

BY - LAWS

TOR-PALM TOWNHOUSES ASSOCIATION, INC.

ARTICLE I

General

Section 1. The Name: The name of the corporation shall be TOR-PALM TOWNHOUSES ASSOCIATION, INC., which is a corporation not for profit organized for the purpose of managing, operating and administering the Condominium established on the real property situate, lying and being in Broward County, Florida, the legal description of which is:

Lots 14 through 18, Block 4, POMPAÑO BY THE SEA, according to the Plat thereof, as recorded in Plat Book 1, Page 22 of the Public Records of Broward County, Florida.

Section 2. The Principal Office: The principal office of the corporation shall be 750 North Ocean Boulevard, Pompano Beach, Florida 33062, or at such other place as may be subsequently designated by the Board of Administration.

Section 3. Definitions: As used herein, the term "corporation" shall be the equivalent of "association" as defined in the Condominium Declaration, and the words "property", "unit owner", and "condominium" are defined as set forth in the Condominium Declaration, etc., of the corporation, to which these By-Laws are attached. The "Board of Directors" may also be referred to as the "Board of Administration" and such designation shall be interchangeable.

ARTICLE II

Directors

Section 1. Number and Term: The number of Directors which shall constitute the whole Board of Administration shall be not less than three (3) persons nor more than nine

(9) persons as is determined from time to time by the members. All directors shall be members of the Association; provided, however, that until one of the events in Article II, Section 4, of these By-Laws first occurs, all directors shall be designated by the Developer and need not be members. All officers shall be deemed to be members of the Association so as to qualify as Directors herein. No more than one owner of one condominium apartment unit may be a director at any one time.

The directors shall be elected at the annual meeting of the members and each director shall be elected to serve for the term of one (1) year or until his successor shall be elected and shall qualify. Until succeeded by directors elected at the first annual meeting of the members, directors need not be members; election shall be by plurality of the votes of the apartment condominium unit owners and entitled to vote. The first Board of Directors shall have three (3) members.

Section 2. Removal: Except for the first Board of Directors as provided for herein, a director elected or appointed as provided in the Declaration may be removed from office upon the affirmative vote of a majority of the members (apartment unit owners) with or without cause as provided in Section 718.112(2)(g), Florida Statutes (1979); provided, further, before any director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is made, and such director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote of his removal. A director elected or appointed by the Developer may be removed by the Developer who shall designate the successor director.

Section 3. Vacancy and Replacement: 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 at a special meeting of directors duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term in respect to which vacancy occurred.

Section 4. First Board of Administrators: The first

Board of Administrators shall consist of:

DONALD R. DURNO
JERRY F. COUGHLAN
FRANK J. BAKER, JR.

who shall hold office and exercise all powers of the Board of Directors until the first membership meeting as set forth in Article V of these By-Laws; provided, any or all of said directors shall be subject to replacement in the event of resignation or death as above provided, except as follows:

At such time as unit owners other than the Developer own fifteen (15%) percent or more of the condominium units that will be operated by the Condominium Association, the unit owners other than the Developer shall be entitled to elect not less than one-third (1/3) of the members of the Board of Administration of the Association. Unit owners other than the Developer shall be entitled to elect not less than a majority of the members of the Board of Administration upon the earliest occurrence of any of the following:

A. Three (3) years after sales by the Developer have been closed on fifty (50%) percent of the condominium units that will be operated by the Association; or,

B. Three (3) months after sales have been closed by the Developer on ninety (90%) percent of the units that will be operated by the Association; or,

C. When all of the units that will be operated by the Association have been completed and some of them have been sold and none of the others are being offered for sale by the Developer in the ordinary course of business.

D. The Developer shall be entitled to elect not less than one member of the Board of Administration as long as he holds for sale, in the ordinary course of business, any unit in a condominium operated by the Association.

Section 5. Powers: The property and business of the corporation shall be managed by the Board of Administration which may exercise all corporate powers not specifically prohibited by Statute or the Certificate of Incorporation, and all powers directed or required to be exercised or done by the members pursuant to these By-Laws. These powers shall specifically include, but not be limited to the following:

A. To levy upon the members monthly and any other assessments as are necessary for anticipated current operating expenses and for all of those unpaid operating expenses periodically incurred and payable in advance. The Board of Administration may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any necessary additional expenses, but said increase can only be made in the proportion established in Article V, Section 8, of the Declaration of Condominium;

B. To use and to expend the assessments collected to maintain, care for and preserve the condominium units, the common elements, the limited common elements, and the condominium property (other than the interiors of the condominium units which are to be maintained, cared for and preserved by the individual condominium unit owners);

C. To pay taxes and assessments levied and assessed against any real property the corporation might own and to

pay for such equipment and tools, supplies and other personal property purchased for use in such maintenance care and preservation;

D. To enter into and upon the condominium units when necessary and at as little inconvenience to the owner as possible in connection with such maintenance, care and preservation. For the purpose of preservation, care and restoration of condominium property, each owner of a condominium unit grants a perpetual easement in the event of an emergency to the then existing Board of Administration or its duly authorized agents to enter into his condominium unit at any reasonable time (or at any unreasonable time if the necessities of the situation should require it);

E. To repair and replace common element and limited common element facilities, machinery and equipment;

F. To insure and keep insured the owners against loss from public liability and to carry such other insurance as the Board of Administration may deem advisable; and in the event of damage or destruction of property, real or personal, covered by such insurance, to use the proceeds for repairs and replacement, all in accordance with the provisions of the Declaration of Condominium;

G. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from unit owners for violations of the Declaration of Condominium, these By-Laws, or Rules and Regulations adopted by the Board of Administration;

H. To employ such personnel, make such purchases and enter into such contracts as may be necessary or desirable in carrying out the operation and management of the condominium;

I. To make, amend and repeal Rules and Regulations governing the operation, maintenance and management of the

condominium, including without limitation, the use and occupancy of the units by the members, the use of the common elements, including the recreation rooms, card room and laundry rooms shown on the Condominium Survey, including the right to charge reasonable rates; and

J. To contract for the management and maintenance of the Condominium and to authorize the management agent to assist the Association in carrying out its powers and duties by preparation of records, enforcement of rules, and maintenance of the common elements. The Association shall, however, retain at all times the powers and duties granted them by the Condominium Act, including, but not limited to, the making of assessments, promulgation of rules, and execution of contracts on behalf of the Association.

Section 6. Compensation: Directors and officers shall serve without compensation.

Compensation

Section 7. Meetings:

A. 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. The annual meeting of the Board of Administration shall be held at the same place as the general members' meeting, and immediately after the adjournment of same.

B. Regular meetings of the Board shall be held quarterly at such time and place as the Board shall fix from time to time.

C. 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 telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of three (3) directors.

D. Meetings of the Board of Administration shall be open to all unit owners. Notice of all meetings shall be posted in a conspicuous place on the condominium property at least forty-eight (48) hours in advance of each scheduled meeting, to the attention of all unit owners. Except, however, in case of an emergency, a meeting of the Board of Administration may be held without notice.

E. 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 Administration, except as may be otherwise specifically provided by Statute, by the Declaration of Condominium or by the Articles of Incorporation or by these By-Laws. If a quorum shall not be present in 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.

Section 8. Annual Statement: The Board shall present at the annual meeting of members, and when called for by a vote of the members at any special meeting of the members, a full and clear statement of the business and condition of the corporation.

The Association shall maintain accounting records according to good accounting practices which shall be open to inspection by unit owners or their authorized representatives at reasonable times, and written summaries of which shall be supplied at least annually to unit owners or their authorized representatives. Such records shall include:

- A. A record of all receipts and expenditures.
- B. An account for each unit which shall designate the name and address of the unit owner, the amount of each

assessment, the dates and amounts in which the assessments come due, the amounts paid upon the account and the balance due.

Section 9. Minutes: Minutes of all meetings of unit owners and Board of Administration shall be kept in a book available for inspection by unit owners or their authorized representatives and Board members at any reasonable time. All minutes shall be retained for a period of not less than seven (7) years.

ARTICLE III

Officers

Section 1. Elective Offices: The officers of the corporation shall be members, shall be chosen by the directors and shall be a president, vice president, a secretary and a treasurer. The Board of Administration may also choose one or more additional vice presidents, assistant secretaries, assistant treasurers, or other officers. No more than one office may be held by one owner of a condominium at any one time.

Section 2. Election: The Board of Administration at its first meeting after each annual meeting of general members shall elect officers, none of whom excepting the president, need be a director.

Section 3. Appointive Offices: The Board may appoint such 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.

Section 4. Term: 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 Administration shall serve at the pleasure of

the Board of Administration and may be removed, at any time by the affirmative vote of a majority of the whole Board of Administration. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Administration.

Section 5. The President:

A. 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.

B. He shall execute bonds, mortgages, and other contracts requiring a seal, under the 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 Administration to another officer or agent of the corporation.

C. In the absence of the President, the Vice President shall perform the duties of the President.

Section 6. The Secretary:

A. 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. The minute book shall be kept in a businesslike manner and shall be available for inspection by unit owners or their authorized representatives, and the Board members at any reasonable time and shall perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision he shall be. He

shall keep in safe custody the seal of the corporation, 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.

B. Assistant Secretaries in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the power of the Secretary and shall perform such other duties as the Board of Administration shall prescribe.

Section 7. Treasurer and Assistant Treasurers:

A. The Treasurer shall have the custody of the corporation funds and securities and shall keep full and accurate accounts of the receipts and disbursements in books belonging to the corporation, and shall deposit all monies 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 Administration.

B. He shall disburse the funds of the corporation as may be ordered by the Board, making proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meeting of the Board or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the corporation.

C. Assistant Treasurers in the 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 Administration shall prescribe.

Section 8. Bonding of Corporate Officers: The Treasurer and all Assistant Treasurers, if any, the President and Secretary, shall be required to be bonded in an amount to be determined by the Board of Administration with a fiduciary

bonding company licensed and authorized to transact business in the State of Florida. The cost of the premium for this bond shall be paid by the condominium corporation.

Section 9. Indemnification of Corporate Officers:

Every Director and Officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been an Officer or Director of the Corporation, or any settlement thereof, whether or not he is a Director or Officer at the time such expenses are incurred except in such cases wherein the Director or Officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties provided that in the event of a settlement the indemnification herein shall apply only when the Board of Administration approves such settlement and reimbursement as being for the best interest of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all rights to which such Officer or Director may be entitled.

ARTICLE IV

Membership and Voting Provisions

Section 1. Membership: Membership in the Association shall be limited to owners of the condominium units in this condominium. Transfer of unit ownership, either voluntary or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee if unit ownership is vested in more than one person, then all of the persons so owning said unit shall be members eligible to hold office, attend meetings, etc.; but, as hereinafter indicated, the vote of a unit owned by a

corporation, said corporation may designate an individual officer or employee of the corporation as its "voting member".

Section 2. Voting:

A. The owner(s) of each residential condominium unit shall be entitled to one (1) vote, except as provided in Article V, Section 3, of these By-Laws. If a condominium unit owner owns more than one unit, he shall be entitled to vote for each unit owned except where said units have been combined to a single unit pursuant to the Declaration of Condominium, then such unit owners shall have a number of votes equal to the number of units so combined. The vote of a condominium unit shall not be divisible.

B. A majority of the unit owners' total votes shall decide any question unless the Declaration of Condominium, By-Laws or Articles of Incorporation of the Association provide otherwise.

Section 3. Quorum: Unless otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the unit owners' total votes shall constitute a quorum.

Section 4. Proxies: Votes may be cast in person or by proxy. All proxies shall be in writing and signed by the person entitled to vote (as set forth below in Section 5), and shall be filed with the Secretary prior to the meeting in which they are to be used, and shall be valid only for the particular meeting designated therein. Proxies shall also designate the person to vote the proxy and such person must be a "voting member" as such term is hereinafter defined. Where a unit is owned jointly by a husband and wife, and if they have not designated one of them as a voting member, a proxy must be signed by both husband and wife where a third person is designated. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of

the first meeting for which it is given. Every proxy shall be revocable at any time at the pleasure of the unit owner.

Section 5. Designation of Voting Member: If a condominium unit is owned by one person, his right to vote shall be established by the recorded title to the unit. If a condominium unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated in a certificate signed by all of the recorded owners of the unit, and filed with the Secretary of the Association. If a condominium unit is owned by a corporation, the officer or employee thereof entitled to cast the vote of the unit for the corporation shall be designated in a certificate for this purpose, signed by the President or Vice President, attested to by the Secretary or Assistant Secretary of the corporation, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a unit shall be known as the "voting member". If such a certificate is not on file with the Secretary of the Association for a unit owned by more than one person or by a corporation, the vote of the unit concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the unit, except if said unit is owned by a husband and wife. Such certificates shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the unit concerned. If a condominium unit is owned jointly by a husband and wife, the following three provisions are applicable thereto:

A. They may, but they shall not be required to, designate a voting member.

B. If they do not designate a voting member, and if both are present at a meeting and are unable to concur in

their decision upon any subject requiring a vote, they shall lose their right to vote on the subject at that meeting.

(As previously provided, the vote of a unit is not divisible.)

C. Where they do not designate a voting member, and only one is present at a meeting, the person present may cast the unit individually, and without establishing the concurrence of the absent person.

ARTICLE V

Meetings of Membership

Section 1. Place: All meetings of the corporation membership shall be held at the office of the corporation, or may be held at such place and time as shall be stated in the notice thereof.

Section 2. Annual Meeting:

A. The first annual meeting shall occur on the first day of the month following the month in which unit owners, other than the developer, are entitled to elect not less than one-third (1/3) of the members of the Board of Administration as provided for in Article II, Section 4 of these By-Laws.

B. Regular annual meetings, subsequent to the first annual meeting shall be held on the same day of the same month of each year as the first annual meeting.

C. All annual meetings shall be held at such hour as the Board of Administration may determine.

D. At the annual meeting, the members shall elect, by plurality vote, a Board of Administration, and transact such other business as may properly be brought before the meeting.

E. At least fourteen (14) days prior to the meeting, written notice of the annual meeting shall be served upon or mailed via Certified Mail to each member entitled to vote thereat, at such address as appears on the books of the

corporation. Notice of the annual meeting shall be posted at a conspicuous place on the condominium property at least fourteen (14) days prior to said meeting.

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.

Section 3. Membership List: At least fourteen (14) days before every election of directors, a complete list of the members entitled to vote at such election, arranged numerically by "condominium units", with the residence of each, shall be prepared by the Secretary. Such list shall be produced and kept for said fourteen (14) days and throughout the election at the principal office of the corporation and shall be open to examination by any member throughout such time. No member who is then more than thirty (30) days delinquent in the payment of any assessment shall be entitled to vote at any regular or special meeting.

Section 4. Special Meetings of Members:

A. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of not less than one-fourth (1/4) of the membership entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

B. At least five (5) days before such meeting, written notice of a special meeting of members, stating the time, place and object thereof, shall be served upon or mailed, via regular mail, to each member entitled to vote thereat at such address as appears on the books of the corporation.

C. Business transacted at all special meetings shall be confined to the objects stated in the notice thereof.

Section 5. Quorum: Fifty-one (51%) percent of the total number of members entitled to vote of the corporation present in person or represented by written proxy, shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation, the Declaration of Condominium 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 written proxy, shall have the power to adjourn the meeting until a quorum shall be present or represented. If, when the meeting has been resumed and a quorum is not present or represented at the resumed meeting as provided herein, then the members entitled to vote thereat shall have the power to adjourn the meeting and declare that a quorum may be reduced by ten (10%) percent for each meeting until a quorum is present. Any business may be transacted at the resumed meeting that could have been transacted at the meeting as originally called.

Section 6. Vote Required to Transact Business: When a quorum is present at any meeting, the vote of a majority of the members entitled to vote thereat present in person or represented by written proxy shall decide any questions brought before such meeting unless the question is one upon which, by express provision of the statutes or of the Articles of Incorporation, the Declaration of Condominium or of these By-Laws, a different vote is required, in which case, express provision shall govern and control the decision of such question.

Section 7. Right to Vote: At any meeting of the members, every member having the right to vote shall be

entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or adjournments thereof, must be in writing, signed by the member appointing the proxy, and filed with the Secretary prior to the meeting for which the proxy is given.

Section 8. Waiver and Consent: Whenever the vote of members at a meeting is required or permitted by any provision of the statutes, of the Declaration of Condominium, of the Articles of Incorporation, or of these By-Laws to be taken in connection with any action in the corporation, 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 action being taken.

Section 9. Rules of Procedure: Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation, By-Laws, Statutes or Declaration of Condominium.

ARTICLE VI

Notices

Section 1. Definition: Whenever, under the provisions of the Statutes of the Articles of Incorporation, or of these By-Laws, or of the Declaration of Condominium, 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.

Section 2. Service of Notice Waiver: Whenever any such notice is required to be given, 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 the equivalent therefor.

ARTICLE VII

Finances

Section 1. Fiscal Year: The fiscal year shall begin on the first day of January in each year.

Section 2. Checks: All checks or drafts for money and notes of the corporation shall be signed by any two of the following officers: President, Secretary or Treasurer, or by such officers or such other person or persons as the Board of Administration may from time to time designate.

Section 3. Assessments:

A. The Board of Administration of the corporation shall, from time to time, at regular meetings or special meetings called for this purpose, fix and determine the sum or sums necessary and adequate for the continued operation of the condominium. The Board shall determine the total amount required, including the operational items such as taxes on corporation property, insurance, repairs, maintenance, security, operating capital, reserve for deferred maintenance and capital expenditures, other reserves, and other operating expenses, and expenses designated as common expenses from time to time by the Board of Administration of the Association or under the provisions of the Declaration of Condominium to which these By-Laws are attached. The total annual requirements shall be assessed as a single sum against all condominium units and prorated to each of said condominium units. This ratio of assessment shall be in amounts as set forth in the Declaration. Said Assessments shall be payable quarterly in advance as ordered by the Board of Administration.

Special Assessments, should such be required, shall be levied and paid in the same manner as hereinbefore provided for regular assessments. The owners agree to pay promptly when due the quarterly and all special assessments assessed against their own condominium units. Delinquent assessments will bear interest at the rate of nine (9%) percent per annum. No member shall be personally liable for any debts of the corporation whatsoever.

B. A copy of a proposed annual budget, except for the initial budget which is for a period of twelve (12) months, of common expenses shall be mailed, regular mail, to the unit owners, not less than thirty (30) days prior to the meeting of the Board of Administration at which the budget will be considered, together with a notice of that meeting. Such meeting shall be open to the unit owners.

1) If the Board of Administration adopts a budget which requires an assessment against the unit owners, in any fiscal or calendar year, exceeding one hundred fifteen (115%) percent of such assessments for the preceding year, then, upon written application of no less than ten (10%) percent of the unit owners, a special meeting of the unit owners, shall be held upon not less than ten (10) days written notice, mailed regular mail, to each unit owner, but within thirty (30) days of the delivery of such application to the Board of Administration or any member thereof. At such special meeting of the unit owners, the unit owners:

- (a) Shall consider and enact a budget and
- (b) Recall any and all members of the Board of Administration and elect their successors;
- (c) The revision of the budget or the recall of any and all members of the Board of Administration shall require a vote of not less than two-thirds

(66 2/3 percent) of the whole number of votes of the unit owners.

(d) In determining whether assessments exceed one hundred fifteen (115%) percent of similar assessments in prior years, any authorized provision for reasonable reserves for repair or replacement of condominium property, anticipated expenses by the 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.

C. The Board of Administration may, in the alternative to that set forth in Article VII, Section 3-B, propose a budget to the unit owners at a meeting of the members or by writing, and if such budget or proposed budget is approved by a majority of the unit owners present at such meeting, or by a majority of their whole number in writing, such budget shall not thereafter be re-examined by the unit owners in the manner set forth in this Article VII, Section 3-B.

D. In determining whether assessments exceed one hundred fifteen (115%) percent of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Administration in respect to repair or replacement of the condominium property or in respect to anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis and there shall be excluded from such computation, assessment for betterments to be imposed by the Board of Administration. Provided, however, that so long as the Developer is in control of the

Board of Administration, the Board shall not impose an assessment for a year greater than one hundred fifteen (115%) percent of the prior fiscal or calendar year's assessment without approval of a majority of the residential unit owners.

E. All sums collected by the Association from assessments may be commingled as a single fund or divided into more than one fund, as determined by the Board of Directors of the Association.

Section 4. Accounts: There shall be established and maintained such bank account or accounts as the Board of Administration shall deem advisable, into which shall be deposited all monthly and special assessments as fixed and determined for all condominium units. Disbursements from said accounts shall be for the general needs of the corporation, including but not limited to wages, repairs, betterments, maintenance and other operating expenses of the property of the corporation.

Section 5. Condominium Expenses: The condominium expenses for which the members shall be liable as set forth in the Declaration of Condominium shall be those costs and expenses deemed necessary or desirable by the corporation for the operation and maintenance of the condominium property, other than maintenance of the interior of a unit and of such other items for whose maintenance and repair a unit owner is responsible although the same are located in the common elements. Such operating and maintenance expenses shall include, but not be limited to, maintenance of all lawns, shrubbery, and landscaping, water and electricity for landscaping sprinkler system, electricity for lighting common elements, painting the exterior of all buildings, maintenance and repair of roofs of all buildings, removal of garbage and trash.

Section 6. Annual Audit: An audit of the accounts of the corporation shall be made annually by a certified public accountant, and a copy of the report shall be furnished to each member not later than April 1st of the year following the year for which the report is made.

ARTICLE VIII

Seal

The seal of the corporation shall have inscribed thereon the name of the corporation, the year of its organization, and the words, "Not for Profit". Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced, or in any other form evidencing the intent of the signing officer or officers to have the effect of a corporate seal.

ARTICLE IX

Leasing and Subleasing

The primary object of the corporation is to operate and maintain the property on a mutual and cooperative basis for the housing needs of its members, coupled with the right of occupancy. The right of occupancy, nevertheless, is a matter of discretionary decision by the Board of Directors and every lease or sublease of a condominium unit is subject to the approval of the Board of Administration, as set forth in the Declaration of Condominium. The Board of Administration shall have the right to require that a uniform form of lease shall be used and that leases shall be for periods of not less than six (6) months. The Association may charge a fee for the actual expenses incurred in approving the sale or lease of a condominium unit, which in no event shall exceed \$50.00. No charge shall be made for the extension or renewal of a lease.

Notwithstanding any provisions to the contrary, no unit owner may lease his unit and no lessee may sublease more than one time in any calendar year.

ARTICLE X

Default

In the event an owner of a condominium parcel does not pay any sums, charges or assessments required to be paid by the Corporation within thirty (30) days from the due date, the Corporation, through its Board of Directors may, pursuant to Section 718.166(4) and (5), foreclose the lien encumbering the condominium parcel created by the nonpayment of the required monies. In said foreclosure action, the Plaintiff shall be entitled to the appointment of a receiver as a matter of strict right to the Corporation and without reference to the adequacy or inadequacy of the value of the property sought to be foreclosed or the solvency or insolvency of the owner or any party defendant to such suit. To further secure payment of this indebtedness, the condominium parcel owner by virtue of this acceptance of the conveyance of the condominium parcel to him, does hereby sell, assign, transfer, and set over unto the Corporation all of the rents, issues and profits of his condominium parcel, and this assignment shall become operative upon any default being made by said condominium parcel owner hereunder, and shall remain in full force and effect so long as any default continues to exist hereunder, and the Corporation shall have the right to enter upon the premises and collect the same directly from the occupants.

If the Corporation becomes the owner of the condominium parcel in question, it shall offer said parcel for sale, and whenever such a sale is consummated, it shall, from the

proceeds received from said sale, deduct all sums of money due it for monthly assessments and charges, all costs incurred in the bringing of the lawsuit in questions, including reasonable attorneys' fees and any and all expenses incurred in the resale of the condominium parcel in question, which shall include but not be limited to advertising expenses, real estate brokerage fees and expenses necessary for the repair and refurnishing of the condominium unit in question so that it could be sold. All monies remaining after deducting the foregoing items of expense shall be returned directly to the former owner of the condominium parcel in question.

In the event of violation by the owner of a condominium of any of the provisions of the Declaration of Condominium, Articles of Incorporation, By-Laws and Rules and Regulations, as are now or hereafter constituted, the Corporation may, by direction of its Board of Administration, bring a suit for injunction or other action for the abatement of the existing condition or situation. Should the Corporation be successful in any action it brings, the defendant condominium parcel owner agrees to pay all costs incurred, including a reasonable attorneys' fee.

ARTICLE XI

Amendment

Prior to the first annual meeting of the membership of the Association, said first Board of Administration shall have full power to amend, alter or rescind these By-Laws by majority vote. Thereafter, these By-Laws may be amended in the following manner, as well as in the manner elsewhere provided:

Section 1. Notice: Notice of the subject matter of a

proposed amendment shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2. Resolution: A resolution adopting a proposed amendment may be proposed by either the Board of Administration or by the members entitled to vote. Directors and members not present at the meeting considering the amendment may express their approval in writing. Except as elsewhere provided, such approval must either be by:

A. Not less than three (3) directors and by not less than fifty-one (51%) percent of all of the members entitled to vote; or

B. Until the first election of directors, only by all of the directors, provided the amendment does not increase the number of units nor alter the boundaries of the common elements.

No amendment to these By-Laws shall be passed which would operate to impair or prejudice the rights and/or liabilities of any Institutional Mortgagee as defined in the Declaration of Condominium.

Section 3. Agreement: In the alternative, an amendment may be made by an agreement executed by all members and mortgagees in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Public Records of Broward County, Florida.

Section 4. Proviso: No amendment shall discriminate against any unit owner nor against any unit or class or group of units unless the unit owners so affected shall consent; and no amendment shall change any unit nor the share in the common elements appurtenant to it, nor increase the owner's share in the common elements appurtenant to it, nor increase the owner's share of the common expenses,

unless the record owner of the unit concerned and all record owners of mortgages thereon shall join in the execution of the amendment.

Section 5. No By-Law shall be revised or amended by reference to its title or number only. The full text of the By-Law to be amended shall be set forth, except as provided in Section 718.11)(2)(i), Florida Statutes (1979). Non-material errors or omissions in the By-Law process shall not invalidate an otherwise properly promulgated amendment.

ARTICLE XII

Rules and Regulations

Section 1. Administrative Rules: The Board of Administration may from time to time adopt or amend previously adopted administrative rules and regulations governing the details of the operation, use, maintenance and control of the common elements of the condominium, and any facilities or services made available to the unit owners, including the recreation room and facilities located on the common elements. A copy of the Rules and Regulations adopted from time to time as herein provided shall from time to time be posted in a conspicuous place.

Section 2. As to Condominium Units: The Board of Administration may from time to time adopt or amend previously adopted Rules and Regulations governing and restricting the use and maintenance of the condominium unit provided, however, that copies of such Rules and Regulations, prior to the time the same becomes effective, shall be posted in a conspicuous place on the condominium's property, and/or copies of same shall be furnished to each unit owner.

Section 3. As to Common Areas: The use of the common areas shall at all times be subject to such Rules and Regu-

lations as the Board of Administration may establish from time to time, in its sole discretion. Any damage to the equipment or the premises caused by a unit owner, his family, servants, guest, etc., shall be paid for by the unit owner responsible therefor, and the cost thereof shall be a charge and lien upon the unit owner's parcel as a special assessment.

Section 4. The Board of Administration shall have the power to promulgate Rules and Regulations which shall govern the use of the condominium property and such Rules and Regulations may be amended, altered, or changed by the Association from time to time.

ARTICLE XIII

Miscellaneous

Section 1. The definitions of particular words and phrases contained in the Condominium Act (now Chapter 718, Florida Statutes) or in the Declaration of Condominium shall apply to such words and phrases when used in these By-Laws.

Section 2. Should any provisions of these By-Laws be void or unenforceable in law or in equity, the remaining provisions shall, nevertheless, be and remain in full force and effect.

Section 3. Any lien or other encumbrance upon or against a condominium or parcel in favor of the Corporation is hereby declared to be, and shall be subject, subordinate, and inferior to the lien of any mortgage encumbering such unit or parcel where such mortgage is made to a bank, savings and loan association, or life insurance company, or an institutional lender, as defined in the Declaration of Condominium to which these By-Laws are attached and regardless of whether such mortgage was made or recorded before or

after the aforesaid lien or encumbrance of the Corporation.

ARTICLE XIV

Recall of Directors

Subject to the provisions of Chapter 718.301, Florida Statutes, any member of the Board of Administration may be recalled and removed from office with or without cause by the vote or agreement, in writing, by a majority of all residential condominium unit owners. A special meeting of the residential condominium unit owners to recall a member or members of the Board of Administration may be called by ten (10%) percent of the residential condominium unit owners, giving notice of the meeting as required for a meeting of unit owners, and the notice shall state the purpose of the meetings.

ARTICLE XV

The foregoing were adopted as the By-Laws of TOR-PALM TOWNHOUSES ASSOCIATION, INC., this _____ day of _____, 1980.

APPROVED:



