1) vote for each apartment owned by them.

2.4 Designation of Voting Representative. If an apartment is owned by one person, his right to vote shall be established by the record title to this apartment in ROYAL COAST CONDOMINIUM. If an apartment is owned by more than one person, the person entitled to cast the vote for the apartment shall be designated by a certificate signed by all of the record owners of the apartment and filed with the Secretary of the Association. If an apartment is owned by a corporation, the person entitled to cast a vote for the apartment shall be designated by a certificate of appointment signed by the President or Vice President and attested by the Secretary of the Corporation and filed with the Secretary of the Association. Such certificate shall be valid until revoked or until superseded by subsequent certificate, or until a change in the ownership of the apartment concerned. A certificate designating the person entitled to cast the vote of an apartment may be revoked by any owner thereof. If such a certificate is not on file, the vote of such owner shall not be considered in determining the requirement for a quorum, nor for any other purpose.

2.5 Restraint upon Assignment of Shares and Assets. The share of a member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to his apartment.

2.6 Vote Required. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration of Condominium, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the private apartments represented at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. Members' Meetings.

3.1 The Annual Members' Meeting shall be held at the office of the Corporation at 7:30 o'clock P.M., Eastern Standard Time, on the second (2nd) Monday in January of each year for the purpose of electing Directors and transacting any other business authorized to be transacted

by the members; provided, however, if that day is a legal holiday, the meeting shall be held at the same hour on the next day that is not a holiday. The annual meeting may be waived by a unanimous agreement of the members, in writing. Written notice shall be given to each unit owner and shall be posted in a conspicuous place on the condominium property at least 14 days prior to the annual meeting. Unless a unit owner waives in writing the right to receive notice of the annual meeting by mail to each unit owner, and the post office certificate of mailing shall be retained as proof of such mailing. Unit owners may waive notice of specific meetings and may take action by written agreement without meetings.

3.2 Special Members' Meetings. Special members' meetings shall be held whenever called by a majority of the Board of Directors and must be called by such Directors upon receipt of a written request from members entitled to cast fifty-one (51%) percent of the votes of the entire membership.

3.3 Notice of All Members' Meetings. Notice of all members' meetings, stating the time and place and the objects for which the meeting is called, shall be given unless waived in writing. Such notice shall be in writing and furnished to each member at his address as it appears on the books of the Association, and shall be mailed not less than ten (10) days, nor more than thirty (30) days prior to the date of the meeting. Proof of such mailing shall be given by Affidavit of the person giving notice. Notice of meeting may be waived before or after meeting.

3.4 A Quorum. A quorum at members' meetings shall consist of persons entitled to cast a majority of the votes of the Association. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the members, except where approval by a greater number of members is required by the Declaration of Condominium, the Articles of Incorporation of this Association, or these By-Laws. Joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

3.5 Proxies. Votes may be cast in person or by proxy. Proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated therein and any lawfully adjourned meeting thereof, and must be filed with the Secretary before the appointed time of the meeting or any adjournment thereof. In no event shall any proxy be valid for a period longer than 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 exercising it.

3.6 Adjourned Meeting. If any meetings of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

3.7 Order of Business. The order of business at annual members' meetings, and as far as practical at all other members' meetings, shall be:

- a. Calling of the roll and certifying of proxies.
- b. Proof of notice of meeting or waive of notice.
- c. Reading and disposal of any unapproved minutes.

- d. Reports of Officers.
- e. Reports of committees.
- f. Election of Directors.
- g. Unfinished Business.
- h. New Business.
- i. Adjournment.

4. Board of Directors.

4.1 Membership. Affairs of the Association shall be managed by a Board of not less than three (3) persons. The number of Directors shall be established by the Board of Directors from time to time.

4.2 Election of Directors shall be conducted in the following manner:

a. Commencing with the annual meeting of the members of the Association held in January, 1986 the term of office of the four (4) Directors receiving the highest plurality of votes shall be established at two (2) years, and the term of office of the other three (3) Directors shall be established for one (1) year. Thereafter as many Directors of the Association shall be elected at the Annual Meeting as there are regular terms of office of Directors expiring at such time, and the term of office of the Directors so elected at the Annual Meeting of the members each year shall be for two (2) years expiring at the second Annual Meeting following their election.

b. A nominating committee of five (5) members shall be appointed by the Board of Directors not less than thirty (30) days prior to the annual members' meeting. The committee shall nominate one (1) person for each director then serving. Other nominations may be made from the floor by the general membership.

c. Election shall be by ballot (unless dispensed by unanimous consent), each person voting being entitled to cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

4.3 Subject to the provisions of s.718.301, F.S., any member of the board of directors 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. A special meeting of the unit owners to recall a member or members of the board of directors may be called by 10 percent of the unit owners giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meeting. The vacancy in the Board of Directors so created shall be filled by the members of the Association at the same meeting, otherwise vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

4.6 The organization meeting of the newly elected Board of Directors shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting which they were elected, and no further notice of the organization meeting shall be necessary. Meeting of the board of directors shall be open to all unit owners. Adequate notice of all meetings shall be posted conspicuously on the condominium property at least 28 hours in advance, except in an emergency.

4.7 Regular meetings of the Board of Directors 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 or telegraph, at least three (3) days prior to the day named for such meeting.

4.8 Special meetings of the Directors may be called by the President, and must be called by the Secretary, at the written notice of one-third (1/3) of the Directors. Not less than three (3) days notice of a meeting shall be given personally or by mail, telephone or telegraph, which notice shall state time, place and purpose of the meeting.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice.

4.10 A quorum at a Director's meeting shall consist of a majority of the entire Board of Directors. The acts approved by a majority of those present at a meeting which a quorum is present, shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Declaration of Condominium, the Articles of Incorporation, or these By-Laws.

4.11 Adjourned Meetings. If at any meeting of the Board of Directors 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.

4.12 Joinder in Meeting by Approval of Minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

4.13 The presiding officer of a Director's meeting shall be the Chairman of the Board, if such an officer has been elected; and if none, the President of the Association shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

4.14 The order of business at Directors' meetings shall be as follows, unless varied by a majority vote of the Directors present at the meeting:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any un-approved minutes.
- d. Reports of Officers and committees.
- e. Election of Officers.
- f. Unfinished business.
- g. New business.

h. Adjournment

4.15 Directors' fees, if any, shall be determined by the members.

4.15 Powers and Duties of Board of Directors. All of the powers and duties of the Association existing under the Condominium Act, Declaration of Condominium, Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to approval by apartment owners when such is specifically required. Such powers and duties of the Directors shall include, but not be limited to the following, subject, however, to provisions of the Declaration of Condominium, the Articles of Incorporation and these By-Laws:

a. To purchase insurance upon the condominium property and insurance for the protection of the Association and its members. The association shall use its best efforts to obtain and maintain adequate insurance to protect the association and the common elements. A copy of each policy of insurance in effect shall be made available for inspection by unit owners at reasonable times. All hazard policies issued to protect condominium buildings shall provide that the word "building" whenever used in the policy shall include, but shall not necessarily be limited to fixtures, installations or additions comprising that part of the building within the unfinished interior surfaces or the perimeter walls, floors and ceilings of the individual units initially installed or replacements thereof, in accordance with the original plans and specifications. With respect to the coverage provided for by this paragraph, the unit owners shall be considered additional insureds under the policy.

b. To contract for management of the Condominium and to delegate to the contractor all power and duties of the Association except such as are specifically required by the Declaration of Condominium or these By-Laws to have approval by the Board of Directors or the members of the Association.

No written contract which provides for operation, maintenance, or management of the condominium association or property serving the unit owners of the condominium shall be valid or enforceable unless the contract:

1. Specifies the services, obligations, and responsibilities of the party contracting to provide maintenance or management services to the unit owners.

2. Specifies those costs incurred in the performance of those services, obligations, or responsibilities which are to be reimbursed by the association to the party contracting to provide maintenance or management services.

3. Provides an indication of how often each of the services, obligations or responsibilities is to be performed, whether stated for each thereof or in categories.

4. Specifies a minimum number of personnel to be employed by the party contracting to provide maintenance or management services for the purpose of providing service to the association.

In any case in which the party contracting to provide maintenance or management service fails to provide such services in accordance with the time schedule set forth in the contract, the association is authorized to procure such services from some other party and shall be entitled to collect any fees or charges paid for service performed by another party from the party contracting to provide maintenance or management services.

Any services or obligations not stated on the face of the contract shall be unenforceable.

c. To acquire and enter into agreement whereby it acquires leaseholds, memberships and other possessory or use interests in lands, or facilities whether or not contiguous to the lands of the condominium intended to provide for the enjoyment, recreation or other use and benefit of the apartment owners, and to declare expenses in connection therewith to be common expenses.

d. To pay all costs of power, gas, water, sewer and other utility services rendered to the condominium and not billed to the owners of the separate private apartments.

e. To enforce by legal means the provisions of the Articles of Incorporation and By-Laws Association, the Declaration of Condominium and the regulations hereinafter promulgated governing use of the condominium property.

f. To approve or disapprove proposed purchasers and lessees of private apartments in the manner specified in the Declaration of Condominium.

g. The association has the irrevocable right to access to each unit during reasonable hours, when necessary for the maintenance, repair or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another unit or units.

h. The association has the power to make and collect assessments and to lease, maintain, repair, and replace the common elements.

4.16 Meeting Minutes. Minutes of all meetings of the Board of Directors shall be kept in a book available for inspection by unit owners, or other authorized representatives, and board members at any reasonable time. The Association shall retain these minutes for a period not less than seven (7) years.

5. Officers.

5.1 Officers and Election. The executive officers of the Association shall be a President (who shall be a Director,) a Vice President, a Treasurer, a Secretary and Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be the Vice-President or Secretary or an Assistant Secretary. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the

Association. Unless otherwise provided in these By-Laws, the officers shall serve without compensation and at the pleasure of the Board of Directors.

5.2 President. The President shall be the Chief Executive Officer of the Association. He shall have all of the powers and duties which are usually vested in the office of the President of an Association, including but not limited to the powers to appoint committees from among the members from time to time, as he may, in his discretion, determine appropriate, to assist in the conduct of the affairs of the Association. He shall serve as Chairman of all Boards and members' meetings, except that, individually committees may be chaired by a party other than the President.

5.3 Vice President. The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

5.4 Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association, and as may be required by the Directors or the President. The Assistant Secretary shall perform the duties of the Secretary when the Secretary is absent. The duties of the Secretary may be fulfilled by a manager employed by the Association.

5.5 Treasurer. The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep the books of the Association in accordance with good accounting practices; and he shall perform all the duties incident to the office of Treasurer. The duties of the Treasurer may be fulfilled by a manager employed by the Association.

5.6 The compensation of all Officers and employees of the Association shall be fixed by the Directors. This provision does not preclude the Board of Directors from employing a Director as an employee of the Association, nor does it preclude them from contracting with a Director for the management of the Condominium.

5.7 Indemnification of Directors and Officers shall be in accordance with Article XI of the Articles of Incorporation of the Association.

6. Fiscal Management.

6.1 The provisions for fiscal management of Association set forth in the Declaration of Condominium Articles of Incorporation shall be supplemented by the following provisions:

a. The Association shall initially operate on a calendar year; at any time, on its own motion and by a majority vote of the Board of Directors, may adopt a fiscal twelve (12) month year in lieu of the calendar year.

b. The funds and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate:

1) Current Expense. Current expense shall include all funds and expenditures to be made within the year for which the funds are budgeted and may include a reasonable allowance for contingencies and working funds. The balance in this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year, or to fund reserves.

2) Reserve for Deferred Maintenance. Reserve for deferred maintenance shall include funds for maintenance items which occur less frequently than annually.

3) Reserve for Replacement. Reserve for replacement shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

6.2 Budget. The Board of Directors shall adopt a budget for each calendar or fiscal year (as same may be adopted by the Board of Directors) which shall include the estimated funds required to defray the current expenses and may provide for funds for reserves.

The proposed annual budget 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 s.718.504(20), F.S.

In addition to annual operating expenses, the budget 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. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. Reserve accounts in budgets will not be required when the members of the association have by a two-thirds vote at a duly called meeting of the association determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection.

6.3 Assessments.

a. Assessments against the apartment owners for their share of the items of the budget shall be made for the calendar year, annually in advance on or before December 20 preceeding the year for which the assessments are made, or on such alternate date as the Board of Directors may determine. Such assessments shall be due in twelve (12) equal monthly payments, one of which shall come due on the first day of each month of the year for which the assessments are made. If an annual assessment is no made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and monthly payments thereon shall be due upon the first day of each month until changed by amended assessment. In the event the annual assessment proves to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Directors. The unpaid assessment for the remaining portion of the year for which the amended assessment is made shall be due on the first day of the

month next succeeding the month in which such amended assessment is made, or as otherwise provided by the Board of Directors. The first annual assessment shall be determined solely by the Board of Directors of the Association.

b. Assessments shall be made against unit owners not less frequently than quarterly, in an amount no 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.

c. A unit owner, regardless of how title is acquired, including a purchaser at a judicial sale, shall be liable for all assessments coming due while he is the unit owner. In a voluntary conveyance, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor for his share of the common expenses up to the time of the conveyance, without prejudice to any right the grantee may have to recover from the grantor the amounts paid by the grantee.

d. The liability for assessments may not be avoided by waiver or the use or enjoyment of any common elements or by abandonment of the unit for which the assessments are made.

e. Assessments and installments on them not paid when due bear interest at the rate of 10% per annum.

f. 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.

6.4 Depository. The depository of the Association will be such banks and/or savings and loan associations in Broward County, Florida, as shall be designated from time to time by the Directors, in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as authorized by the Directors. Provided, however, that the provisions of the management agreement between the Association and the manager relative to the subject matter of this section shall supersede the provisions hereof.

6.5 Fidelity Bonds. Fidelity bonds are required by the Board of Directors from all officers and employees of the Association, and from any contractor handling or responsible for Association funds. The amount of such bond shall be determined by the Directors, and the premiums on such bond shall be paid by the Association.

6.6 The board of directors shall mail a meeting notice and copies of the proposed annual budget of common expenses to the unit owners not less than 30 days prior to the meeting at which the budget will be considered. The unit owners shall be given written notice of the time and place of the meeting of the board of directors which will consider the budget. The meeting shall be open to the unit owners. If an adopted budget requires assessment against the unit owners in any fiscal or calendar year exceeding 115 percent of the assessments for the preceding year, the board, upon written application of 10 percent of the unit owners to the board, shall call a special meeting of the unit owners within 30 days, upon not less than 10 days' written

notice to each unit owner. At the special meeting, unit owners shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority vote of all unit owners. The board of directors may propose a budget to the unit owners at a meeting of members or in writing, and if the budget or proposed budget is approved by the unit owners at the meeting or by a majority of all unit owners in writing, the budget shall be adopted. In determining whether assessments exceed 115 percent of similar assessments in prior years, any authorized provisions for reasonable reserves for repair or replacement of the condominium property, anticipated expenses by the condominium association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the condominium property shall be excluded from the computation.

6.7 Acceleration of Assessment Installments Upon Default. If a unit owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the unit owner, and, thereupon, the unpaid balance of the assessment shall become due upon the date stipulated in the notice, but not less than fifteen (15) days after the delivery of the or the mailing of such notice to the apartment owner.

6.8 The termination of membership in the condominium shall not relieve or release any such former owner or a member from the liability or obligations incurred under or in any way connected with the condominium during the period of such ownership and membership, or impair any rights or remedies which the Association may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

6.9 An audit of the account of the Association shall be made annually or more frequently at the discretion of the Board of Directors by a certified public accountant, and a copy of the audit report shall be furnished to each member not later than ninety (90) days from the last day of the year for which the audit is made.

6.10 Financial Reports.

a. The association shall maintain accounting records for each condominium it manages, according to good accounting practices. The records shall be open to inspection by unit owners or their authorized representatives at reasonable times, and written summaries of them shall be supplied at least annually to unit owners or their authorized representatives. Failure to permit inspection of the association's accounting records by unit owners or their authorized representatives entitles any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly, knowingly denies access to the books and records for inspection. The records shall include, but are not limited to:

- (1) A record of all receipts and expenditures.

(2) An account for each unit, designating the name and current mailing address of the unit owner, the amount of each assessment, the dates and amounts in which the assessments come due, the amount paid upon the account, and the balance due.

b. Within 60 days following the end of the fiscal year the board of administration of the association shall mail or furnish by personal delivery to each unit owner a complete financial report of actual receipts and expenditures for the previous twelve months. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts of expenses by account and expense classification including, if applicable, but not limited to the following:

- (1) Cost for security;
- (2) Professional and management fees and expenses;
- (3) Taxes;
- (4) Cost for recreation facilities;
- (5) Expenses for refuse collection and utility services;
- (6) Expenses for lawn care;
- (7) Cost for building maintenance and repair;
- (8) Insurance costs;
- (9) Administration and salary expenses; and
- (10) General reserves, maintenance reserves, and depreciation reserves.

7. Rules and Regulations.

7.1 As to Common Elements. The Board of Directors may, from time to time, adopt or amend previously adopted administrative rules and regulations governing the details of the operation, use, maintenance, management and control of the common elements of the condominium and any facilities or services made available to the unit owners. The Board of Directors shall, from time to time, post in a conspicuous place on the condominium property, a copy of the rules and regulations adopted from time to time by the Board of Directors.

7.2 As to Condominium Units. The Board of Directors may, from time to time, adopt or amend previously adopted rules and regulations governing and restricting the use and maintenance of the condominium unit(s), provided, however, that copies of such rules and regulations are furnished to each unit owner prior to the time the same become effective, and where applicable or desirable, copies thereof shall be posted in a conspicuous place on the condominium property.

7.3 Building Rules and Regulations. The following building rules and regulations shall apply to and be binding upon all apartment owners in ROYAL COAST CONDOMINIUM:

a. The condominium apartment shall be used only for residential purposes and no owner or owners shall permit use of their apartment for transient, hotel or commercial purposes;

b. Owner shall not use or permit the use of his apartment in any manner which would be disturbing or be a nuisance to other owners, or in such a way as to be injurious to the reputation of the property;

c. The common elements shall not be obstructed, littered, defaced or misused in any manner;

d. No structural changes or alterations shall be made in any unit, or to any of the common elements, except upon approval of the Board of Directors, or as provided in the Declaration of Condominium;

e. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, exploration, or otherwise, shall be conducted, maintained, or permitted on any part of the property or in any condominium parcel therein, nor shall any "sold" or "for sale" or "for rent" signs or other window displays or advertising be maintained or permitted on any part of the property or in any condominium parcel therein;

f. Unit owners, residents, their families, guests, servants, employees, agents, visitors, shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof, into elevator shafts, elevator equipment rooms, or power rooms of any building, except with the express written consent of the Board of Directors;

g. There shall not be kept in any unit any inflammable, combustible, or explosive fluid, material, chemical or substance, except for normal household use;

h. The use of all recreational facilities shall at all times be subject to such rules and regulations as the Board of Directors may establish;

i. Payments of monthly assessments shall be made in accordance with the rules and regulations as adopted by the Board of Directors. Payment of regular assessments are due on the first day of each month, and if ten (10) or more days late, are subject to late charges, as provided by the Board of Directors;

j. No unit owner or resident, other than the Board of Directors, shall direct, supervise, or in any manner attempt to assert any control over any of the employees of the Association, nor shall he attempt to send any of such employees upon private business of such unit owner or resident;

k. In case of any emergency originating in or threatening any private dwelling, the Board of Directors of the Association, or any other person authorized by it, shall have the right to enter such private dwelling for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the owner of each private dwelling, if required by the Association, shall deposit under control of the Association, a key to such private dwelling. The same right of entry shall prevail for the purpose of performing any maintenance, alteration or repair to any portion of the common property, except that in this instance, such entry shall be made only at reasonable times and with reasonable advance notice;

l. The owner of each private dwelling must promptly correct any condition which, if left uncorrected, would adversely affect the apartment building or any part thereof belonging to another private dwelling owner. If the building or any other private dwelling owner should sustain damages because of another owner failing to correct the condition within his premises, such owner shall be liable and responsible for the damages and liability which his action or non-action occasioned.

m. The maintenance, keeping, boarding, breeding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and hereby is prohibited within any unit or upon any common elements, except that this shall not be applicable, within reason, to birds, turtles or fish, nor prohibit the keeping of a "Permitted Pet" provided that the unit owner owned and kept such pet at the Condominium at or before the date of the recordation of this By-Law amendment and the unit owner registers such pet in accordance with procedures established by the Board of Directors.

There shall be no replacement of the Permitted Pet. Permitted Pets shall not be permitted upon the common elements, except in areas designated by the Board of Directors.

All pets are to be accompanied by an adult and are to be carried or leashed, and such adult shall immediately scoop up any feces deposited upon any designated or other common area.

Any member who keeps or maintains any Permitted Pet upon any portion of the Property shall be deemed to have indemnified and agreed to hold the Association and each of its members free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such Permitted Pet within the Property, and will be required to make the Association whole for any damage to carpeting or other Association property, any any other costs which the Association will incur by reason of any activities of such pets.

The Board of Directors shall have the right to order any person whose Permitted Pet is a nuisance to remove such Permitted Pet from the Property. Failure to remove feces will be held to be a nuisance.

8. Default.

8.1 The Association has a lien on each condominium parcel for any unpaid assessments with interest and for reasonable attorney's fees incurred by the Association incident to the collection of the assessment or enforcement of the lien. The lien is effective from and after recording a claim of lien in the public records in Broward County stating the description of the condominium parcel, the name of the record owner, the amount due, and the due dates. The lien is in effect until all sums secured by it have been fully paid or until barred by Chapter 95, F.S. The claim of lien includes only assessments which are due when the claim is recorded. A claim of lien must be signed and acknowledged by an officer or agent of the association. Upon payments, the person making the payment is entitled to a satisfaction of the lien. By recording a notice in substantially the following form, a unit owner or his agent or attorney may require the association to enforce a recorded claim of lien against his condominium parcel:

NOTICE OF CONTEST OF LIEN

TO: (Name and address of association)

You are notified that the undersigned contests the claim of lien filed by you on _____, 19____, and recorded in Official Records Book _____ at Page _____, of the public records of _____ County, Florida, and that the time within which you may file suit to enforce your lien is limited to 90 days from the date of service of this notice.

Executed this _____ day of _____, 19____

Signed: (Owner or Attorney)

The clerk of the Circuit Court shall mail a copy of the recorded notice of contest to the lien claimant at the address shown in the claim of lien or most recent amendment to it, shall certify to the service on the face of the notice, and shall record the notice. Service is complete upon mailing. After service, the association has 90 days in which to file an action to enforce the lien, and if the action is not filed within the 90-day period, the lien is void.

The association may bring an action in its name to foreclose a lien for assessments in the manner a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien.

No foreclosure judgement may be entered until at least 30 days after the association gives written notice to the unit owner of its intention to foreclose its lien to collect unpaid assessments. If this notice is not given at least 30 days before the foreclosure action is filed, and if the unpaid assessments, including those coming due after the claim of lien is recorded, are paid before the entry of a final judgment of foreclosure, the association shall not recover attorney's fees or costs. The notice must be given by delivery of a copy of it to the unit owner or by certified mail, return receipt requested, addressed to the unit owner. If, after diligent search and inquiry, the association cannot find the unit owner or a mailing address at which the unit owner will receive the notice, the court may proceed with the foreclosure action and may award attorney's fees and costs as permitted by law. The notice requirements of this subsection are satisfied if the unit owner records a Notice of Contest of Lien as provided in this section.

If the unit owner remains in possession of the unit and the claim of lien is foreclosed, the court, in its discretion, may require the unit owner to pay a reasonable rental of the unit, and the association is entitled to the appointment of a receiver to collect the rent.

The association has the power to purchase the condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

When the mortgagee of a first mortgage of record, or other purchaser, of a condominium unit obtains title to the condominium parcel as a result of foreclosure of the first mortgage, or, if the declaration so provides, as a result of a deed given in lieu of foreclosure, such acquirer of title and his successors and assigns shall not be liable for the share of common expenses or assessments by the association pertaining to the condominium parcel or chargeable to the former unit owner of the parcel which became due prior to acquisition of title as a result of the foreclosure, unless the share is secured by a claim of lien for assessments that is recorded prior to the recording of the foreclosed mortgage. The unpaid share of common expenses or assessments are common expenses collectible from all of the unit owners, including such acquirer and successors and assigns. If the declaration so provides, the foregoing provision may apply to any mortgage of record and shall not be restricted to first mortgages of record. A mortgagee acquiring title to a condominium parcel as a result of foreclosure, or a deed in lieu of foreclosure, may not, during the period of its ownership of such parcel, whether or not such parcel is unoccupied, be excused from the payment of some or all of the common expenses coming due during the period of such ownership.

No unit owner may be excused from the payment of his share of the common expense of a condominium unless all unit owners are likewise proportionately excused from payment.

Any unit owner shall have the right to require from the association a certificate showing the amount of unpaid assessments against him with respect to his condominium parcel. The holder of a mortgage or other lien shall have the same right as to any condominium parcel upon which he has a lien. Any person other than the owner who relies upon such certificate shall be protected thereby.

8.2 If an action or foreclosure is brought against the owner of a condominium parcel for the non-payment of monies due the Association and, as a result thereof, the interest of the said owner in and to the condominium parcel owner's membership shall be cancelled and membership shall be foreclosure sale. issued to the purchaser at the foreclosure sale.

8.3 If the Association becomes the owner of a condominium parcel by reason of a foreclosure, it shall offer said unit for sale and at such time as a sale is consummated it shall deduct from such proceeds all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the foreclosure suit, including reasonable attorneys' fees, and any and all expenses incurred in the re-sale of the condominium parcel, which shall include but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the condominium parcel in question, and all encumbrances, liens or other fees which must be paid by the Association.

All monies remaining after deducting the foregoing items of expenses shall be returned to the former owner of the condominium parcel in question.

8.4 In the event of a violation of the provision of the Declaration of Condominium, corporate charter or restrictions and By-Laws, as the same are now or may hereafter be constituted, the Association, on its own behalf or by and through its Board of Directors or manager, may bring appropriate action to enjoin such violation or to enforce the provisions of the documents just hereinabove enumerated, or sue for damages or take all such courses of action at the same time, or for such other legal remedy as it or they may deem appropriate.

8.5 In the event of such legal action brought against a condominium parcel owner, the losing defendant shall pay the plaintiff's reasonable attorneys' fees and court costs.

8.6 Each owner of a condominium parcel, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of nuisance regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other equally adequate legal procedures. It is the intent of all owners of a condominium parcel to give to the Association a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from owners of condominium parcels and to preserve each owners' right to enjoy his condominium unit free from unreasonable restraint and nuisance.

9. Registers.

9.1 The Secretary of the Association shall maintain a register in the corporation office showing the names and addresses of members.

9.2 Any application for the transfer of a membership or for a conveyance of interest in a condominium parcel or a lease of condominium parcel shall be accompanied by an application fee to cover the cost of contacting the references given by the applicant, and such other costs of investigation that may be incurred by the Board of Directors. No fee shall be charged in connection with a transfer, sale, or approval in excess of the expenditures reasonably required for the transfer or sale, and this expense shall not exceed \$50. No charge shall be made in connection with an extension or renewal of a lease.

9.3 The corporation shall maintain a suitable register for the recording of pledged or mortgaged condominium parcels. Any pledgee or mortgagee of a condominium parcel may, but is not obligated to notify the Association in writing of the pledge or mortgage. In the event notice of default is given any member, under an application provision of the By-Laws, the Articles of Incorporation, or the Declaration, a copy of such notice shall be mailed to the registered pledgee or mortgagee.

10. Surrender. In the event of the legal termination of a membership and of the occupancy rights thereunder, the member or any other person or persons in possession by or through the right of the member, shall promptly quit and surrender the owned unit to the Association in good repair, ordinary wear and tear and damage by fire and other casualty excepted, and the Association shall have the right to re-enter and to repossess the owned unit. 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 Broward County, State of Florida, or the United States of America.

11. Amendment of By-Laws. The By-Laws of the corporation may be altered, amended or repealed, unless specifically prohibited herein, at any regular or special meeting of the members by a three-fourths (3/4) vote of all members of the Association, and such approval must be by two-thirds (2/3) of the members of the Board of Directors, unless a contrary vote or additional consent is required pursuant to the Articles of Incorporation, the Declaration of Condominium and provided that notice of said membership meeting has been given in accordance with these By-Laws and that the notice as aforesaid contained a full statement of the proposed amendment.

Provided, however, that amendment shall not discriminate against any apartment owner, nor against any apartment or class or group of apartments unless the apartment owner so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium.

11.1 A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment of the Declaration and By-Laws, which certificate shall be executed by the Officers of the Association with the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Broward County, Florida.

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

13. It is anticipated that the taxing authorities in taxing for real property taxes shall tax each condominium unit on a separate and distinct basis by forwarding a separate tax bill to each individual condominium parcel owner for his separate unit. In the event the taxing authorities do not tax individually upon each unit and one tax bill is levied, then and in such event the condominium upon which such tax bill is levied shall divide the tax bill as a common expense for said condominium and same shall be paid by the individual condominium parcel owner of the condominium in percentage to his ownership in the common elements as stated in the subject Declaration of Condominium.

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

13.2 Should any of the covenants herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of the instrument shall, nevertheless, be and remain in full force and effect.

13.3 If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these By-Laws and the Declaration of Condominium, the provisions of the Declaration shall prevail.

13.4 Corporation and Association are used synonymously, and apartment and unit are used synonymously herein.

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