

BYLAWS
OF
TWIN TOWERS HOMEOWNER'S ASSOCIATION, INC.

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LEGAL DESCRIPTION

Beginning on the East R/W line of State Road A-1-A (Grove Street) on a bearing of N. 4°27'30" E. a distance of 1912.06 feet from its intersection with the North line of Ivy Avenue, as shown on the Plat of the Young & Metzner Realty Co., Inc., resubdivision of a part of North Cocoa Beach, which is recorded in plat book 10, page 14 of the Public Records of Brevard County, Florida, and thence run S. 88°49'30" E. and parallel to the North line of Ivy Avenue, a distance of 1031.23 feet more or less to the ordinary high water mark of the Atlantic Ocean; thence run N. 7°20' E. along the ordinary high water mark of the Atlantic Ocean a distance of 300 feet to the South line of the land conveyed to A.R. Trafford, et al, by Deed recorded in Deed Book 352, Page 455; thence run N. 88°49'30" W. and parallel to the North line of Ivy Avenue and on the South line of land conveyed to A.R. Trafford et al., a distance of 1050 feet more or less to a point on the East R/W line of State Road A-1-A (Grove Street); thence run along the East R/W line of State Road A-1-A (Grove Street) on a course of S. 5°46'42" W., a distance of 226.11 feet and thence on a course of S. 4°27'30" W., a distance of 72.61 feet to the Point of Beginning; together with all littoral and shore rights to the said land appertaining. Containing 350,367 square feet more or less (8.043 ± Acres) from the East R/W of State Road A-1-A to the ordinary high water mark of the Atlantic Ocean.

BYLAWS
OF
TWIN TOWERS HOMEOWNER'S ASSOCIATION, INC.

A corporation not for profit

Under the laws of the State of Florida

1. IDENTITY

These are the Bylaws of TWIN TOWERS HOMEOWNER'S ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on the 15th day of August 19 77. TWIN TOWERS HOMEOWNER'S ASSOCIATION, INC., hereinafter called "ASSOCIATION", has been organized for the purpose of administering the maintenance, management and operation of TWIN TOWERS, A CONDOMINIUM, an apartment project and condominium regime established or to be established in accordance with the laws of the State of Florida upon the following described property situate, lying and being in Brevard County, Florida, which legal description is attached hereto and made a part hereof as "Exhibit 1." Hereinafter in these Bylaws, TWIN TOWERS, A CONDOMINIUM, shall be referred to as the "CONDOMINIUM"

- a. The provisions of these Bylaws are applicable to the ASSOCIATION and the terms and provisions hereof are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the formal Declaration of Condominium which will be recorded in the Public Records of Brevard County, Florida, at the time said property and the improvements now or hereafter situate thereon are submitted to the Plan of Condominium Ownership, the terms and provisions of said Articles of Incorporation and Declaration of Condominium to be controlling wherever the same may be in conflict herewith.

- b. All Members of the ASSOCIATION, present or future owners, tenants, future tenants, or their employees, or any other person, that might use the CONDOMINIUM or any of the facilities thereof in any manner, are subject to the regulations set forth in these Bylaws and in said Articles of Incorporation and Declaration of Condominium.
- c. The office of the ASSOCIATION shall be at 2020 North Atlantic Avenue, Cocoa Beach, Florida.
- d. The fiscal year of the ASSOCIATION shall be the calendar year.
- e. The seal of the ASSOCIATION shall bear the name of the ASSOCIATION, the word "FLORIDA", the words "CORPORATION NOT FOR PROFIT", and the year of incorporation, an impression of which seal is as follows:

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

- a. The qualification of Members, the manner of their admission to membership and termination of such membership and voting by Members, shall be as set forth in Article IV of the Articles of Incorporation of the ASSOCIATION, the provisions of which said Article IV of the Articles of Incorporation are incorporated herein by reference.
- b. A quorum at Members' meetings shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a Member in the action of a meeting by signing and concurring in the Minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

- c. The vote of the owners of a PRIVATE DWELLING owned by more than one person or by a corporation or other entity shall be cast by the person named in a Certificate signed by all of the owners of the PRIVATE DWELLING and filed with the Secretary of the ASSOCIATION, and such certificate shall be valid until revoked by a subsequent Certificate. If such a Certificate is not on file, the vote of such owners shall not be considered in determining the requirement for a quorum, nor for any other purpose. The person named in any such Certificate shall have the right to designate a proxy or proxies to cast the vote of the owners of a PRIVATE DWELLING who have executed such Certificate. Where a PRIVATE DWELLING is owned by a husband and wife absent any notice by them to the contrary, the husband or wife as the case may be shall be treated and regarded as the agent of the other when in attendance at any membership meeting for the purpose of determining a quorum and casting a vote for each PRIVATE DWELLING owned by them without necessity for filing of a Certificate.
- d. Votes may be cast in person or by proxy. A proxy is defined to be any instrument in writing containing the following information:
- (1) The name and address of the Member.
 - (2) The name and address of the person appointed to vote on behalf of the Member.
 - (3) A designation of the meeting for which the proxy is to be used.
 - (4) A brief description of the authority of the person designated to act on behalf of the Member.

- (5) The proxy must be signed and dated by the Member.

A proxy not containing all of the foregoing information shall be considered invalid and shall not be considered in determining the requirements for a quorum or for any other purpose. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary at the time of the meeting.

- e. Approval or disapproval by a PRIVATE DWELLING owner upon any matters, whether or not the subject of an ASSOCIATION meeting, shall be by the same person who would cast the vote of such owner if in an ASSOCIATION meeting.
- f. Except where otherwise required under the provisions of the Articles of Incorporation of the ASSOCIATION, these Bylaws, the Declaration of Condominium, or where the same may otherwise be required by law, the affirmative vote of the owners of a majority of the PRIVATE DWELLINGS represented at any duly called meeting of the Members at which a quorum is present shall be binding upon the Members.

3. ANNUAL AND SPECIAL MEETING OF MEMBERS

- a. The Annual Meeting of Members shall be held at the office of the ASSOCIATION, at 10:00 a.m. Eastern Standard Time, or at such other place and time as the Board of Directors may designate, on the first Monday in October of each year for the purpose of electing Directors and of transacting such other business as may be authorized to be transacted by the Members, provided, however, if that day is a

legal holiday, the meeting shall be held at the same hour on the next succeeding business day.

- b. Special Meetings of Members shall be held whenever called by the President or other officer of the ASSOCIATION in the absence of the President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Members of the ASSOCIATION owning a majority of the PRIVATE DWELLINGS.
- c. Notice of all Meetings of Members, Regular or Special shall be given by the President, Vice-President or Secretary of the ASSOCIATION, or other officer of the ASSOCIATION in the absence of said officers, to each Member, unless waived in writing, such notice to be written or printed and to state the time and place and object for which the Meeting was called. Such notice shall be given to each Member not less than fourteen (14) days nor more than thirty (30) days prior to the date set for such Meeting, which notice shall be mailed or presented personally to each Member within said time. If presented personally, receipt of such notice shall be signed by the Member, indicating the date on which said notice was received by him, and further indicating that said member waives the right to receive notice of such meeting by Certified Mail. If mailed, such notice shall be deemed to be properly given when deposited in the United States mails addressed to the Member at his post-office address as it appears on the records of the ASSOCIATION (Register of Owners) as of the date of mailing such notice, the postage thereon prepaid. Such notice shall be sent by Certified Mail. Proof of such mailing shall be given by the Affidavit of the person giving the notice. In addition to mailing or personally delivering notice of said Meeting to each Member, the person giving

notice of said Meeting shall post in a conspicuous place on the Condominium property, a notice of said Meeting at least fourteen (14) days prior to said Meeting. Any member may, by written waiver of notice signed by such Member, waive such notice, and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the Meeting, shall be deemed equivalent to the giving of such notice to such Member. If any Meeting of Members cannot be organized because a quorum has not attended, or because the greater percentage of the Membership required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration of Condominium, the Members who are present, either in person or by proxy, may adjourn the Meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

d. The order of business at Annual Meetings of Members, and, as far as practical, at any other Meeting of Members, shall be:

- (1) Calling of the roll and certifying of proxies
- (2) Proof of notice of Meeting or waiver of notice
- (3) Reading and disposal of any unapproved Minutes
- (4) Reports of Officers
- (5) Reports of Committees
- (6) Appointment of Inspectors of Election by Chairman
- (7) Election of Directors
- (8) Unfinished business
- (9) New business
- (10) Adjournment

4. BOARD OF DIRECTORS

- a. The first Board of Directors of the ASSOCIATION and succeeding Boards of Directors shall consist of five (5) persons. Each Member of the Board of Directors shall be a Member of the ASSOCIATION, or shall be an authorized representative, officer or employee of a corporate Member of the ASSOCIATION.
- b. Election of Directors shall be conducted in the following manner:
- (1) DEVELOPER shall, at the beginning of the election of the Board of Directors, designate and select that number of the Members of the Board of Directors which it shall be entitled to designate and select in accordance with the provision of these Bylaws and upon such designation and selection by DEVELOPER by written instrument presented to the Meeting at which such election is held, said individuals so designated and selected by DEVELOPER shall be deemed and considered for all purposes Directors of the ASSOCIATION, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these Bylaws.
 - (2) DEVELOPER shall be entitled to designate each Member of the Board of Directors until such time as the owners of PRIVATE DWELLINGS in the ASSOCIATION own fifteen (15%) percent or more of the PRIVATE DWELLINGS that will be operated ultimately by the ASSOCIATION. When the owners of PRIVATE DWELLINGS own fifteen (15%) percent or more of the PRIVATE DWELLINGS that will ultimately

be operated by the ASSOCIATION, the PRIVATE DWELLING owners, other than DEVELOPER, shall be entitled to elect not less than one third of the members of the Board of Directors. PRIVATE DWELLING owners, other than DEVELOPER, shall be entitled to elect a majority of the Members of the Board of Directors three (3) years after sales by the DEVELOPER have been closed on fifty (50%) percent of the PRIVATE DWELLINGS that will be operated ultimately by the ASSOCIATION, or three (3) months after sales have been closed by the DEVELOPER on ninety (90%) percent of the PRIVATE DWELLINGS that will be operated ultimately by the ASSOCIATION, or when all of the units that will be operated ultimately by the ASSOCIATION have been completed and some of them have been sold and none of the others are being offered for sale by the DEVELOPER in the ordinary course of business, whichever event occurs first. The ASSOCIATION shall, within sixty (60) days after the unit owners, other than the DEVELOPER, are entitled to elect either one third (1/3) or a majority of the Members of the Board of Directors, call a Meeting of the Members of the ASSOCIATION for the purpose of electing said Members of the Board of Directors. Notice of said Meeting of the Members of the ASSOCIATION shall be given to each Member in the manner prescribed in these Bylaws, which notice shall be given not less than thirty (30) days nor more than forty (40) days prior to said Meeting. The DEVELOPER shall be entitled to elect not less than one Member of the Board of Directors of the ASSOCIATION as long as DEVELOPER holds for sale any PRIVATE DWELLING in the ASSOCIATION.

- (3) All Members of the Board of Directors who DEVELOPER shall not be entitled to designate and select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the Annual Meeting of the Members of the ASSOCIATION immediately following the designation and election of the Members of the Board of Directors by DEVELOPER.
- (4) Vacancies in the Board of Directors may be filled until the date of the next Annual Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any directorship previously filled by any person designated and selected by DEVELOPER such vacancy shall be filled by DEVELOPER designating and selecting, by written instrument, delivered to any Officer of the ASSOCIATION, the successor Director to fill the vacated directorship for the unexpired term thereof.
- (5) At the First Annual Meeting of the Members held after the owners of PRIVATE DWELLINGS, other than DEVELOPER, shall be entitled to elect all of the Members of the Board of Directors of the ASSOCIATION, the Members shall elect two directors for a term of three (3) years, two directors for a term of two (2) years, and one director for a term of one (1) year. At each annual Meeting thereafter, the Members shall elect as many directors of the ASSOCIATION as there are regu-

lar terms of office of directors expiring at that time, and the term of office of the director so elected at the Annual Meeting of Members each year shall be for three (3) years or until their successors are duly elected and qualified or until removed from office in accordance with the Articles of Incorporation or these Bylaws. Until such time as the owners of PRIVATE DWELLINGS, other than DEVELOPER, shall be entitled to elect all of the Members of the Board of Directors of ASSOCIATION, the term of office for Directors shall be one (1) year or until their successors are elected and qualified.

- (6) In the election of Directors, there shall be appurtenant to each PRIVATE DWELLING as many votes for Directors as there are Directors to be elected, provided, however, that no member or owner of any PRIVATE DWELLING may cast more than one (1) vote for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.
- (7) In the event that DEVELOPER, in accordance with the privilege granted unto it, selects any person or persons to serve on any Board of Directors of the ASSOCIATION, the said DEVELOPER shall have the absolute right, at any time, in its sole discretion, to replace any such person or persons with another person or other persons to serve on said Board of Directors. Replacements of any person or

persons designated by DEVELOPER to serve on any Board of Directors of the ASSOCIATION shall be made by written instrument delivered to the Secretary of the ASSOCIATION which instrument shall specify the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and the designation of his successor shall be effective immediately upon delivery of such written instrument by DEVELOPER to the Secretary of the ASSOCIATION. Whenever DEVELOPER'S right to designate and select a Director or Directors expires, the DEVELOPER shall forthwith cause any of its Director or Directors then serving to resign.

- c. The organization Meeting of a newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the Meeting at which they were elected, and notices of all such Meetings shall be posted in a conspicuous place not less than forty eight (48) hours in advance of said Meeting, for the attention of all owners of PRIVATE DWELLINGS.
- d. Regular Meetings of Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular Meetings shall be given to each Director personally or by mail, telephone or telegram, at least three (3) days prior to the date named for such Meeting, unless notice is waived. Notice of all regular Meetings of the Board of Directors shall be posted in a conspicuous place on the CONDOMINIUM property at least forty eight (48) hours

- in advance for the attention of all owners of PRIVATE DWELLINGS.
- e. Special Meetings of the Directors may be called by the President and must be called by the Secretary after written request of one third of the Members of the Board. Not less than three (3) days notice of a Meeting shall be given to a Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the Meeting. Notice of all such special Meetings of the Board of Directors shall be posted in a conspicuous place at least forty eight (48) hours in advance of the Meeting for the attention of all owners of PRIVATE DWELLINGS, except in an emergency.
- f. All Board of Directors Meetings shall be open to all owners of PRIVATE DWELLINGS.
- g. A quorum at a Directors' Meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a Meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these By-laws or the Declaration of Condominium. If any Directors' Meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, whenever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws or the Declaration of Condominium, the Directors who are present may adjourn the Meeting from time to time until a quorum is present. At any adjourned Meeting, any business which might have been transacted at the Meeting as originally called may be transacted without further notice.

- h. The Presiding Officer at Directors' Meetings shall be the Chairman of the Board, if such an Officer has been elected; and if none, then the President shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their number to preside.
- i. Directors' fees, if any, shall be determined by the Members of the ASSOCIATION.
- j. All of the powers and duties of the ASSOCIATION shall be exercised by the Board of Directors, including those existing under the Common Law and Statutes, the Articles of Incorporation of the ASSOCIATION, these Bylaws and the Declaration of Condominium. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these Bylaws and the Declaration of Condominium.
- k. Should any Member of said Board of Directors be unable to serve for any reason, a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of said Director who is unable to serve.
- l. The undertaking and contracts authorized by the Board of Directors while said Board of Directors is controlled by the Developer, shall be binding upon the ASSOCIATION in the same manner as though such undertakings and contracts had been authorized by a Board of Directors duly elected by the membership and not under the control of the DEVELOPER, so long as any undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the ASSOCIATION in accordance with all applicable condominium documents. All such con-

tracts may be cancelled by the owners of the PRIVATE DWELLINGS other than DEVELOPER, if the PRIVATE DWELLING owners other than DEVELOPER own at least seventy-five (75%) percent of the PRIVATE DWELLINGS in the ASSOCIATION, and seventy-five (75%) percent of said owners of PRIVATE DWELLINGS other than DEVELOPER concur therein. If such contracts are cancelled under this provision, the ASSOCIATION shall make new contracts or otherwise provide for the maintenance, management or operation of the CONDOMINIUM in lieu of the cancelled contract.

- m. Any one or more of the Members of the Board of Directors of the ASSOCIATION may be removed either with or without cause, at any time by a vote of the Members owning a majority of the total number of PRIVATE DWELLINGS, at any Special Meeting called for such purpose, or at the Annual Meeting; provided, however, that only DEVELOPER shall have the right to remove a Director appointed by it. Other provisions to the contrary notwithstanding a Special Meeting of the Members of the ASSOCIATION to remove a member or members of the Board of Directors may be called by ten (10%) percent of the owners of PRIVATE DWELLINGS giving notice of the Meeting as required for a meeting of the members of the ASSOCIATION.

5. OFFICERS.

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

- b. The President shall be the chief executive officer of the ASSOCIATION. He shall have all of the powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from among the members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the ASSOCIATION.
- c. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of 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 or the President.
- d. The Secretary shall keep the Minutes of all proceedings of the Directors and the Members. He shall attend to the giving and serving of all notice to the Members and Directors, and such other notices as may be required by law. He shall have custody of the seal of the ASSOCIATION and affix the same to instruments requiring a seal when duly signed. He shall keep the records of the ASSOCIATION, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the Directors or the President.
- e. The Treasurer shall have custody of all of the property of the ASSOCIATION, including funds, securities and evidences of indebtedness. He shall keep the assessment rolls and accounts of the Members and the books of the ASSOCIATION in accordance with good accounting practices, and he shall perform all other duties incident to the office

of Treasurer, and such other duties as may be prescribed by the Board of Directors or the President.

- f. The compensation of all officers and employees of the ASSOCIATION shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the ASSOCIATION, nor preclude their contracting with a Director for the management of the ASSOCIATION.

6. FISCAL MANAGEMENT

- a. All assessments levied against the owners of PRIVATE DWELLINGS and said PRIVATE DWELLINGS shall be uniform, and unless specifically otherwise provided for in these Bylaws, the Declaration of Condominium or Articles of Incorporation, the assessments made by the ASSOCIATION shall be in such proportion that the amount of assessment levied against each owner of a PRIVATE DWELLING and his PRIVATE DWELLING shall bear the same ratio to the total assessment made against all owners of PRIVATE DWELLINGS and their PRIVATE DWELLINGS as the undivided interest in common property appurtenant to each PRIVATE DWELLING bears to the total undivided interest in common property appurtenant to all PRIVATE DWELLINGS. Should ASSOCIATION be the owner of any PRIVATE DWELLING or PRIVATE DWELLINGS, the assessment which would otherwise be due and payable to ASSOCIATION by the owner of such PRIVATE DWELLING or PRIVATE DWELLINGS reduced by the amount of income which may be derived from the leasing of such PRIVATE DWELLING or PRIVATE DWELLINGS by ASSOCIATION, shall be apportioned and assessment therefor made among the owners of all PRIVATE DWELLINGS which are not owned by ASSOCIATION, based upon their apportionate interests in common property

exclusive of the interest therein appurtenant to any PRIVATE DWELLING or PRIVATE DWELLINGS owned by ASSOCIATION.

- b. The assessment levied against the owner of each PRIVATE DWELLING and his PRIVATE DWELLING shall be made not less frequently than quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current operating expenses, and for all of the unpaid operating expenses previously incurred.
- c. The Board of Directors of ASSOCIATION shall establish an annual budget in advance of each fiscal year which shall correspond to the calendar year. Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the ASSOCIATION, including a reasonable allowance for contingencies and reserves, such budget shall take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. As a common expense of the ASSOCIATION, there shall be included the cost of maintaining leaseholds, memberships or other possessory or use interests in lands or facilities providing enjoyment, recreation or other use or benefit to owners of PRIVATE DWELLINGS all as may be now or hereafter acquired by lease or agreement in form and content and containing provisions satisfactory to the Board of Directors of ASSOCIATION. Notice of the Meeting of the Board of Directors at which the annual budget will be considered shall be given by the Secretary of the ASSOCIATION or other officer of the ASSOCIATION in the absence of the Secretary, such notice shall be given to each Member not less than thirty (30) days nor more than sixty (60)

days prior to such Meeting and such notice shall be written or printed and shall state the date, time and place of such Meeting. Upon adoption of such annual budget by the Board of Directors of the ASSOCIATION, the assessments for said year shall be established based upon such budget.

- d. Should the Board of Directors adopt a budget which requires assessments against the owners of PRIVATE DWELLINGS in any calendar year which are in excess of 115% of such assessments for the preceding year, then upon the written request of Members owning ten percent (10%) or more of the PRIVATE DWELLINGS in the ASSOCIATION, the Secretary of the ASSOCIATION shall call a Special Meeting of the Members of the ASSOCIATION within thirty (30) days, upon not less than ten (10) days notice to each of the members of the ASSOCIATION. At the Special Meeting the members of the ASSOCIATION shall consider and enact a budget. In determining whether assessments exceed 115% of similar assessments in prior years, there shall be excluded in the computation any provision for reasonable reserves made by the Board of Directors in respect of repair or replacement of the ASSOCIATION property or in respect of anticipated expenses by the ASSOCIATION which are not anticipated to be incurred on a regular or annual basis and there shall be excluded from such computation assessment for betterments to the ASSOCIATION property. Provided, however, that so long as the DEVELOPER is in control of the Board of Directors, the Board shall not impose an assessment for any year greater than 115% of a prior year's assessment without the approval of a majority of all of the owners of PRIVATE DWELLINGS.
- e. Should the Board of Directors at any time determine in the sole discretion of said Board of Directors that the assessments levied are or may prove to be insufficient to pay the

cost of operation and management of the ASSOCIATION, or in the event of emergency, said Board of Directors shall have the authority to levy such additional assessment or assessments as it may deem to be necessary.

- f. The Board of Directors of ASSOCIATION in establishing said annual budget for operation, management and maintenance of ASSOCIATION may include therein a sum to be collected and maintained as a reserve fund for replacement of common property, which reserve fund shall be for the purpose of enabling ASSOCIATION to replace structural elements and mechanical equipment constituting a part of the common property, as well as the replacement of personal property, which may constitute a portion of the common property held for the joint use and benefit of all of the owners of all PRIVATE DWELLINGS. The amount to be allocated for such reserve fund for replacements shall be established by said Board of Directors so as to accrue and maintain at all times the sum reasonably necessary to anticipate the need for replacement of common property. The amount collected and allocated to the reserve fund for replacements from time to time shall be maintained in a separate account by ASSOCIATION, although nothing herein contained shall limit ASSOCIATION from applying any money from such reserve fund for replacements to meet other needs or requirements of ASSOCIATION in operating or managing or maintaining the CONDOMINIUM, in the event of emergencies or in the event that the sums collected from the owners of PRIVATE DWELLINGS are insufficient to meet the then financial requirements of ASSOCIATION, but it shall not be a requirement that these monies be used for such latter purposes as a separate assess-

ment may be levied therefor if deemed to be preferable by the Board of Directors of ASSOCIATION in the sole discretion of said Board of Directors.

- g. The Board of Directors of ASSOCIATION, in establishing said Annual Budget for operation, management and maintenance of the Project, may include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by owners of PRIVATE DWELLINGS, as a result of emergencies or for other reasons placing financial stress upon ASSOCIATION. The annual amount allocated to such operating reserve and collected therefor shall not exceed ten (10%) percent of the current annual assessment levied against the owners of all PRIVATE DWELLINGS and their PRIVATE DWELLINGS. Upon accrual in said operating reserve of a sum equal to thirty (30%) percent of the current annual assessment, no further payments shall be collected from the owners of PRIVATE DWELLINGS as a contribution to such operating reserve, unless such operating reserve shall be reduced below said thirty (30%) percent level, in which event, contributions to such operating reserve may be included in the annual assessment so as to restore said operating reserve to an amount which will equal thirty (30%) percent of the current annual amount of said assessment.
- h. All monies collected by ASSOCIATION shall be treated as the separate property of said ASSOCIATION, and such monies may be applied by ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM, or to the proper

undertaking of all acts and duties imposed upon it by virtue of these Bylaws, the Declaration of Condominium and the Articles of Incorporation of said ASSOCIATION, and as monies for any assessment are paid to ASSOCIATION by any owner of a PRIVATE DWELLING, the same may be commingled with monies paid to said ASSOCIATION by the other owners of PRIVATE DWELLINGS. Although all funds and common surplus, including other assets of ASSOCIATION, and any increments thereto or profits derived therefrom, or from the leasing or use of COMMON PROPERTY, shall be held for the benefit of the members of ASSOCIATION, no member of said ASSOCIATION shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his PRIVATE DWELLING. When the owner of a PRIVATE DWELLING shall cease to be a member of ASSOCIATION by reason of his divestment of ownership of such PRIVATE DWELLING, by whatever means, ASSOCIATION shall not be required to account to such owner for any share of the fund or assets of ASSOCIATION, or which may have been paid to ASSOCIATION by such owner, as all monies which any owner has paid to ASSOCIATION shall be and constitute an asset of said ASSOCIATION which may be used in the operation and management of the ASSOCIATION.

- i. The payment of any assessment or installment thereof due to ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid unto ASSOCIATION on or before the due date for such payment. In the event any assessment or installment thereof shall be, in default, a penalty equal to ten (10%) percent of such delinquent assessment or installment shall be assessed and the delinquent assessment or installment thereof due to ASSOCIATION shall bear interest at the rate of ten (10%) percent per annum until such delinquent assessment or installment thereof, and all interest due thereon, has

been paid in full to ASSOCIATION. All monies owing to ASSOCIATION shall be due and payable at the main office of ASSOCIATION in Cocoa Beach, Florida.

- j. The owner or owners of each PRIVATE DWELLING shall be personally liable, jointly and severally, as the case may be, to ASSOCIATION for the payment of all assessments, regular or special, which may be levied by ASSOCIATION while such party or parties are owner or owners of a PRIVATE DWELLING in the ASSOCIATION. In the event that any owner or owners are in default in payment of any assessment or installment thereof owed to ASSOCIATION, such owner or owners of any PRIVATE DWELLING shall be personally liable, jointly and severally, for all penalties and interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and the penalties and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.
- k. No owner of a PRIVATE DWELLING may exempt himself from liability for any assessment levied against such owner and his PRIVATE DWELLING by waiver of the use or enjoyment of any of the COMMON PROPERTY, or by abandonment of the PRIVATE DWELLING or in any other way.
- l. Recognizing that the necessity for providing proper operation and management of the CONDOMINIUM entails the continuing payment of costs and expenses therefor, which results in benefit to all of the owners of PRIVATE DWELLINGS, and that the payment of such common expense represented by the assessments levied and collected by ASSOCIATION is necessary in order to preserve and protect the investment of the owner of each PRIVATE DWELLING, ASSOCIATION is hereby granted a lien upon such PRIVATE DWELLING, and its appurtenant undivided interest in COMMON PROPERTY, which lien shall secure and does secure the monies due from all assessments now or hereafter levied against the owner of each PRIVATE DWELLING, which lien shall also secure all interest and penalties, if any, which may be due on the amount of any delinquent assess-

ments owing to ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by ASSOCIATION in enforcing this lien upon said PRIVATE DWELLING and its appurtenant undivided interest in COMMON PROPERTY. The lien granted to ASSOCIATION may be foreclosed in the State of Florida, and in any suit for the foreclosure of said lien, ASSOCIATION shall be entitled to rental from the owner of any PRIVATE DWELLING from the date of foreclosure, and shall, in addition, be entitled to the appointment of a Receiver for said PRIVATE DWELLING, without notice to the owner of such PRIVATE DWELLING. The rental required to be paid shall be equal to the rental charged on comparable type Dwelling Units in Brevard County, Florida. The lien granted to ASSOCIATION shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by ASSOCIATION in order to preserve and protect its lien, and ASSOCIATION shall further be entitled to interest at the rate of ten (10%) percent per annum on any such advance made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any PRIVATE DWELLING, or who may be given or acquire a mortgage, lien or other encumbrance thereon, are hereby placed on notice of the lien rights granted to ASSOCIATION, and shall acquire such interest in any PRIVATE DWELLING expressly subject to such lien rights.

- m. The lien herein granted unto ASSOCIATION shall be effective from and after the time of recording in the Public Records of Brevard County, Florida, a claim of lien stating the description of the PRIVATE DWELLING encumbered thereby, the name of the record owner, the amount due and the date when due, and the lien shall continue in effect until all sums

secured by said lien, as herein provided, shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, penalties, costs, attorneys' fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of ASSOCIATION. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record.

- n. In the event that any person, firm or corporation shall acquire title to any PRIVATE DWELLING and its appurtenant undivided interest in COMMON PROPERTY by virtue of any foreclosure or judicial sale, foreclosing or resulting from the foreclosure of a first mortgage encumbering such PRIVATE DWELLING or by deed in lieu of foreclosure, and its appurtenant undivided interest in COMMON PROPERTY, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said PRIVATE DWELLING and its appurtenant undivided interest in COMMON PROPERTY subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a PRIVATE DWELLING by foreclosure or judicial sale or deed in lieu thereof, any assessment or assessments as to which the party so acquiring title shall not be liable, shall be absorbed and paid by all owners of all PRIVATE

DWELLINGS, excluding the unit responsible for the deficiency, as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement or collection of such payment by means other than foreclosure.

- o. Whenever any PRIVATE DWELLING may be leased, sold or mortgaged by the owner thereof, which lease or sale shall be concluded only upon compliance with other provisions of these Bylaws and the Declaration of Condominium, ASSOCIATION, upon written request of the owner of such PRIVATE DWELLING, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to ASSOCIATION by the owner of such PRIVATE DWELLING. Such statement shall be executed by the President, Secretary or Treasurer of the ASSOCIATION, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and ASSOCIATION shall be bound by such statement.
- p. In the event that a PRIVATE DWELLING is to be leased, sold or mortgaged at the time when payment of any assessment against the owner of said PRIVATE DWELLING and such PRIVATE DWELLING due to ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by ASSOCIATION), then the rent, proceeds of such purchase or mortgage proceeds, shall be applied by the lessee, purchaser or mortgagee first to payment of any then-delinquent assessment or installments thereof due to ASSOCIATION before the payment of any rent, proceeds of purchase or mortgage proceeds to the owner of any PRIVATE DWELLING who is responsible for payment of such delinquent assessment.

- q. In any voluntary conveyance of a PRIVATE DWELLING, the Grantee shall be jointly and severally liable with Grantor for all unpaid assessments against Grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of Grantee to recover from Grantor the amounts paid by Grantee therefor.
- r. Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt to effect such collection be deemed to be an election precluding the institution of a suit at law to attempt to effect collection of any sum then remaining owing to it.
- s. The ASSOCIATION shall maintain accounting records according to good accounting practices which shall be open to inspection by all owners of PRIVATE DWELLINGS or their authorized representative and shall include the following:
1. A record of all receipts and expenditures.
 2. An account for each private dwelling which shall designate the name and address of the private dwelling owner. The amount of each assessment, the dates and amounts in which the assessments come due, the amount paid upon the account and the balance due.
- t. Failure of the ASSOCIATION to permit inspection of its accounting records by the owners of PRIVATE DWELLINGS or their authorized representatives shall entitle any person prevailing in an action for enforcement to recover reasonable attorney's fees from the ASSOCIATION.
- u. The depository of ASSOCIATION shall be such bank or banks as shall be designated from time to time by the Directors in

- which the monies of the ASSOCIATION shall be deposited. The withdrawal of monies in such accounts shall be only by check signed by such persons as are authorized by the Directors.
- v. An audit of the accounts of the ASSOCIATION shall be made by a Certified Public Accountant and a copy of the report shall be furnished to each member not later than of each year following the year for which the report is made.
 - w. Fidelity bonds may be required by the Board of Directors from all officers or employees of the ASSOCIATION and from any contractor handling or responsible for ASSOCIATION funds. The amount of such bond shall be determined by the Directors, but shall be at least the amount of the total annual assessments against members for common expenses. The premiums of such bonds shall be paid by the ASSOCIATION and shall be considered a common expense.
 - x. The ASSOCIATION shall cause to be prepared and kept minutes of all meetings of Members of the ASSOCIATION, as well as all meetings of the Board of Directors. Such minutes shall be kept in a book, which shall be available for inspection by any member of the ASSOCIATION or their authorized representative at any reasonable time. All such minutes shall be retained for a period of not less than seven (7) years.

7. CONTROL OF ASSOCIATION

The DEVELOPER shall at the time the Members of the ASSOCIATION elect a majority of the Members of the Board of Directors of ASSOCIATION, relinquish control of the ASSOCIATION and shall deliver to the ASSOCIATION all property of the ASSOCIATION held or controlled by DEVELOPER, including but not limited to the following:

- a. The original or a certified copy of the recorded Declaration of Condominium.
- b. A certified copy of the Articles of Incorporation of the ASSOCIATION.

- c. A copy of the Bylaws of the ASSOCIATION.
- d. All other corporate books and records of ASSOCIATION, including the Minute Book and all minutes.
- e. An accounting for ASSOCIATION funds, including capital accounts and contributions.
- f. ASSOCIATION funds, if any, or control thereof.
- g. All tangible personal property that is represented by the DEVELOPER to be part of the common property or that is property of the ASSOCIATION and inventories of these properties.
- h. A copy of any house rules and regulations which have been promulgated.
- i. Resignations of officers and members of the Board of Directors who are required to resign because the DEVELOPER is required to relinquish control of the ASSOCIATION.
- j. Insurance policies.
- k. Copies of any and all permits issued by governmental bodies applicable to the condominium and which are currently in force or were issued within one (1) year prior to the date upon which the PRIVATE DWELLING OWNERS, other than DEVELOPER took control of the ASSOCIATION.
- l. All written warranties of the contractor, subcontractors, suppliers and manufacturers that are still effective.
- m. A roster of the PRIVATE DWELLINGS owners, their addresses and telephone numbers, as shown on the DEVELOPER'S records.
- n. Copies of all contracts in which the ASSOCIATION is one of the contracting parties, or service contracts in which the ASSOCIATION or the OWNER'S of PRIVATE DWELLINGS have an obligation or responsibility, directly or indirectly to pay some or all of the fee or charge of the person or persons performing the service.
- o. A copy of the plans and specifications utilized in the construction or remodeling of improvements and the

supplying of equipment to the condominium and in the construction and installation of all mechanical components serving the improvements and the site, with a certificate in affidavit form of the DEVELOPER, his agent, or an architect or engineer authorized to practice in this state that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the condominium property and for the construction and installation of the mechanical components serving the improvements.

8. RULES AND REGULATIONS

- a. The ASSOCIATION shall cause the swimming pool heater to be kept in operation and shall maintain the water temperature in the swimming pool at 82° degrees Fahrenheit during the winter months of November through and including April of each year.
- b. Every owner of a PRIVATE DWELLING shall cause the ventilator duct between each PRIVATE DWELLING and the common hallways, which duct provides both heat and air conditioning for the said hallways, to be kept open at all times and said ducts shall not be obstructed in any manner.
- c. No owner of a PRIVATE DWELLING shall keep or maintain any pet other than a dog or cat within any PRIVATE DWELLING. Only one dog and one cat may be kept or maintained in any PRIVATE DWELLING at any one time and each owner of a PRIVATE DWELLING shall obtain the approval of the ASSOCIATION before bringing any dog or cat upon the condominium property.
- d. Any owner of a PRIVATE DWELLING who keeps and maintains a dog or cat or both within said PRIVATE DWELLING shall deposit with the ASSOCIATION a damage deposit to cover any and all damage which may be caused to the common areas by such pets. The exact amount of such damage deposit shall be fixed from time to time by the Board of Directors of the ASSOCIATION.

9. PARLIMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or the Statutes of the State of Florida.

10. AMENDMENTS TO BYLAWS

The Bylaws of the ASSOCIATION may be amended in accordance with the same requirements and the same procedures as set forth in Amendment to the Declaration of Condominium as set forth in Article XXIX of the Declaration of Condominium. All such amendments shall be set forth in or next to a duly adopted amendment to the Declaration and shall be recorded in the same manner as provided for the recording of amendments to Declaration of Condominium.