

SHORE DRIVE APARTMENTS, INC.

STANDARD RESIDENT GUEST AGREEMENT

THIS RESIDENT GUEST AGREEMENT, entered into this _____ day of _____, _____, by and between _____, Shareholder and Owner of Unit No. _____ of SHORE DRIVE APARTMENTS, INC., (hereinafter referred to as "Shareholder") _____, Resident Guest of the Shareholder of Unit No. _____ (hereinafter referred to as Resident Guest) and SHORE DRIVE APARTMENTS, INC. (hereinafter referred to as "Corporation").

1. RESIDENT GUEST OCCUPANCY. Corporation does hereby grant permission for Resident Guest to occupy Unit No. _____ in SHORE DRIVE APARTMENTS, Inc. The permission to occupy this unit is granted pursuant to Rule 1, "Guests," of The Rules We Live By. Shareholder and Resident Guest agree and acknowledge that Resident Guest status and permission to occupy this unit as a Resident Guest are solely within the discretion of the Corporation and both can be withdrawn by the Corporation at any time, without cause.

2. SHAREHOLDER'S OCCUPANCY. Shareholder shall remain a permanent occupant of this unit and shall actually occupy this unit with Resident Guest and this shall be a continuing condition of this agreement and Resident Guest's permission to occupy this unit. Shareholder shall be deemed to be not permanently occupying this unit, if Shareholder is absent from this unit for a period of ninety (90) days during any one year period. Failure of Shareholder to permanently and simultaneously reside in the unit with Resident Guest shall entitle the Corporation to all the rights of the Shareholder and the right to terminate this agreement, Resident Guests' occupancy and evict Resident Guest. In the event the Corporation brings any action, proceeding or litigation to terminate this agreement and/or evict Resident Guest, Corporation shall recover from Shareholder and/or Resident Guest, jointly and severally, its costs and reasonable attorney's fees incurred therefor, whether suit be brought or not, through the appellate level.

3. USE AND OCCUPANCY. The unit shall be used solely as a private residence for Shareholder and Resident Guest. Shareholder and Resident Guest agree not to use the unit or common areas, or permit the unit or common areas to be used, for any illegal, immoral or improper purpose. Shareholder and Resident Guest agree not to make, nor permit to be made, any disturbance, noise or annoyance of any kind which is detrimental to the premises or to the comfort of any of the inhabitants of the building or any other building. Pets of any nature or kind are prohibited.

4. CARE OF PREMISES. Shareholder and Resident Guest agree to maintain the unit and common areas in a sanitary and orderly condition, and further agree not to damage, or deface the unit, other units or common areas or any portion thereof. Shareholder and Resident Guest acknowledge the unit is equipped with certain appliances and equipment, all of which belong to the Corporation. Shareholder and Resident Guest agree to use and maintain all such appliances and equipment in accordance with manufacturers' specifications and the regulations of the Corporation now or hereafter provided, and to be responsible for all repairs and any damage brought by the neglect of such equipment by Shareholder or Resident Guest. Shareholder and Resident Guest shall be responsible for maintaining the appliances and equipment in good condition and repair.

5. RULES AND REGULATIONS. Resident Guest agrees to take occupancy subject to and assume and abide by the Articles of Incorporation, By-Laws, Rules and Regulations (The Rules We Live By) of the Corporation, the Occupancy Agreement between Shareholder and Corporation, and all their exhibits incorporated thereto (hereinafter collectively referred to as Cooperative Documents), all as may be amended from time to time, and by execution of this agreement Resident Guest acknowledges having received and read copies of the foregoing documents.

6. DEFAULT. Resident Guest specifically, but without limitation, acknowledges that the breach by Resident Guest of any of the terms, conditions and covenants of the Cooperative Documents shall constitute a breach of a substantial obligation under this agreement. Failure of Resident Guest to abide by the Cooperative Documents and/or this Agreement shall entitle the Corporation to all the rights of the Shareholder and the right to terminate this agreement, Resident Guest's occupancy and evict Resident Guest. In the event the Corporation brings any action, proceeding or litigation to terminate this agreement and/or evict Resident Guest, Corporation shall recover from Shareholder and/or Resident Guest, jointly and severally, its costs and reasonable attorney's fees incurred therefor, whether suit be brought or not, through the appellate level.

7. ASSIGNMENT AND SUBLETTING. Neither Shareholder nor Resident Guest shall sublet the Apartment nor any part thereof, nor shall this agreement be assigned by Shareholder or Resident Guest without written consent of the Corporation.

8. GUESTS. Resident Guest is prohibited from inviting or bringing any guests to the unit, other units or the common areas of SHORE DRIVE APARTMENTS, INC.

9. CORPORATION'S LIABILITY. Corporation shall not be liable to Resident Guest for damage to person or property caused by other residents or other persons. Resident Guest agrees to indemnify, defend and hold Corporation harmless from and against any claims for damages to person or property arising from Resident Guest's use of the premises, or from any activity or work permitted to be suffered by Resident Guest in or about the premises. Corporation shall not be liable for personal injury, or damages to Resident Guest's personal property from theft, vandalism, fire, water, rain storms, smoke, explosions, sonic booms, riots or other causes whatsoever. If any of Corporation's employees are requested to render any services, such as moving automobiles, handling of furniture, cleaning, signing for or delivering packages, or any other service not within the scope of such employee's employment, such employee shall be deemed the agent of Resident Guest regardless of whether payment is arranged for such service and Resident Guest agrees to indemnify, defend and hold the Corporation harmless from all liability in connection with such services.

10. HOLDING OVER. If Resident Guest shall fail to vacate the unit whenever requested to do so by the Corporation, this shall entitle the Corporation to all rights of the Shareholder and the right to terminate this agreement and evict Resident Guest. This right of Corporation is pursuant to Paragraph 1 of this agreement and is in addition to the rights and remedies afforded Corporation in any other paragraph of this agreement. In the event the Corporation brings any action, litigation or proceeding to terminate this agreement or evict Resident Guest, the Corporation shall recover from Shareholder and/or Resident Guest, jointly and severally, its costs and reasonable attorney's fees incurred therefor, whether suit be brought or not, through the appellate level.

11. ATTORNEY'S FEES. In the event of the employment of an attorney by Corporation because of the violation, interpretation or enforcement of any term or provision of this agreement or the Cooperative Documents by or against Resident Guest, Shareholder and Resident Guest shall be jointly and severally liable and shall pay Corporation's attorney's fees and court costs, whether suit be brought or not, through the appellate level.

12. NO REPRESENTATIONS. Shareholder and Resident Guest acknowledge that neither Corporation nor any employee or agent of Corporation has made any promises, any representations or any warranties in connection with this agreement that are not contained in this agreement. This agreement is wholly integrated and is the entire agreement between the parties and, once it is signed, it can only be amended by a written instrument executed by all parties. Any modification of this agreement not in accordance herewith shall be null and void and of no force or effect.

13. GOVERNING LAW; VENUE. This agreement shall be governed and construed under the laws of the State of Florida, both substantive and remedial. Any action, litigation or proceeding arising out of or concerning this agreement shall be commenced in Broward County, Florida, and the parties expressly waive their right to venue elsewhere.

14. EQUALITY OF POSITION. Shareholder and Resident Guest acknowledge and agree that the terms of this agreement are the result of negotiation between and among the parties and their attorneys and that this agreement is not to be construed more strongly against one party than the other.

15. CONSIDERATION FOR OCCUPANCY. Resident Guest is prohibited from paying any money or other consideration to Shareholder in exchange for Resident Guest's occupancy of this unit. Resident Guest hereby expressly represents that Resident Guest is not paying and has not promised to pay Shareholder any money or other consideration in exchange for Resident Guest's occupancy of this unit.

16. TERM. This agreement shall terminate one (1) year from the execution date set forth below; provided, however, that Corporation may extend and/or renew this agreement for additional one (1) year periods. This agreement shall automatically terminate, if Shareholder shall fail to permanently occupy this unit.

17. NOTIFICATION. Shareholder and Resident Guest shall notify Corporation in the event either Shareholder or Resident Guest shall be absent from this unit for longer than three (3) consecutive days.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this _____ day of _____, _____.

Signed, sealed and delivered in the presence of:

_____ SHORE DRIVE APARTMENTS, INC.

_____ By: _____

Shareholder

_____ Resident Guest

BY-LAWS
OF
SHORE DRIVE APARTMENTS, INC.
AS AMENDED FEBRUARY 20, 1967, FEBRUARY 19, 1968,
FEBRUARY 15, 1971, FEBRUARY 21, 1977, FEBRUARY 19, 1979,
FEBRUARY 15, 1988, FEBRUARY 20, 1989, FEBRUARY 19, 1990,
JULY 2, 1991, NOVEMBER 28, 1995, JANUARY 31, 2001,
DECEMBER 13, 2005.

ARTICLE I

NAME AND LOCATION OF CORPORATION

Section 1. The name of this Corporation is SHORE DRIVE APARTMENTS, INC. Its principal office is located at the southwest corner of the intersection of N.E. 36th Street and State Road A1A in the Coral Ridge section of Fort Lauderdale, Florida.

ARTICLE II

PURPOSE

Section 1. The purpose of this Corporation is to provide its stockholders with housing and community facilities, if any, on a nonprofit basis consonant with the provisions set forth in its Certificate of Incorporation.

ARTICLE III

MEMBERSHIP

Section 1. Eligibility. Only natural persons may be stockholders. Joint ownership will only be permitted where the joint owners are a single family. Family shall be defined as no more than two unrelated persons living together as a single housekeeping unit, or two or more persons related by blood, marriage, or adoption, and living together as a single housekeeping unit. Permanent occupancy of an apartment shall be restricted to no more than two persons per bedroom.

Joint ownership or co-registration of a stock certificate shall not be used as a device to effect postmortem transfers of stock ownership to nonresidents. Each co-owner must sign an Occupancy Agreement and be a co-resident. Any person who acquires stock ownership as the legatee or distributee of a deceased stockholder, or by purchase, shall not be permitted to exercise occupancy privileges unless and until he/she has been approved by the Corporation.

A Member may place the title to his/her stock ownership in a trust, provided that the unit owner is the Trustee and further provided that in the event the Trust would transfer title to some other parties upon the death of the unit owner, then there would be no transfer permitted until the assignees have been duly approved for membership. It is also understood that only the unit owner/trustee would be permitted to the occupancy rights.

Section 2. Application for Membership. Application for membership shall be presented in person on a form of Subscription Agreement prescribed by the Board of Directors and all such applications shall be acted upon promptly by the Board of Directors.

Section 3. Members. The Member shall consist of such subscribers as have been approved for membership by the Board of Directors and who have paid for their membership and received membership certificates.

Section 4. Capital Stock. The amount of capital stock authorized by this Certificate of Incorporation, being the maximum number of shares of stock which this corporation is authorized to issue and have outstanding at any time, shall be 604,450 shares, all of which stock shall be a common stock having a par value of 10 cents per share.

Section 5. Stock Certificates. Each stock certificate shall state that the Corporation is organized under the laws of the State of Florida, the name of the registered holder of the membership represented thereby, the Corporation lien rights as against such membership as set forth in this Article, and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors. Stock certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every stock certificate shall be signed by the President or Vice President, and the Secretary, and shall be sealed with the corporate seal.

Section 6. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or

Section 6. Lost Certificates (Cont'd.)

certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the Corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Corporation.

Section 7. Lien. The Corporation shall have a lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever, including any sums due under any occupancy agreements.

Section 8. Transfer of Membership. Except as provided herein, membership shall not be transferable and, in any event, no transfer of membership shall be made upon the books of the Corporation within ten (10) days next preceding the annual meeting of the Members.

(a) Death of Member. If, upon death of a Member, his/her membership in the Corporation passes by will or intestate distribution to a member of his immediate family, namely, mother, father, sister, brother, son or daughter and their respective spouses, such legatee or distributee may, by assuming in writing the terms of the Subscription Agreement and Occupancy Agreement, where required by the Administration within sixty (60) days after Member's death, and paying all amounts due thereunder, become a Member of the Corporation. If Member dies and an obligation is not assumed in accordance with the foregoing, then the Corporation shall have an option to purchase the membership from the deceased Member's estate in the name provided in paragraph (b) of this Section, written notice of the death being equivalent to notice of intention to withdraw. If the Corporation does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the reference to "Member" therein to be construed as references to the legal representative of the deceased Member.

(b) Option of Corporation to Purchase. If the Member desires to leave the project, he shall notify the Corporation in writing of such intention and the Corporation shall have an option for a period of thirty (30) days thereafter, but not the obligation, to purchase the membership, together with all of the Member's rights with respect to the dwelling unit, at an amount to be determined by the Corporation as representing the transfer value thereof, less any amounts due by the Member to the Corporation under the Occupancy Agreement, and less the cost or estimated cost of all deferred maintenance, including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant. The purchase by the Corporation of the

(b) Option of Corporation to Purchase (Cont'd.)

membership will immediately terminate the Member's rights and the Member shall forthwith vacate the premises.

(c) Procedure Where Corporation Does Not Exercise Option. If the Corporation waives in writing its right to purchase the membership under the foregoing option, or if the Corporation fails to exercise such option within the thirty (30) day period, the Member may sell his membership to any person who has been duly approved by the Corporation as a Member and occupant. If the Corporation agrees, at the request of the Member, to assist the Member in finding a purchaser, the Corporation shall be entitled to charge the Member a fee it deems reasonable for this service. When the transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring Member shall be released of his obligations under his Occupancy Agreement, provided he has paid all amounts due the Corporation to date.

(d) Transfer Value. Whenever the Board of Directors elects to purchase a membership, the term "transfer value" shall mean the sum of the following:

- (1) The consideration (i.e. down payment) paid for the membership by the first occupant of the unit involved as shown on the books of the Corporation.
- (2) The value, as determined by the Directors, of any improvements installed at the expense of the Member with the prior approval of the Directors, under a valuation formula which does not provide for reimbursement in an amount in excess of the typical initial cost of the improvements; and

(e) Right of First Refusal of Corporation to Purchase. Subject to the Corporation's right of first refusal, a Member may sell his/her membership to any person who has been duly approved by the Corporation as a Member and occupant. In the event a Member has secured a binding contract from a third party to purchase his/her apartment, the Corporation shall have the right of first refusal for a period of thirty (30) days thereafter to purchase the apartment under the same terms and conditions as shown in the binding agreement of the third party. If the Corporation waives, in writing, its right to purchase the membership as above set out, or if the Corporation fails to exercise its right of first refusal within thirty (30) days, the Member may sell his/her membership to any person duly approved by the Corporation as a Member and occupant. When a transferee has been approved for membership and has executed the prescribed Occupancy Agreement, the retiring Member shall be released of his obligations under his Occupancy Agreement, provided he has paid all amounts due to the Corporation to date.

Section 9. Termination of Membership for Cause. In the event the Corporation has terminated the rights of a Member under the Occupancy Agreement, the Member shall be required to deliver promptly to the Corporation the membership certificate and Occupancy Agreement, both endorsed in such manner as may be required by the Corporation. The Corporation shall thereupon at its election either (1) repurchase said membership at its transfer value (as hereinabove defined) or the amount the retiring Member originally paid for the acquisition of his/her membership certificate, whichever is the lesser, or (2) proceed with reasonable diligence to effect a sale of the membership to a purchaser and at a sales price acceptable to the Corporation. The retiring Member shall be entitled to receive the amount so determined, less the following amounts (the determination of such amounts by the Corporation to be conclusive):

- (a) Any amounts due to the Corporation from the Member under the Occupancy Agreement;
- (b) The cost or estimated cost of all deferred maintenance including painting, redecorating, floor finishing, and such repairs and replacements as are deemed necessary by the Corporation to place the dwelling unit in suitable condition for another occupant; and
- (c) Legal and other expenses incurred by the Corporation in connection with the default of such Member and the resale of his/her membership. In the event the retiring Member for any reason should fail for a period of (10) days after demand to deliver to the Corporation his/her endorsed membership certificate, said membership certificate shall forthwith be deemed to be cancelled and may be reissued by the Corporation to a new purchaser.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The first Annual Meeting of the Corporation shall be held on the first Monday in March, 1966. Thereafter, the Annual Meetings of the Corporation shall be held on the Third (3rd.) Monday of March each succeeding year. At such meeting there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Section 3 of Article V of these By-Laws. The Members may also transact such other business of the Corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20%) percent of the Members having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5ths) of the Members present.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice by first class mail of each annual, or special meeting, stating the purpose thereof as well as the time and place where it is to be held to each Member of record, at his/her address as it appears on the membership book of the Corporation, or if no such address appears, at the last known place of address, at least fourteen (14) but not more than sixty (60) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the Member at his dwelling unit or last known address. Notice by either such method shall be considered as notice served. The Secretary of the Corporation shall file an Affidavit at said meeting which shall state that the Notice has been sent to each and every Member.

Section 5. Quorum. The presence of at least fifteen (15%) percent of the Members of record of the Corporation shall be requisite for, and shall constitute a quorum for the transaction of business of all meetings of Members. If the number of Members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, at which subsequent meeting the quorum requirement shall be ten (10%) percent.

Section 7. Voting. At every meeting of the regular Members, each Member present, either in person, by written consent, or by proxy, shall have the right to cast one vote on each question and never more than one vote, regardless of the number of shares of common stock appurtenant to Members' dwelling unit. In the event two people hold a joint membership, they may each cast a one-half vote. The vote of the majority of those present, in person, by written consent,

Section 7. Voting (cont'd.)

or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No Member shall be eligible to vote or to be elected to the Board of Directors who is shown on the books or management accounts of the Corporation to be more than thirty (30) days delinquent in payments due the Corporation under his Occupancy Agreement.

Section 8. Proxies. A Member may appoint as his proxy another Member or a Member of his immediate family, (as defined by the Board of Directors): In no case may a Member cast more than one vote by proxy in addition to his own vote. All proxies must be filed with the Secretary before the appointed time of each meeting. Proxies are not permissible in Board of Directors elections.

Section 9. Order of Business. The order of business at all regularly scheduled meetings of the regular Members shall be as follows:

- (a) Meeting called to order.
- (b) Roll call or signing of Register in lieu thereof.
- (c) Proof of Notice of call of meeting or Waiver of Notice, which may be in the form of an Affidavit of Secretary or Assistant Secretary of Corporation.
- (d) Introduction of Inspectors.
- (e) Reading of Minutes of Preceding Meeting.
- (f) Reports of Officers.
- (g) Reports of Committees.
- (h) Unfinished Business.
- (i) New Business.
- (j) Comments from Stockholders. (Please give your name and Apt. Number prior to comment).
- (k) Election of Directors.
- (l) Closing Remarks.
- (m) Adjournment.

In the case of Special Meetings, items (a) and (b) shall be applicable and thereafter the agenda shall consist of the items specified in the Special Notice of Meeting.

Section 10. Action By Written Consent. Action required or permitted by the Articles of Incorporation, By-Laws, Occupancy Agreement, or any statute to be taken at an Annual or Special Meeting of the Members may be taken without a meeting, without prior notice, and without a vote, if the action is taken by the Members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting, on the following matters:

Section 10. Action By Written Consent (Cont'd.)

(a) approving, disapproving or modifying amendments to the Articles of Incorporation, By-Laws, Occupancy Agreement and Rules and Regulations, (b) approving, disapproving, limiting, increasing, decreasing or deleting requirements for reserves, or utilizing reserves or portions thereof for purposes other than for which they were collected, including interest earned thereon, (c) approving, disapproving, limiting, increasing, decreasing or modifying capital expenditures and/or material alterations or substantial additions to the common areas and/or material alterations or modifications to the appurtenances to a unit, (d) electing directors, (e) waiving, deleting or changing the type of any financial report or financial statement required by law or the Cooperative Documents, and (f) any other matters now or hereafter permitted for which action by written agreement without meetings is allowed by any statute, including Sections 617.0701(4) and 719.106(1)(d)(2), Florida Statutes, as they may be amended or renumbered from time to time. In order to be effective, the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving Members having the requisite number of votes, and delivered to the Corporation. No written consent shall be effective to take the action referred to therein unless within sixty (60) days of the date of the earliest dated consent delivered to the Corporation, written consent signed by the number of Members required to take action is delivered to the Corporation. Any written consent may be revoked prior to the date that the Corporation receives the required number of consents to authorize the proposed action. No revocation is effective unless in writing and until received by the Corporation. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those Members who have not consented in writing. The notice shall fairly summarize the material features of the authorized actions.

Action by written consent may also be utilized in conjunction with meetings of the Members. In such event, the action will be authorized if approved by a combination of written consents and votes totaling not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting. If action by written consent is utilized in conjunction with a meeting, no written consent shall be effective to take the action referred to therein unless such written consent is delivered to the Corporation at or before the time and the date of the meeting and the Corporation receives the combined requisite number of consents and votes to authorize the proposed action.

ARTICLE V

DIRECTORS

Section 1. Number and Qualifications. The affairs of the Corporation shall be governed by a Board of Directors composed of nine persons, all of whom shall be Members of the Corporation. No person shall be qualified as a Director if he/she is a convicted felon and has not had their civil rights restored.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the Members. The power of the Board of Directors shall include but not be limited:

- (a) To accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative apartment complex, either directly or through an authorized representative;
- (b) To establish Carrying Charges as provided for in the Occupancy Agreement based on an operating budget formally adopted by such Board;
- (c) To engage an agent or employees for the management of the apartment complex under such terms as the Board may determine;
- (d) To authorize in their discretion patronage refunds from residual receipts when and as reflected in the Annual Report;
- (e) To terminate membership and occupancy rights for cause;
- (f) To promulgate such rules and regulations pertaining to use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws and the Certificate of Incorporation.

Section 3. Election and Term of Office. Three Directors shall be elected each year at the annual meeting of Stockholders to serve for a regular term of three (3) years. Directors shall hold office until their successors have been elected and the Board of Directors holds its Organizational Meeting.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum and each person so elected shall be a Director until a successor is elected by the Members at the next annual meeting to serve out the unexpired portion of the term.

Section 5. Removal of Directors. At any regular or special meeting duly called, any Director may be removed with or without cause by the affirmative vote of the majority of the entire regular membership of record and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than thirty (30) days delinquent in payment of his carrying charges shall be automatically terminated and the remaining Directors shall appoint his/her successor as provided in Section 4 above.

Section 6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A Director may not be an employee of the Corporation.

Section 7. Organization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of the general election at such place as designated by the current President. Notice is to be given to all newly elected Board Members, so a quorum will be present to elect Officers for the coming year.

Section 8. 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, but at least eight (8) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting. "It is the duty of every Board Member to attend a minimum of four (4) regular Board Meetings per year during the term of office." "If any Director misses more than four (4) regular Board Meetings during a term year, that Director is deemed to have resigned and automatically removed from the Board."

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for Corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Corporation.

Section 13. Succession of Directors.

(a) No Member who has been elected to a regular three year term as a Director, shall be elected again as a Director unless one year has elapsed since he last served as a Director.

(b) No Member who has held the office of Director for more than two years of a term to which some other Member was elected shall be elected to a regular three year term as a Director unless one year has elapsed since he last served as a Director.

ARTICLE VI

OFFICERS

Section 1. Designation. The principal Officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Treasurer, and an Assistant Secretary, and such other Officers as in their judgment may be necessary.

Section 2. Election of Officers. The Officers of the Corporation shall be elected annually by the Board of Directors at the Organizational Meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the Members of the Board of Directors, any Officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the Chief Executive Officer of the Corporation. He/she shall preside at all meetings of the Members and of the Board of Directors. He/she shall have all of the general powers and duties which are usually vested in the office of President of a Corporation, including but not limited to the power to appoint Committees from among the membership from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Corporation.

Section 5. Vice President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of the Board of Directors and the minutes of all meetings of the Members of the Corporation, he/she shall have the custody of the seal of the Corporation, he/she shall have charge of the stock transfer books and of such other books and papers as the Board of Directors may direct, and he/she shall, in general, perform all the duties incident to the Office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Corporation. He/she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Corporation in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII

RIGHTS OF FEDERAL HOUSING ADMINISTRATION

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Section 1. ~~The management, operation and control of the affairs of the Corporation shall be subject to the rights, powers, and privileges of the Federal Housing Administration pursuant to a Regulatory Agreement between the Corporation and the Federal Housing Administration. The Corporation is bound by the provisions of the Regulatory Agreement which is a condition precedent to the insurance of a mortgage of the Corporation on the project.~~

ARTICLE VIII

BY-LAW AMENDMENTS

Section 1. These By-Laws may be amended by the affirmative vote of the majority of the entire regular membership of record at any regular or special meeting. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty (20%) percent of the Members. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE IX

CORPORATE SEAL

Section 1. The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer.

ARTICLE X

FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January every year, except that the first fiscal year of the Corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Corporation shall be kept under the direction of the Treasurer and in accordance with the Uniform System of Accounting prescribed by the Florida Administrative Code and generally accepted accounting principals.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the Corporation shall be audited by a Certified Public Accountant whose report will be prepared and certified in accordance with generally accepted accounting principals. Based on such reports, the Corporation will furnish its Members with an annual financial statement including the income and disbursements of the Corporation.

Section 4. Inspection of Books. Financial reports such as are required to be furnished to the Administration and the membership records of the Corporation shall be available at the principal office of the Corporation for inspection at reasonable times by any Members.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the Corporation by either the President or the Vice President and all checks shall be executed on behalf of the Corporation by (1) either the President, Vice President, Secretary, or Treasurer and (2) countersigned by any Officer or Director designated by the Board of Directors.

ARTICLE XI

HOMESTEAD

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Section 1. Eligibility. In the event a Member stockholder secures a Homestead Exemption under the laws of the State of Florida, and in the event by reason of the Homestead Exemption the taxes for the Cooperative are reduced, then the Cooperative shall refund to the Member obtaining the Homestead Exemption that savings that the Cooperative had obtained in taxes by reason of the Homestead Exemption.

ARTICLE XII

LEASING

Section 1. The leasing of apartments by Member stockholders will only be permitted by the Corporation under extreme hardship circumstances. In no event will the leasing be permitted for a period of less than seven months.

ARTICLE XIII

FINE AGAINST UNIT OWNER

Section 1. In the event the unit owner, his licensee or invitee or occupant, fails to comply with any provision of the cooperative documents or the duly adopted reasonable Rules and Regulations or Florida Statute 719, the Board of Directors may levy a fine not to exceed \$50.00 for the failure to comply as set forth herein. This fine will only be levied after the unit owner is given notice and an opportunity for a hearing. This fine may be increased, if authorized by Florida Statutes relative thereto.

ARTICLE XIV

CARRYING CHARGES

Section 1. Carrying Charges are due on the first day of each month. When a Member delays payment for more than five (5) days in any month, a late charge of \$25.00 will be assessed; and if the late fee is not paid, such assessment and late fee will be a lien on the Member's apartment.

ARTICLE XV

1988 FAIR HOUSING AMENDMENTS ACT

Section 1. CORAL RIDGE TOWERS EAST Cooperative has been, since its inception, a cooperative that has restricted ownership and occupancy of the various units to those families without children under the age of 18 years. The cooperative also has been used primarily as housing for older persons, being intended for and operated for occupancy by at least one person 55 years of age or older per unit. The cooperative shall continue to be operated in the above manner under the Fair Housing Amendments Act of 1988 and the Housing For Older Persons of 1955 as presently adopted or as may hereinafter be amended. It is the intent of this cooperative to take whatever reasonable actions are necessary to continue to carry out its "adults only" type of ownership of units, within this cooperative.

ARTICLE XVI

Mortgage Financing

The corporate stock or occupancy agreement of a stockholder appurtenant to an apartment may be pledged, mortgaged, collaterally assigned, given as security or hypothecated in connection with the financing of an apartment for purposes of acquisition or refinancing provided said financing complies with the following requirements of the corporation:

1. The amount of any such financing shall not exceed eighty (80%) percent of the value of the apartment as determined by a state licensed appraiser.

2. The borrower must qualify for said financing by meeting a credit profile consistent with the two highest credit ratings as determined by the lending institution under criteria established by the Federal National Mortgage Association.

3. The lender shall recognize and acknowledge in writing that the lien of the corporation shall be superior to and take precedence over any lien of the lender. Said lien of the corporation shall secure payment of any sums due and owing from the shareholder as same may be required under the corporate by-laws, occupancy agreement or any rules and regulations of the corporation.

4. A). A purchaser seeking to finance an apartment shall be screened and approved by the corporation prior to the submission of a loan application.

Mortgage Financing (Cont'd.)

4. B). A current shareholder seeking to mortgage or refinance an apartment shall comply with all applicable requirements set forth in this article.

5. In the event of default and subsequent foreclosure of any mortgage financing under this section, the corporation shall have the first right to acquire said corporate stock appurtenant to an apartment, within 30 days, at not less than fair market value.

6. Financing under this article may only be provided by a state or federally chartered financial institution.

7. All such financing documentation shall be reviewed by corporate counsel for the corporation to ensure compliance with the foregoing and the reasonable costs associated with said review shall be paid for by the shareholder/borrower.