AMENDED AND RESTATED BYLAWS
OF
TEQUESTA TOWERS CONDOMINIUM ASSOCIATION, INC.

1. IDENTITY. These are the By-Laws of Tequesta Towers Condominium Association, Inc., a not-for-profit Florida Corporation formed for the purpose of administering Tequesta Towers Condominium Apartments which is located in Palm Beach County, Florida. (The corporation shall hereafter be referred to as the "Association".)

1.1 OFFICE - The office of the Association shall be at the Condominium or such other location as may from time to time be determined by the Board of Directors from time to time.

1.2 FISCAL YEAR - The fiscal year of the Association shall be a calendar year (January 1 to December 31) unless otherwise determined by the Board of Directors from time to time.

1.3 SEAL - The seal of the Association shall bear the name or abbreviated name of the Association, the word "Florida", the year of establishment, and shall identify the Association as a not-for-profit corporation.

1.4 DEFINITIONS - All terms used in these By-Laws shall have the same meaning, to the extent applicable, as set forth in the Declaration of Condominium for Tequesta Towers Condominium Apartments and the Florida Condominium Act, all as amended from time to time.

EXHIBIT "C"

2. MEMBERS MEETINGS.

2.1 ANNUAL MEETINGS - Annual members' meetings of the members of this Association shall be held at the Condominium or at such other convenient location as may be determined by the Board of Directors each year in March for the purpose of electing directors and transacting any other business authorized to be transacted by the members.

2.2 SPECIAL MEETINGS - Special members' meetings shall be held whenever called by the President, or by a majority of the Board of Directors or when requested by written notice from one-third (1/3) of the Association voting interests. Such request must state the purpose of the proposed meeting. Members' meetings to recall a member or members of the Board of Directors may be called by 10% of the Association voting interests giving notice of the meeting and stating the purpose of the meeting pursuant to F.S. 718.112(2)(k), or as amended from time to time.

2.3 NOTICE OF MEMBERS' MEETINGS - Notice of all members' meetings shall be sent or provided to each unit owner by United States mail or hand delivery, unless waived in writing, at least fourteen (14) days prior to the meeting, provided however, that any members' meeting or election at which one or more Directors are to be elected must be noticed as provided for in Section 2.4 next following. The person giving notice shall execute an affidavit of providing such notice per F.S. 718.112(2)(d)(2), as the same may be amended from time to time, which shall be retained in the official records of the Association as proof of such mailing. Notice of a meeting of members, stating the time and place and the purpose(s) for which the meeting is called, shall be given by the President or Secretary or other designee of the Board. The notice shall include an agenda

for all known substantive matters to be discussed, or have such an agenda attached to it. A copy of the notice and agenda shall be posted conspicuously at the designated location(s) on the Condominium Property not less than fourteen (14) days prior to the date of the meeting. The Board, upon notice to unit owners, shall by rule designate a specific location on the Condominium Property of each Condominium upon which all notices of unit owner and Board meetings shall be posted.

Notice of specific meetings may be waived before the meeting and the attendance of any member (or person authorized to vote for such member) shall constitute such member's waiver of notice of such meeting, except when his (or his authorized representative's) attendance is for the sole and express purpose of objecting at the beginning of the meeting to the transaction of business because the meeting is not lawfully called.

2.4 BOARD OF DIRECTORS ELECTION MEETINGS – NOTICE AND PROCEDURE–The regular election shall occur on the date of the annual meeting.

2.4.1 Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver, whether by separate Association mailing or included in another Association mailing or delivery including regularly published newsletters, to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner desiring to be a candidate for the Board of Directors shall give written notice to the Association not less than forty (40) days before the scheduled election. Not less than fourteen (14) days before the election, the Association shall then mail or deliver the annual meeting notice, including notice of the election, to all unit owners entitled to vote therein, together with a written ballot which shall include an information sheet, no larger than 8-1/2 inches by 11

inches if so furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. The election of Directors shall occur on the same day as the annual meeting. The notice and agenda shall comply with Section 2.3 above.

2.4.2 The election procedure shall comply with the provisions of Chapter 718, Florida Statutes, and the Administrative Rules of the Florida Division of Land Sales, Condominiums and Mobile Homes ("Division"). In the event such statute or rules do not set forth or establish the election procedures, or in the event the Association membership opts out thereof pursuant to the provisions of Florida Statutes, Chapter 718, the election shall be conducted by vote, cast in person or by proxy with nominations being taken from the floor to fill the vacancies and the Directors elected by plurality vote.

2.4.3 The quorum requirement necessary for election shall be ballots cast by twenty percent (20%) of the eligible voters, and elections shall be decided by a plurality of those votes cast. Write-in candidates are not permitted.

2.5 QUORUM - A quorum at members' meetings, other than the election of Directors conducted pursuant to the procedures of Florida Statutes, Chapter 718, shall consist of persons entitled to cast a majority of the voting interests of the entire membership. Decisions made by a majority of the voting interests represented at a meeting at which a quorum is present in person or by proxy shall be binding and sufficient for all purposes except such decisions as may by F.S. 718 or the Condominium Documents require a larger percentage in which case the percentage required in F.S. 718 or the Condominium Documents shall govern.

2.6 INDIVISIBLE VOTE–Each unit shall have one indivisible vote unless the decision to be made is elsewhere required to be by the owner(s) of a stated percentage of the common elements. The vote for each unit shall be cast as determined by the owner(s) thereof. In the event of a unit owned by multiple owners or an authorized entity, the owner, or representative of the authorized entity, entitled to cast the vote for the unit shall be determined by the owner(s) of the unit.

2.7 PROXIES - Votes may be cast in person or by proxy. Proxies shall be in writing, signed and dated and shall be valid only for the particular meeting designated therein or an adjournment thereof, but in no event for more than ninety (90) days, and must be filed with the Association before or at the voter registration immediately preceding the meeting or any adjournment thereof. Except as specifically otherwise provided by law, unit owners may not vote by general proxy, but may vote by limited proxies substantially conforming to a limited proxy form adopted by the Division of Florida Land Sales, Condominiums and Mobile Homes. Limited proxies and general proxies may be used to establish a quorum. Limited proxies shall be used for votes regarding reserves; for votes taken to waive financial statement requirements; for votes taken to amend the Declaration; for votes taken to amend the Articles of Incorporation or By-Laws; and for any other matter which F.S. 718 requires or permits a vote of the unit owners. No proxy, limited or general, shall be used in the election of Board members except as specifically authorized by statute or Division of Land Sales rules. General proxies may be used for other matters for which limited proxies are not required, and may also be used in voting for non-substantive changes to items for which a limited proxy is required and given. An executed telegram or cablegram appearing to have been transmitted by the proxy giver, or

a photographic, photostatic, facsimile or equivalent reproduction of a proxy is a sufficient proxy. Owners may retroactively cure any alleged defect in a proxy by signing a statement ratifying the owner's intent to cast a proxy vote.

2.8 NO QUORUM – If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. At such adjourned, continued or recessed meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting originally called.

2.9 ORDER OF BUSINESS - The order of business at annual members' meetings and, as far as applicable, at all other members' meetings, shall be:

(a) Call to order by the President;

(b) Appointment of inspectors of election;

(c) Election of Directors; (If there are only as many, or fewer, pre-qualified candidates as there are seats on the Board, the election need not be held and the pre-qualified candidates shall assume Board seats immediately after the annual meeting.)

(d) Calling of the roll, certifying of proxies, and determination of a quorum; or in lieu thereof, certification and acceptance of registration procedures establishing the number of persons present in person or by proxy;

(e) Proof of notice of the meeting or waiver of notice;

(f) Disposal of unapproved minutes;

(g) Reports of Officers;

(h) Reports of Committees;

(i) Unfinished business;

(j) New business;

(k) Adjournment.

2.10 ACTION WITHOUT A MEETING - Anything to the contrary herein notwithstanding, to the extent lawful, any action required to be taken at any annual or special meeting of members (other than the election of directors), or any action which may be taken at any annual or special meeting of such members, may be taken without a meeting, without prior notice and without a vote if a consent in writing, setting forth the action so taken, shall be signed by the members (or persons authorized to cast the vote(s) of any such member as elsewhere herein set forth) having not less than the minimum number of voting interests that would be necessary to authorize or take such action at a meeting of such members at which a quorum of such members (or authorized persons) entitled to vote thereon were present and voted. Within ten (10) days after obtaining such authorization, notice thereof shall be sent to members who have not consented in writing. The notice shall fairly summarize the material features of the authorized action.

3. BOARD OF DIRECTORS

3.1 NUMBER, TERM, AND QUALIFICATIONS - The affairs of the Corporation shall be governed by a Board composed of five (5) Directors. All Directors shall be members of the Association or the spouse of a member. All officers of a corporation, grantors of a trust owning an apartment, or the beneficiaries of such trust occupying the unit, and general partners of a partnership shall be deemed to be members so as to be eligible for Board membership with respect to units owned by a corporation, trust or partnership. The Directors shall serve staggered two (2) year terms such that every other year either two (2) or three (3) Directors shall be elected for a two (2) year

term. The term of any Director shall terminate upon the qualification and election or appointment of his/her successor.

3.2 BOARD VACANCIES - Vacancies in the Board of Directors occurring as a result of death, resignation or disqualification shall be filled by appointment by a majority vote of the remaining Directors within sixty (60) days of the creation of the vacancy (except if the term of the vacant seat is due to expire at an annual meeting to be held within sixty (60) days), even if such remaining Directors are less than a quorum. In the event there are fewer candidates than vacancies to be filled at an annual meeting, such vacancies shall be filled by appointment by the remaining Board members after the annual meeting. A board member appointed or elected pursuant to this Section shall fill the vacancy until the expiration of the term of office of the vacated seat on the Board.

3.3 ORGANIZATION MEETING - The organizational meeting of each newly elected Board of Directors to elect officers shall be held at such place and time as shall be fixed by the Directors, provided a quorum shall be present. It shall be held immediately following the annual meeting or not later than ten (10) days following the annual meeting.

3.4 REGULAR MEETINGS - 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, unless fixed by Board resolution, shall be given to each Director personally or by mail, telephone, facsimile or telecopier at least three (3) days prior to the date named for such meeting.

3.5 SPECIAL MEETINGS - Special meetings of the Board of Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less than three days' notice of the meeting (except

in an emergency) shall be given personally or by mail, telephone or telecopier, which notice shall state the time, place and purpose of the meeting.

3.6 WAIVER OF NOTICE - Any Director may waive notice of a meeting before, at or after the meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at a meeting shall constitute waiver of notice of the meeting, unless attendance is for the sole and express purpose of objecting to the meeting as being unlawfully called.

3.7 NOTICE TO OWNERS OF BOARD MEETINGS - Notice of Board meetings, which notice shall specifically include an agenda, shall be posted conspicuously on the property of each Condominium at least 48 continuous hours in advance for the attention of unit owners, except in an emergency. Meetings at which a regular monthly or quarterly assessment are to be considered shall contain a statement that assessments will be considered and the nature of such assessments. However, written notice of any meeting at which non-emergency special assessments, or at which rules, or amendments thereof, regarding unit use will be proposed, discussed, or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the property of each Condominium not less than fourteen (14) continuous days prior to the meeting. Evidence of compliance with this 14-day notice shall be by an affidavit executed by the person giving notice and filed among the official records of the Association. The Board shall by rule designate a specific location on the property of each Condominium upon which all notices of Board meetings shall be posted, and shall notify the owners of same.

3.8 OWNER PARTICIPATION IN BOARD AND COMMITTEE MEETINGS - Meetings of the Board of Directors and Committees thereof at which a

majority of the members of that Committee are present shall be open to all unit owners. The right to attend such meetings includes the right to speak with reference to all designated agenda items provided, however, the Association may adopt reasonable rules governing the frequency, duration and manner of unit owner statements. The term "Committee" as used in this Section 3.8 shall refer to committees appointed to (1) make recommendations to the Board regarding the Association's budget or (2) take final action on behalf of the Board. All other committee meetings are exempt from the provisions of this Section 3.8 and Section 718.112(2)(c), Florida Statutes, as renumbered or amended from time to time.

3.9 BOARD MEETINGS, QUORUM AND VOTING - A quorum at Directors' Meetings shall consist of a majority of the Directors. The acts approved by a majority of Directors present at a meeting shall constitute the acts of the Board unless otherwise provided by the Condominium Documents or applicable law. Directors may not vote by proxy or by secret ballot (except Directors may vote by secret ballot for the election of Officers) at Board meetings and a vote or abstention for each member present shall be recorded in the minutes. Directors may not abstain from voting except in the case of an asserted conflict of interest. If at any meeting of the Board there be less than a quorum present, the Director(s) present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, which must be properly noticed, any business which might have been transacted at the meeting as originally called may be transacted. A member of the Board or a committee may submit in writing his or her agreement or disagreement with any action taken at a meeting that such member did not attend. This

agreement or disagreement may not be used as a vote for or against the action taken and may not be used for the purpose of creating a quorum.

3.10 PRESIDING OFFICER - The presiding officer at Directors' meetings shall be the President and in his absence, then the Vice President shall preside. In the absence of the presiding officer, the Directors present shall designate one of their number to preside.

3.11 DIRECTOR COMPENSATION - Directors shall serve without pay.

4. POWERS AND DUTIES OF THE BOARD - All of the powers and duties of the Association existing under the Florida Corporation Statutes, the Condominium Act, the Declaration of Condominium, the Articles of Incorporation, these By-Laws, and the Rules and Regulations of the Association shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees subject only to the approval by unit owners when such is specifically required. Such powers and duties of the Directors shall include, but shall not be limited to, the following:

4.1 TO ADOPT BUDGETS AND MAKE AND COLLECT ASSESSMENTS AGAINST owners to defray the costs of the Association.

4.2 TO USE THE PROCEEDS OF ASSESSMENTS in the exercise of its powers and duties.

4.3 THE MAINTENANCE, REPAIR, REPLACEMENT, IMPROVEMENT AND OPERATION of the property of the Condominium and the Association property.

4.4 TO ENACT AND AMEND RULES AND REGULATIONS concerning the use and appearance of the property of the Condominium and the Association property.

4.5 THE RECONSTRUCTION OF ALL CONDOMINIUM PROPERTY AND ASSOCIATION PROPERTY IMPROVEMENTS AFTER CASUALTY and further improvement of the property.

4.6 TO APPROVE OR DISAPPROVE PROPOSED TRANSACTIONS (sales, conveyances and leases of units) in the manner provided by the Declaration of Condominium and to charge a preset fee, not to exceed the maximum permissible by law, in connection with such approval. In connection with the lease of units, the Board may require the posting of a security deposit to protect against damages to the common elements and Association property, in the manner provided by law.

4.7 TO ENFORCE by legal means the provisions of applicable laws and the Condominium Documents, and to interpret said Condominium Documents, as the final arbiter of their meaning.

4.8. TO CONTRACT FOR MANAGEMENT of the Condominium and to delegate to the management agent or manager any powers and duties except those things which may not be delegated under the Condominium Documents or applicable law.

4.9 TO CARRY INSURANCE for the protection of the unit owners and the Association and the Officers and Directors of the Association.

4.10 TO PAY THE COST OF ALL UTILITY SERVICES rendered to the Condominium and the Association Property and not billed to owners of individual units.

4.11 TO EMPLOY PERSONNEL for reasonable compensation and grant them such duties as seem appropriate for proper administration of the purposes of the Association.

4.12 TO BRING AND DEFEND SUITS, BORROW MONEY, MAKE AND EXECUTE CONTRACTS, DEEDS, MORTGAGES, NOTES, AND OTHER EVIDENCE OF INDEBTEDNESS, LEASES and other instruments by its officers and to purchase, own, lease, convey and encumber real and personal property. To grant easements and licenses over Condominium and Association property necessary or desirable for proper operation of the Condominium or as otherwise reasonably approved and granted by the Board of Directors in accordance with applicable law.

4.13 CONTRACTS FOR PRODUCTS AND SERVICES - All contracts for the purchase, lease or renting of materials or equipment, or which are not to be fully performed within one year, and all contracts for services shall be in writing. As to any such contract which requires payment exceeding 5% (unless otherwise provided by law) of the gross budget (including reserves) except for contracts with employees of the Association, attorneys, accountants, architects, manager, engineers and landscape architects, the Association shall obtain competitive bids unless the products and services are needed as the result of any emergency or unless the desired supplier is the only source of supply within the County serving the Association. The Association need not accept the lowest bid.

4.14 FINES - The Directors may, pursuant to F.S. 718.303, as amended or renumbered from time to time, impose fines against a unit not to exceed the maximum permissible by law, for failure to comply with the provisions of the Condominium Documents, including the rules and regulations, by owners, occupants, licensees, tenants and invitees. A fine may be imposed for each day of a continuing violation with a single notice and opportunity for hearing, provided that no fine shall in the aggregate exceed

$1,000.00, or such other maximum amount as is permissible by law from time to time. The imposition or levying of any fine shall be in accordance with the procedures of applicable law, as amended from time to time.

4.15 COMMITTEES - The Board of Directors may appoint Committees. All Committees and Committee members shall serve at the pleasure of the Board. All Committees of the Association which are authorized to take final action on behalf of the Board or to make recommendations to the Board regarding the Association budget shall conduct their affairs in the same manner as provided in these By-laws for Board of Director meetings. All other Committees may meet and conduct their affairs in private without prior notice or owner participation and shall be exempt from the provisions of Section 718.112(2)(c), Florida Statutes, as renumbered or amended from time to time.

4.16 FIRE SAFETY COMPLIANCE – The Directors may accept a Certificate of Compliance from a licensed electrical contractor or electrician as evidence of compliance of the condominium units with the applicable Fire and Life Safety Code.

4.17 HURRICANE SHUTTERS – The Board of Directors shall adopt hurricane shutter specifications for each building within the Condominium which shall include color, style, and other factors deemed relevant by the Board. All specifications adopted by the Board shall comply with the applicable building code, or shall be structured to ensure that installed shutters are in compliance with the applicable building code. In the event of conflict, the provisions of the building code shall prevail. The Board shall not refuse to approve the installation or replacement of hurricane shutters conforming to the specifications adopted by the Board.

4.18 PARKING - The Board of Directors may assign and reassign general common element parking spaces which are not appurtenant to any apartment or unit as a limited common element.

4.19 ASSOCIATION FUNDS - To select depositories for Association funds and to determine the manner of receiving, depositing, and disbursing Association funds, and the form of check and the person or persons by whom checks shall be signed on behalf of the Association.

5. OFFICERS

5.1 EXECUTIVE OFFICERS - The executive officers of the Association shall be the President, one or more Vice President(s), a Secretary, and a Treasurer, all of whom shall be elected annually by the Board of Directors, and who may be peremptorily removed or replaced by a majority vote of all the Directors. The President and Vice President shall be Directors. Any Director may hold two or more offices except that the President shall not also be the Secretary. Assistant officers may be appointed by the Board and may perform the duties of the office to which they are assistant, subject to any limitations imposed by the Board.

5.2 PRESIDENT - POWERS AND DUTIES - The President shall be the chief executive officer of the Association, shall preside at all meetings of the Board of Directors and Association meetings. The President shall have general supervision over the affairs of the Association and shall have all of the powers and duties which are usually vested in the office of President of a corporation.

5.3 VICE PRESIDENT - POWERS AND DUTIES - 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 - POWERS AND DUTIES - The Secretary shall keep the minutes of all proceedings of the Directors and the members; shall attend to the giving and serving of all notices to the members and Directors and other notices required by law; shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed; shall keep and have custody of the records of the Association, except those of the Treasurer; and shall perform all other duties incident to the office of Secretary of the Association and as may be required by the Directors or the President.

5.5 TREASURER - POWERS AND DUTIES - The Treasurer shall have custody or supervision of all property of the Association, including funds, securities and evidences of indebtedness; shall keep or supervise the assessment rolls and accounts of the members; shall keep or supervise the books of the Association in accordance with good accounting practices; and shall perform all other duties incident to the office of the Treasurer of a corporation.

5.6 OFFICERS COMPENSATION - Officers shall not be entitled to compensation for service as such.

5.7 INDEMNIFICATION

5.7.1 Indemnity–To the greatest extent allowed by law from time to time, the Association shall indemnify any Officer, Director or committee member who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil criminal, administrative or

investigative, by reason of the fact that he is or was a Director, Officer or committee member of the Association, against expenses (including attorney's fees and appellate attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction finally determines, after all appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith or in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and, with respect to any criminal action or proceeding, that he has reasonable cause to believe his conduct was unlawful, and (b) such court also determines specifically that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. It is the intent of the membership of the Association, by the adoption of this provision, to provide the most comprehensive indemnification possible to their Officers, Directors and committee members as permitted by Florida law.

5.7.2 To the extent that a Director, Officer, or committee member of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 5.7 above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorney's fees and appellate attorney's fees) actually and reasonably incurred by him in connection therewith.

5.7.3 Advances – Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, or committee member to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Association as authorized by this Article 5.7.

5.7.4 Miscellaneous - The indemnification provided by this Article 5.7 shall be in addition to and not a limitation upon the provisions of the Articles of Incorporation, and shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, or committee member and shall inure to the benefit of the heirs and personal representatives of such person.

5.7.5 Insurance - The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, committee member, employee or agent of the Association, as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

5.7.6 Amendment - Anything to the contrary herein notwithstanding, the provisions of this Article 5 may not be amended without the approval in writing of all persons whose interest would be adversely affected by such amendment.

5.8 DELEGATION - To the extent permitted by law, the powers and duties of the Directors and Officers may be delegated for the purpose of management.

6. MINUTES AND INSPECTION OF RECORDS - Minutes of all meetings of unit owners and of the Board of Directors shall be kept in a businesslike manner and shall be reduced to written form within thirty (30) days and these, plus records of all receipts and expenditures and all other official records, as defined in F.S. 718.111, and as amended from time to time, shall be available for inspection at the Association's office in the Condominium by unit owners and Board members at all reasonable times in compliance with applicable law; provided, however, that the Directors may adopt reasonable rules regarding the frequency, time, location, notice and manner of record inspections and any copying.

7. FISCAL MANAGEMENT - Shall be in accordance with the following provisions:

7.1 BUDGET - A proposed annual budget of common expenses shall be prepared by the Board of Directors which shall include all anticipated expenses for operation, maintenance and administration of the Condominium and Association Property including insurance, management fees, if any, and which may include expenses of in-house communications and security and which shall include reserves per F.S. 718.112(2)(f)(2)(1992) or as amended, which may later be waived or reduced by the owners. The Board may submit the question of waiving or reducing reserves to a unit owner vote at the annual meeting or a special meeting of the members, in which case, such waiver or reduction may be retroactive to the beginning of the fiscal year. Reserve funds and any accrued interest on the funds shall remain in the reserve account for

authorized reserve expenditures, unless their use for other purposes is approved in advance by a vote of the voting interests of the Association in accordance with Florida Statutes 718, as amended from time to time. Unless otherwise provided by law, reserves and operating funds may be commingled for investment purposes provided that they are accounted for separately and that the balance in such commingled account at all times is equal to or greater than the reserve balance. The operating budget may contain a reasonable allowance for contingencies and provide funds for all unpaid operating expense previously incurred. If at any time a budget shall prove insufficient, it may be amended by the Board of Directors for the remaining portion of the fiscal year, provided that notice of the Board meeting at which the revised budget will be considered along with a copy of the proposed revisions to the budget shall be mailed or delivered to each member as provided in Article 7.2 hereof. If the Board fails, for any reason, to adopt an annual budget the previous budget shall remain in effect until amended or until a new budget is adopted by the Board.

7.2 MAILING/DELIVERY - A copy of the proposed annual budget shall be mailed or delivered to the unit owners not less than fourteen (14) days prior to the meeting of the Directors at which the budget will be considered for adoption together with a notice of the meeting. Evidence of compliance with this fourteen (14) day notice must be made by an affidavit executed by an officer of the Association or the manager or other person providing the notice, and shall be filed in the official records of the Association.

7.3 ASSESSMENTS - The shares of the unit owners of the common expenses may be made payable in installments due monthly or quarterly (as determined by the Board) in advance and shall become due on the first day of each such period and

which shall become delinquent fifteen (15) days thereafter. The Association shall have the right to accelerate assessments (including, without limitation, special assessments) of an owner delinquent in the payment of common expenses. Accelerated assessments shall be due and payable on the date a claim of lien is filed and may include the amounts due for the remainder of the fiscal year for which the claim of lien was filed. If an annual assessment is not made as required, the previous annual assessment and installments shall remain in effect until amended by the Board of Directors.

7.4 SPECIAL ASSESSMENTS - Assessments for common expenses which are not provided for and funded in the Budget, or an amendment to the Budget, may be made by the Board of Directors, subject to the provisions hereof, and the time of payment shall likewise be determined by them. The Board may levy special assessments whenever the Budget is insufficient to meet the expenses of the Association as determined by the Board of Directors. Notice of the Board meeting at which special assessments shall be considered shall be posted and mailed to each unit owner as provided in Article 3.7 hereof. The funds collected pursuant to a special assessment shall be used only for the specific purpose or purposes set forth in such notice. However, upon completion of such specific purpose or purposes, any excess funds will be considered common surplus, and may, at the discretion of the Board, either be returned to the unit owners or applied as a credit towards future assessments unless otherwise provided by law.

7.5 ASSESSMENT ROLL - The assessments for common expenses and charges shall be set forth upon a roll of the units which shall be available for inspection at all reasonable times by unit owners. Such roll shall indicate for each unit the name and address of the owner, and the assessments and charges paid and unpaid. A certificate

made by a duly authorized representative of or by the Board of Directors as to the status of a unit's account may be relied upon for all purposes by any person for whom made.

7.6 LIABILITY FOR ASSESSMENTS AND CHARGES - A unit owner shall be liable for all assessments and charges coming due while the owner of a unit, and such owner and owner's grantees after a conveyance shall be jointly and severally liable for all unpaid assessments and charges due and payable up to the time of such conveyance. Liability may not be avoided by waiver of the use or enjoyment of any common elements or Association property or by abandonment of the unit for which the assessments are made. Where a mortgagee holding a first mortgage of record obtains title to a unit by foreclosure or deed in lieu of foreclosure, such mortgagee and its successors and assigns shall be liable for such unit's assessments, charges or share of the common expenses which became due prior to acquisition of title as provided in the Florida Condominium Act, as amended from time to time.

7.7 LIENS FOR ASSESSMENTS - The unpaid portion of an assessment including an accelerated assessment which is due, together with all expenses, costs, interest, late fees, and reasonable attorneys' fees for collection, including appeals, shall be secured by a lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association in accordance with the requirements of Florida Statute 718.116, or as amended from time to time. Except as otherwise provided by Chapter 718, as renumbered or amended from time to time, the effective date of the lien shall relate back to the date of the recordation of the original Declaration.

7.8 LIEN FOR CHARGES - Unpaid charges which are due together with costs, interest, late fees, and reasonable attorney's fees, including all appeals, for

collection shall be secured by a common law lien upon the unit and all appurtenances thereto when a notice claiming the lien has been recorded by the Association. Such charges refer to money owed to the Association by members other than common expenses. Charges may include, without limitation, charges for exclusive use of the common elements when authorized by the Board of Directors, maintenance or repair services by the Association of any property for which the owner is responsible under the Declaration and other services for which the owner shall pay or reimburse the Association under the Declaration or applicable law.

7.9 COLLECTION - INTEREST; ADMINISTRATIVE LATE FEE; APPLICATION OF PAYMENTS - Assessments or charges paid on or before fifteen (15) days after the date due shall not bear interest, but all sums not paid on or before fifteen (15) days after the date due shall bear interest at the highest lawful rate provided by law from time to time from the date due until paid. In addition to such interest the Association may charge an administrative late fee in an amount not to exceed the greater of $25.00 or 5% of each installment of the assessment for which payment is late, or such greater maximum late fee permissible by law from time to time. All payments upon account shall be first applied to interest, then the late fee, then to any expenses of collection and costs and reasonable attorney's fees incurred and then to the assessment payment first due.

7.10 COLLECTION - SUIT - The Association, at its option, may enforce collection of delinquent assessments or charges by suit at law, by foreclosure of the lien securing the assessments or charges, or by any other remedy available under the laws of the State of Florida, and in any event the Association shall be entitled to recover the payments which are delinquent at the time of collection, judgment or decree, together with

those which have become due by acceleration plus interest thereon and all costs incident to the collection and the proceedings, including reasonable attorneys' fees, including appeals. The Association must deliver or mail by certified mail to the unit owner a written notice of its intention to foreclose the lien as provided by law.

7.11 ACCOUNTS - All sums collected from assessments or charges shall be credited to accounts from which shall be paid the expenses for which the respective assessments or charges are made.

7.12 ASSOCIATION DEPOSITORY - The depository(ies) of the Association shall be a bank or banks or state or federal savings and loan associations (or other financial institutions as defined in F.S. 655.005 [1992]) with offices in Palm Beach County, Florida, and other insured depositories as shall be designated from time to time by the Directors and in which the monies for the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

7.13 COMMINGLING OF FUNDS PROHIBITED - All funds shall be maintained separately in the Association's name. No community association manager or business entity required to be licensed or registered under F.S. 468.432, and no agent, employee, officer, or Director of the Association shall commingle any Association funds with his funds or with the funds of any other condominium association or community association as defined in F.S. 468.431, or with those of any other entity.

7.14 FINANCIAL REPORTS - A complete financial report of the Association shall be made annually which shall comply with Rule 61B-22.006, Florida Administrative Code, or as amended, as determined in the Rule based upon the amount of

the Association's budget from time to time. A copy of the report shall be furnished to each member of the Association as provided by law.

7.15 FIDELITY BONDING - The Association shall obtain and maintain adequate fidelity bonding in the minimum principal sum set forth in F.S. 718.112(2)(j), as the same is amended from time to time, for each person (whether or not a Director) who controls or disburses Association funds. The Association shall bear the cost of bonding. In the case of a licensed manager, the cost of bonding may be reimbursed by the Association as the parties may agree. All persons providing management services to the Association or otherwise having the authority to control or disburse Association funds shall provide the Association with a certificate of insurance evidencing compliance with this paragraph, naming the Association as an insured under said policy.

8. PARLIAMENTARY RULES - Robert's Rules of Order shall govern the conduct of corporate proceedings when not in conflict with the Declaration, the Articles of Incorporation, the By-Laws of the Association, or with the laws of the State of Florida.

9. BYLAW AMENDMENTS - Amendments to the By-Laws shall be adopted in the following manner:

9.1 NOTICE of the subject matter of a proposed amendment shall be included in the notice of any meeting or the text of any written agreement at which a proposed amendment is considered.

9.2 PROPOSAL OF AMENDMENTS - An amendment may be proposed by either a majority of the Directors or by a majority of the voting members.

9.3 ADOPTION OF AMENDMENTS - A resolution adopting a proposed amendment must receive approval of a majority of all the voting interests of the

Association at a meeting or by written consent in lieu of a meeting. Amendments correcting errors or omissions may be adopted by the Board alone. No amendment shall discriminate against any apartment owner nor against any apartment or class or group of apartments unless the apartment owners so affected shall consent.

9.4 EFFECTIVE DATE - An amendment when adopted shall become effective only after being recorded in the Palm Beach County Records according to law.

9.5 AUTOMATIC AMENDMENT - These By-Laws shall be deemed amended, if necessary, so as to make the same consistent with the provisions of the Declaration of Condominium, the Articles of Incorporation, or the Condominium Act as amended from time to time. The Board of Directors, without a vote of the owners, may adopt by majority vote amendments to these Bylaws as the Board deems necessary or advisable to comply with or take advantage of such operational changes as may be contemplated by future amendments to Chapters 607, 617 and 718 of the Florida Statutes, or such other statutes or administrative regulations regulating the operation of the Association.

9.6 PROPOSED AMENDMENT FORMAT - Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended. New words shall be <u>underlined</u> and words to be deleted shall be ~~lined through~~ with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying, "SUBSTANTIAL REWORDING OF BY-LAW. SEE BY-LAW NUMBER _____ FOR PRESENT TEXT."

10. DISPUTE RESOLUTION - Dispute between unit owners and the Association should be subject to the following:

10.1 MANDATORY ARBITRATION - If unresolved, disputes between the Board and unit owners as defined in F.S. 718.1255(1) must be arbitrated in mandatory non-binding arbitration proceedings as provided in the Condominium Act prior to commencing litigation, so long as the Condominium Act requires such arbitration.

10.2 UNIT OWNER INQUIRIES - When a unit owner files a written inquiry by certified mail with the Board, the Board shall respond to the unit owner in writing within thirty (30) days of receipt of said inquiry. The Board shall give a substantive response to the unit owner, or notify the unit owner that advice has been requested from the Division or that the inquiry has been submitted to the Association's counsel for a legal opinion. If advice is requested from the Division, the Association shall provide the unit owner a substantive response within ten (10) days of receiving advice from the Division. If the inquiry is submitted to the Association's counsel for a legal opinion, a substantive response shall be provided to the unit owner within sixty (60) days of receipt of the inquiry. The failure of the Association to timely respond shall preclude the Association from recovering attorneys' fees and costs in any subsequent litigation, administrative proceeding, or arbitration arising out of the inquiry, unless otherwise provided by law.

10.3 OTHER REMEDIES - Nothing herein shall preclude the Association from pursuing any remedy for the violation of the Condominium Documents or disputes with a unit owner or other party as may be available to the Association under the laws of the State of Florida or the Condominium Documents.

11. MISCELLANEOUS - The following miscellaneous provisions shall apply to these By-Laws and the Condominium Documents:

11.1 CONFLICTS - The term "Condominium Documents", as used in these By-Laws and elsewhere shall include the Declaration of Condominium, Articles of Incorporation, these By-Laws, and the Rules and Regulations of the Association. In the event of a conflict between the language in the Declaration of Condominium and the graphic descriptions of record, the graphic of record shall control. In the event of a conflict between language in any of the other Condominium Documents, the following priorities shall control:

1. Declaration of Condominium;
2. Articles of Incorporation;
3. By-Laws; and
4. Rules and Regulations.

11.2 GENDER - The use of the term "he", "she", "his", "hers", "their", "theirs" and all other similar pronouns should be construed to include all genders and encompass the plural as well as the singular.

11.3 SEVERABILITY - In the event that any provisions of these By-Laws is deemed invalid, the remaining provisions shall be deemed in full force and effect.

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