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1. ARTICLE 1: PURPOSE AND IDENTITY

1.1. Purpose.

The primary purpose of this corporation is to own, operate and grant leases in the property, buildings and improvements of the cooperative of Palm Worth, Inc. located in the Town of Palm Beach, Palm Beach County, Florida. Only stockholders of the corporation shall be lessees of proprietary leases. The said property, buildings and improvements shall be managed by the stockholders, a licensed manager, and the Board of Directors. The corporation shall be operated for profit.

Palm Worth, Inc. is a community of older persons of age 55 or older, and conforms with the provisions of the Fair Housing Act of 1988 and Community for Older Persons Act of 1995. (See Article 17, Section 3)

1.2. Office.

The office of the corporation shall be at 2850 South Ocean Boulevard, Town of Palm Beach, Florida.

1.3. Seal.

The seal of the corporation shall have the words thereon suitably arranged upon a circular seal, in the form and manner generally used by corporations in this state. The seal of the corporation shall be as follows:

"Palm Worth, Inc., a Florida corporation, 1960".

1.4. Fiscal Year.

The fiscal year shall be the calendar year.

1.5. Purpose of Bylaws.

The purpose of these Bylaws is to govern the Board of Directors and the operation of the corporation.

1.6. Cooperative Documents.

Each stockholder shall have ownership of a share of stock with full voting rights, an undivided share in the assets of the corporation and in the common surplus, and of a proprietary lease to a unit, which is subject to exclusive use and possession, and exclusive right to use the common areas so long as said use does not hinder the rights of other unit owners.

2. ARTICLE 2: MEETINGS OF STOCKHOLDERS

2.1. Annual Meeting.

The annual meeting of the stockholders shall be held at the principal office of the corporation or by order of the Board of Directors elsewhere at some other convenient place within the County of Palm Beach, Florida, on the third Tuesday of February of each year. At such annual meeting, the stockholders shall elect, by a plurality vote of those ballots cast, a Board of Directors as

constituted by these Bylaws; shall approve legal counsel as well as auditors for the ensuing year as submitted by the Board of Directors; and transact such other business as may be properly brought before the meeting.

2.2. Special Meetings.

Special meetings of the stockholders shall be held when called by the president or by a majority of the Board of Directors or when requested in writing by at least twenty percent (20%) of the stockholders. Such request shall state the purpose or purposes of the proposed meeting. Special meetings shall be held at the principal office of the corporation or by order of the Board of Directors elsewhere at some other convenient place within the County of Palm Beach, Florida.

2.3. Notice.

A notice of each annual and special meeting of stockholders shall be served upon or mailed to each stockholder at the last designated address as the same appears upon the records of the corporation, and shall be posted in a conspicuous place not less than fourteen (14) nor more than thirty (30) days before the date set for the meeting. A stockholder may waive in writing the right to receive notice of the annual or special meeting. The notice shall state the purpose of the meeting and the time and place it is to be held. An officer of the corporation shall provide an affidavit, to be included in the official records of the corporation, affirming that notices of the corporate meeting were mailed or hand delivered, in accordance with this provision, to each stockholder at the address last furnished to the corporation. Business transacted at all special meetings shall be confined to the objects and actions to be taken as stated in the notice.

2.4. Voting.

At each meeting of stockholders, a complete list of all stockholders entitled to vote, arranged numerically by units, shall be prepared and certified by the secretary. Only persons in whose names the shares of stock stand on the books of the corporation at the time of closing the transfer books for such meetings, as evidenced by such certified list, shall be entitled to vote in person or by proxy at such meeting. Every stockholder having the right and entitled to vote at a meeting of stockholders shall be entitled, upon each proposal presented at the meeting, to one vote for each share of voting stock recorded in their name on the books of the corporation. In the event that more than one person owns one share of stock, either as tenants in common, as an estate by the entirety, or as joint tenants with right of survivorship, any one of said persons may vote said share of stock which is made known to the secretary of the corporation prior to or at the time of said meeting. If no disagreement is made known to the secretary of the corporation prior to or at the meeting of the corporation, any one of the owners of a single share of stock may cast the vote for said share in person or by proxy. If a trust owns a share of stock in this corporation, its share of stock shall be entitled to a vote by trustee of said trust naming the individual that is entitled to vote said share of stock at any meeting of this corporation.

At the election of Directors, each stockholder shall be entitled to cast votes for as many nominees as there are Directors to be elected, but cumulative voting shall not be permitted.

2.5. Quorum.

The presence, either in person, or by proxy, of members owning at least a majority of the voting interest in the Association shall constitute a quorum for the transaction of business at all meetings, except as otherwise provided by these Bylaws. A majority of a quorum shall constitute

a plurality. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented; provided, however, that no meeting shall be adjourned to a date later than fourteen (14) days from the date of the original meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting called.

2.6. Proxies.

A proxy is defined as a written revocable authorization by an owner of a unit to another adult person to act and vote in their place at a regular or special meeting of members. Proxies shall not be used in electing the Board of Directors, either in general elections or elections to fill vacancies caused by recall or resignation. Limited proxies may be used for votes taken to waive or reduce reserves and for votes taken to amend the Articles of Incorporation or Bylaws. General proxies can be used for all other matters for which limited proxies are not required. Any proxy shall be effective only for the specific meeting for which originally given or any lawfully adjourned meetings thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Any proxy may be revoked at any time by the stockholder issuing it.

2.7. Organization.

The president, and in his/her absence the vice president, and in his/her absence any stockholder chosen by the stockholders present, shall call a stockholders' meeting to order and act as chairman of the meeting; the secretary of the corporation shall act as secretary of all meetings of the stockholders, but in the absence of the secretary, the presiding officer may appoint any stockholder to act as secretary of the meeting.

2.8. Action by Written Agreement of Stockholders.

Stockholders may take action by written agreement, without meeting, on matters for which written agreement without meetings is expressly allowed by these Bylaws or any Florida statute which provides for stockholder action.

3. ARTICLE 3: ELECTION OF BOARD OF DIRECTORS

3.1. Candidates for Election.

Not less than sixty (60) days before a scheduled election, Palm Worth shall mail or deliver a first notice of the date of the election to each owner entitled to vote informing all owners of what vacancies will exist on the Board, and which Board members' terms will expire. Any unit owner or spouse of an owner desiring to be a candidate for the Board of Directors shall give written notice to the Palm Worth not less than forty (40) days before the scheduled election. A second notice shall be mailed to all unit owners not less than fourteen (14) days before the election, which will contain ballots and any candidate information sheets. Information sheets from the candidates must be provided to Palm Worth not less than thirty-five (35) days prior to the election in order that they can be included in the ballot mailing. An election and balloting are not required unless more candidates file a notice to run than vacancies exist on the Board.

3.2. Number, Qualifications, and Term.

The number of directors of this corporation shall not be less than five (5) and not more than nine (9). The composition of the Board of Directors shall be either 5, 7 or 9 members. The Board of Directors shall serve without compensation and shall be stockholders or spouses of stockholders. The current composition of seven Board of Director members may be changed only by a vote of two-thirds (2/3) of the shareholders.

The directors shall be elected for a two (2) year term. An even number of directors shall be elected in each even calendar year and an odd number shall be elected in each odd calendar year, including any director nominated to fill any such unexpired term.

3.3. Vacancy.

In the event of a vacancy in the Board of Directors, the remaining directors shall, by a majority vote elect a successor to fill such vacancy until the next annual meeting when a director shall be elected by the shareholders to fill such unexpired term.

3.4. Resignation.

A director may resign at any time by filing his/her written resignation with the secretary. Notice of such resignation shall be sent to all stockholders within ten (10) days after the resignation is received by the secretary, and the secretary of the corporation shall be responsible to give notice to the stockholders.

3.5. Recall of Directors.

A member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing by a majority of all the voting interests. A special meeting of the voting interests to recall any member of the Board of Directors may be called by ten percent (10%) of the stockholders giving notice of the meeting as required for the meeting of stockholders, and the notice shall state the purpose of the meeting.

If the recall is approved by a majority of all voting interests by a vote at a meeting, the recall shall be effective immediately, and each recalled member of the Board of Directors shall turn over to the Board any and all records of the corporation in his/her possession within seventy-two (72) hours after the meeting.

If the proposed recall is by an agreement in writing by a majority of all voting interests, the agreement in writing shall be served on the corporation by certified mail. The Board of Directors shall call a meeting of the Board within seventy-two (72) hours after receipt of the agreement in writing and shall either certify the written agreement to recall members of the Board, in which case such members shall be recalled effective immediately and shall turn over to the Board, within seventy-two (72) hours, any and all records of the corporation in their possession, or proceed as described below.

If the Board determines not to certify the written agreement to recall members of the Board, or if the recall by a vote at a meeting is disputed, the Board shall, within seventy-two (72) hours, file with the Division of Florida Land Sales, Condominiums, and Mobile Homes, a petition for binding arbitration pursuant to Section 719.1255, Fla. Stats. (Supp. 1986). For purposes of this paragraph, the stockholders who voted at the meeting or who executed the agreement in

writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member of the Board, the recall shall be effective upon service of the final order of arbitration upon the corporation. If the corporation fails to comply with the order of arbitration, the Division may take action pursuant to Section 719.501. Any member so recalled shall deliver to the Board any and all records of the corporation in its possession within seventy-two (72) hours of the effective date of the recall.

3.6. Meetings.

The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the stockholders. Additional meetings of the Board of Directors shall be held when called by the president, or by any two members of the Board of Directors, upon personal notification which shall include telephone not less than forty-eight (48) hours in advance of said meeting; provided, however, that meetings of the Board of Directors shall be open to all shareholders. Adequate notice of all meetings shall be posted in a conspicuous place upon the cooperative property at least forty-eight (48) continuous hours preceding the meeting, except in an emergency. When a majority plus one of such Board of Directors shall be present at any emergency meeting, however called or notified, the acts of such a meeting shall be valid the same as if such meeting had been legally called. A majority of the entire Board of Directors shall be considered a quorum for the purpose of transacting business. All meetings of the Board of Directors shall be held at the principal office of the corporation unless a majority of all the Directors consent to the meetings being held elsewhere. The president and secretary shall attach their signatures to the minutes of each meeting subsequent to their approval by the Board of Directors. Notice of any Board meeting in which assessments against stockholders are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. Written notice of any meeting at which non-emergency special assessments or at which amendments to rules regarding unit use will be voted on, shall be mailed or delivered to unit owners and posted conspicuously on the cooperative property not less than 14 days prior to the meeting.

When some or all of the Board members meet by telephone conference, those Board members attending by telephone conference may be counted toward obtaining a quorum and may vote by telephone. A telephone speaker shall be utilized so that the conversations of those Board members attending by telephone may be heard by the Board members attending in person, as well as by unit owners attending in person.

Any unit owner may tape record or videotape meetings of the Board of Directors, subject to reasonable rules. The right to attend such meetings includes the right to speak at such meetings with reference to all designated agenda items. The Association may adopt reasonable rules at each meeting governing the frequency, duration, and manner of unit owner statements. The requirement that Board meetings be open to the unit owners is inapplicable to meetings between the Board and the Association's attorney, with respect to proposed or pending litigation, when the meeting is held for the purpose of seeking or rendering legal advice.

3.7. Organization.

The president, and in his/her absence the vice president and in their absence any director chosen by the directors present, shall call the meeting of the Board of Directors to order and shall act as chairman of such meeting. The secretary of the corporation shall act as secretary at

all meetings of the Board of Directors, but in the absence of the secretary, the presiding officer may appoint any director to act as secretary of the meeting.

3.8. Duties of the Board of Directors.

The property, business and affairs of the corporation shall be managed and controlled by the Board of Directors, including the determination of all regular monthly or special assessments, and the time and manner of payment of the same.

3.9. Budget Procedure.

The Board of Directors shall mail or hand deliver to each unit owner at the address last furnished to the Association, a meeting notice and copies of the proposed annual budget of common expenses to the stockholders not less than fourteen (14) days prior to the meeting at which the budget will be considered. The stockholders shall be given written notice of the time and place of the meeting at which the Board of Directors will consider the budget. The meeting shall be open to the stockholders.

3.10. Committees.

Certain standing committees are established in the Bylaws, and are itemized below. Standing Committees have a continuing existence, and serve the same term as the officers on the Board of Directors. Special or ad hoc committees are appointed by the president, and go out of existence when they have fulfilled their instructions and have made a final report to the Board. Meetings of a committee to make recommendations to the Board regarding the Association budget are subject to the same provisions as an open Board of Directors meeting, such as a 48-hour notice of meeting and being open to unit owners. All other committees are exempted from these provisions.

The president is an ex-officio member of all committees, but is not counted in the quorum.

The Board of Directors may not delegate to any such committee the power to take final action on behalf of the Board of Directors.

The following committees shall constitute the standing committees of the Corporation. The Board of Directors shall appoint a chairperson of each committee. The chairperson of each committee will select the committee members to serve on each committee as needed. The following standing committees are established by these Bylaws:

- Social Committee: To organize social events for the season.
- Annual Budget Committee: To review and make recommendations to the Board for the Budget for the coming year.
- Audit Committee: To review and report to stockholders at annual meeting for the expenditures of the previous year.
- Conflict Resolution Committee: To investigate alleged violations of the Association's Bylaws, Rules and Regulations. To resolve conflict between unit owners by hearing both

parties' grievances and making recommendations to the Board on solutions to remedy the conflict.

- Document Committee: To consider amendments to the Bylaws, the Articles of Incorporation, Proprietary Lease Agreements, and House Rules. Such changes may be proposed by shareholders, and by the Committee. The Committee shall forward recommendations to the Board of Directors. If no action is taken by the Board of Directors on the proposals of the Committee, the Committee shall have the right to bring the proposals up at a regularly scheduled Board Meeting and/or the Annual Meeting.

4. ARTICLE 4: OFFICERS

4.1. Number and Term.

The officers of the corporation shall consist of a president, a vice president, a treasurer and a secretary, and such other officers as the Board of Directors may determine are necessary and proper in the conduct of corporate affairs, and with such duties as the directors may prescribe. All officers shall be chosen by the directors at their first meeting after the annual election of the directors, and each shall hold office for one year until their successors are elected. The same person may serve as both secretary and treasurer. The Board of Directors may appoint other officers and grant them those duties it deems appropriate. The officers shall serve without compensation and at the pleasure of the Board.

4.2. Eligibility.

No person shall be eligible to hold the office of president, vice president, or treasurer who is not a director. The secretary may or may not be a director, but must be a stockholder or spouse of a stockholder, and if not a director, shall serve without a vote.

4.3. Bond.

The treasurer and all persons who control or disburse funds of the corporation, shall give the corporation a bond in the principal sum of not less than Ten Thousand Dollars (\$10,000.00) for each such person for the faithful performance of their duties as treasurer for the restoration to the corporation of all books, papers, vouchers, money and other property, whatever kind in his/her possession, or under his/her control, belonging to the corporation. The amount of said bond shall be determined by the Board of Directors. The premium for said bond shall be paid by the corporation. A meeting of the Board of Directors may vote to require a surety bond for the president, vice president, secretary and any other officer or director, and the premiums for said bonds shall be paid by the corporation.

5. ARTICLE 5: PRESIDENT

5.1. Duties.

The president shall be the chief executive officer of the corporation and shall preside at all meetings of the stockholders and of the Board of Directors. He/She shall sign all certificates of stock, minutes of the Board of Directors meetings and shall also execute all contracts, agreements, notes and obligations of the corporation authorized or required by the Board of Directors or the stockholders, and shall generally do and perform all duties usually required of,

and performed by, the incumbent of such office, and shall do and perform all duties which may be assigned to or required of him/her by the Board of Directors.

5.2. Reports.

The president, annually and at periodic intervals during the year, not to exceed 120 days, shall cause to be prepared and issued to the stockholders written reports relative to the affairs of the corporation. Such reports shall contain a summary of actions taken by the Board of Directors of the corporation.

6. ARTICLE 6: VICE PRESIDENT

The vice president shall perform all of the duties of the president in his/her absence, and such other duties as may be required of him/her by the Board of Directors.

7. ARTICLE 7: TREASURER

The treasurer shall have custody of all monies, valuable papers and securities of the corporation, all checks, notes and obligations coming to his/her hands as such officer, and shall deposit the funds arising therefor, with all other funds of the corporation in such bank as may be selected by the Board of Directors as depository for the funds of the corporation. He/She shall disburse the funds of the corporation as authorized by the Board of Directors, or as may be otherwise required in the regular course of business of the corporation. The treasurer shall keep a full and accurate account of his/her receipts and disbursements in books belonging to the corporation, along with a record of all of the liabilities of the corporation. He/She shall also do and perform all duties that may be required of him/her by the Board of Directors, and such other duties as usually devolve upon the incumbent of said office, including an annual financial report to be mailed to the stockholders at least ten (10) days before the date of the annual meeting. The treasurer's books shall be audited by the approved auditor at the end of each fiscal year.

8. ARTICLE 8: SECRETARY

The secretary shall keep minutes of all meetings of stockholders and directors, and shall attend to giving all notices whereby meetings of the Board of Directors and stockholders are assembled. The secretary shall have the care and custody of such books and papers as the Board of Directors may authorize or direct, including stock certificates and transfer books and stock ledger, proprietary leases, and the seal of said corporation, and shall countersign all certificates of stock, minutes of the Board of Directors' meetings, and perform all of the usual duties of such office, and such further duties as may be assigned to him/her by the Board of Directors.

9. ARTICLE 9: VACANCIES

9.1. Selection.

If the office of the president, vice president, treasurer, secretary or any auditor or legal counsel becomes vacant by reason of death, resignation, disqualification or otherwise, of the incumbent, the remaining directors shall, by a majority vote of all the directors, elect a qualified successor or successors, who shall hold the office for the unexpired term.

9.2. Interim Duties.

In the event of the death, resignation or disqualification of the president, the vice president shall perform his/her duties until a successor is elected; and in the event of the death, resignation or disqualification of the treasurer, the president shall perform the duties of the treasurer until a successor is duly elected.

10. ARTICLE 10: INDEMNITY TO DIRECTORS OR OFFICERS

Any person made a party to any action, suit or proceeding by reason of the fact that he/she is or was an officer or director of the corporation shall be indemnified by the corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him/her in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal activity or proceeding, had no reasonable cause to believe his conduct was unlawful. If it shall be adjudged in such action, suit or proceeding that such officer or director is liable for willful misconduct or gross negligence in the performance of his/her duties, the corporation shall not provide indemnification. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which any such director or officer may be entitled under Florida law.

11. ARTICLE 11: BILLS, NOTES AND OTHER WRITTEN INSTRUMENTS

11.1. How Made.

All bills, notes and checks shall be signed by such persons as authorized by resolutions duly adopted by a majority of the Board of Directors; provided, however, that any bill, note or check of this corporation must be signed by at least two members of the Board of Directors, except in cases where a property management company has been contracted by the Board of Directors to provide such services.

11.2. Stockholders Approval.

All instruments evidencing the borrowing of money by the corporation must be approved by a sixty-six and two-thirds (66-2/3) majority vote of the stockholders; provided, however, that the Board of Directors is authorized, upon the affirmative vote of a majority of directors, to borrow for its current needs, a sum of money not in excess of Ten Thousand Dollars (\$10,000.00). It is further provided that corporation property cannot be encumbered or pledged except by a sixty-six and two-thirds (66-2/3) majority vote of the stockholders.

12. ARTICLE 12: PROPRIETARY LEASES AND CAPITAL STOCK

12.1. Issuance of Stock.

A share of stock shall be issued and/or transferred for each unit in said cooperative buildings and shall be in the same name as a proprietary lease, both of which shall be issued at the same time and pursuant to the terms of Article 17 of these Bylaws.

The transfer of a share of Stock and the corresponding Proprietary Lease shall constitute "transfer of ownership of the unit".

12.2. Proprietary Lease Form.

The proprietary lease to be issued to each stockholder for the respective units shall be in the form as attached to these Bylaws and marked Appendix "A".

Any changes proposed shall be made and approved in the same manner as amendments to these Bylaws.

12.3. Certificates of Stock.

Certificates of stock of the corporation shall be in the form prepared by the Board of Directors, and shall be signed by the president, or the vice president, and the secretary, and sealed with the seal of the corporation, and shall be numbered in the order in which issued. Certificates shall be bound in a book and issued in consecutive order therefrom, and in the margin or stub thereof shall be entered the name of the person holding the shares therein represented, the number of shares and the date of issue. Each certificate exchanged or returned to the corporation shall be cancelled and the date of cancellation shall be indicated thereon by the Secretary and such certificate shall be immediately pasted in the certificate book opposite the memorandum of its issue.

12.4. Transfer.

The transfer of a share of Stock and the corresponding Proprietary Lease shall constitute "transfer of ownership of the unit".

The stock of the corporation shall be assignable and transferable on the books of the corporation only by the person in whose name it appears on said books, or by his/her legal representatives, or by a power of attorney, in which case the power of attorney, duly executed and acknowledged, shall be deposited with the secretary. In all cases of transfer, the former certificate must be surrendered and cancelled before a new certificate can be issued, except that shares sold by Palm Worth, Inc., to satisfy any lien which it holds thereon may be transferred without the surrender of such certificate to the corporation. Transfer of stock will be made by the Closing Agent. (See Article 17.2.) Fees for such a transaction will be the responsibility of the owner transferring the stock.

No transfer of stock shall be valid as against the Association, its Shareholders, and its creditors for any purpose until it shall have been entered in the Stock Book by an entry showing from whom and to whom transferred.

12.5. Corporation's Lien.

The corporation (Palm Worth, Inc.) shall at all times have a lien on the shares of stock owned by each stockholder to secure the payment by such stockholder of all regular and special assessments, plus interest, to become payable by such stockholder under the provisions of any proprietary lease issued by the corporation and at any time held by such stockholder, and for all other indebtedness from such stockholder to the corporation, and to secure the performance by the stockholder of all the covenants and conditions of said proprietary lease to be performed or complied with by the stockholder. Unless and until such stockholder or lessee defaults in the payment of any such assessment or other indebtedness, or in the performance of any of such covenants or conditions, said shares shall continue to stand in the name of the stockholder on the books of the corporation and the stockholder shall be entitled to exercise the right to vote thereon. The corporation shall have the right to issue to any purchaser of such shares on the enforcement by the corporation of such lien, or to the nominee of such purchaser, a certificate of the shares of stock so purchased substantially of the tenor of the certificate previously issued to such defaulting stockholder, and thereupon the certificate for such stock issued to such defaulting stockholder shall become void and such defaulting stockholder shall surrender the same to the corporation upon demand; provided, however, that if the defaulting stockholder refuses to surrender his/her stock to the corporation, this shall not affect the validity of the corporation's action in voiding said share of stock and issuing a new stock certificate in lieu thereof to another purchaser.

The corporation shall have a lien on each cooperative parcel for any unpaid rents and assessments, plus interest, against the unit owner of the cooperative parcel. Said lien shall also secure reasonable attorneys' fees incurred by the corporation incident to the collection of assessments or enforcement of such lien. The lien is effective from and after the recording of the claim of lien in the public records in the county in which the cooperative parcel is located which states the description of the cooperative parcel, the name of the unit owner, and the amount due, and the due dates. The lien shall expire if a claim of lien is not filed within one (1) year after the date the assessment was due, and no such lien shall continue for a longer period than one (1) year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced in a court of competent jurisdiction.

Liens for assessments may be foreclosed by suit brought in the name of the corporation, in like manner as a foreclosure of a mortgage on real property. In any foreclosure, the stockholder shall pay a reasonable rental for the cooperative parcel, and the plaintiff in the foreclosure is entitled to the appointment of a receiver to collect the rent. The corporation has the power to bid on the cooperative parcel at the foreclosure sale and to acquire and hold, lease, mortgage, or convey it. Suit to recover a money judgment for unpaid assessments may be maintained without waiving the lien securing them.

12.6. Assignment or Termination of Lease.

By the effective assignment of any proprietary lease, as provided in Article 17 of the Bylaws, the share of stock appurtenant to such lease shall be transferred to the transferee of such lease. In the event of termination of any lease by the corporation, ownership of the share of stock appurtenant to such lease shall automatically be transferred to the corporation for reissue to a succeeding proprietary lessee.

12.7. Ownership of Stock.

It is expressly set forth that the ownership of each share of stock of this corporation is only evidence of and incidental to ownership of a proprietary lease from the corporation. Issuance of a Proprietary Lease shall entitle the member to use and occupy an apartment within the building owned by the corporation as a private dwelling apartment subject, however, to the provisions of the Articles of Incorporation, these Bylaws, the provisions, terms and conditions of the Proprietary Lease and such House Rules and Regulations as may be promulgated and amended by the Board of Directors from time to time in accordance with these Bylaws.

12.8. Lost Certificates.

In the event that any certificate of stock is lost, stolen, destroyed or mutilated, the Board of Directors shall authorize the issuance of a new certificate marked "duplicate". The Board of Directors shall, before the issuance of said new certificate, require the owner of said lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit setting forth such facts as to the loss, theft, destruction or mutilation as it deems necessary. The corporation's attorney shall review all documents for compliance as set forth above.

12.9. Parking Assignments.

Each unit has one parking space as an appurtenance to the unit, and when a unit is sold, the parking place is transferred as previously assigned. Transfer of a parking space between two unit owners can be approved by the Board of Directors upon written request to the Board and a written agreement between the two parties.

13. ARTICLE 13: NOTICE

13.1. Method.

Whenever, under the provisions of the Bylaws, notice is required to be given to a stockholder or director or officer of the corporation, it shall not be construed to mean personal notice, unless specifically stated so to be. Any notice so required may be given in writing by depositing the same in the United States mail, in a postpaid, sealed envelope, addressed to the stockholder, director or officer at his or her home address, as the same appears on the books of the corporation, and the time when same is mailed shall be deemed the time of giving said notice.

13.2. Waiver.

Any stockholder, director or officer may, in writing, waive the giving or mailing of any notice required to be given or mailed, either under the statutes of the State of Florida, or by or under these Bylaws.

13.3. Responsibility.

Stockholders are responsible for the conduct of their family members, houseguests, employees, visitors, and sublessees, who must abide by these Bylaws and the house rules of the corporation. In the event that one of the aforementioned individuals commits an infraction of a Bylaw or house rule, the stockholder shall receive written notice of the infraction reflecting such infraction and stating that a future incident will result in automatic imposition of a fine in an amount to be determined by the Board of Directors. Second notice for repeat infraction will be sent by certified mail return receipt stating the amount of fine to be paid. The failure to pay fines when due will result in the corporation filing a lien against the unit owner. No fine shall exceed One Hundred Dollars (\$100.00) for each infraction.

13.4. Damages.

Any act or acts of a stockholder, a family member, houseguest, employee, visitor, or sublessee of a stockholder, which results in an increase in maintenance costs or other expenses of the corporation, shall be assessed directly against the stockholder alone in the amount of said maintenance costs or expenses.

13.5. Appeal and Review of Fines.

Any stockholder against whom a fine is assessed pursuant to written notice shall have a right of appeal within fifteen (15) days of receipt of said notice. The stockholder must give written notice by certified mail of their appeal to a member of the Board of Directors. The Board shall then hear the appeal at their next scheduled meeting. If a notice is not timely mailed, the fine will be automatically imposed. Payment of a fine shall be included with the monthly maintenance assessment. Delinquent payment of a fine shall accrue interest at the highest rate permitted by law.

14. ARTICLE 14: HOUSE RULES

14.1. Uniformity.

The Board of Directors shall have the authority to promulgate and amend, from time to time, house rules respecting the use of corporation property, provided that the rules affect all lessee stockholders uniformly and are in accordance with these Bylaws.

14.2. Pets.

No apartment owner shall be allowed to bring in or keep on the premises, any pet or pets such as four-legged animals, monkeys, etc., or any other pet or pets as determined to be a pet by the Board of Directors.

15. ARTICLE 15: APARTMENT UNIT MAINTENANCE ASSESSMENTS

15.1. Budget.

The Board of Directors shall on or before November 15 of each year determine the sum or sums of money adequate for the continued operation of Palm Worth, Inc. property for the coming year. Notice of any meeting in which assessments against stockholders are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of such assessment. The sum or sums shall be considered the annual budget and copies shall be furnished to stockholders together with the notice of the Board of Directors meeting at which the Board considers the annual budget (see Article 3, Section 9). The proposed budget of annual expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, but not limited to, such items as: electricity, water, garbage collection, telephone (office), corporation employee wages, payroll, social security taxes, workmen's compensation insurance, accounting and legal expenses, real estate taxes, fire and windstorm insurance, repairs, management fees, operating capital reserve, and other liabilities of an operating expense nature incurred by the corporation. The total annual cash requirements, as indicated in the budget, shall be assessed against all lessee stockholders according to their regular assessments as set forth in Article 16.1. All lessee stockholders shall pay their proportionate share of the total expenses, based upon said regular assessments. Said assessments shall be paid to the corporation as set forth in Article 15.6 below.

15.2. Reserve Accounts.

In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance for any item for which the deferred maintenance expense or replacement costs is greater than Ten Thousand Dollars (\$10,000.00). These accounts shall include, but not be limited to, roof replacement, building painting, balcony window and caulking, and pavement resurfacing. This paragraph shall not apply to any budget in which the stockholders of the corporation have, by a vote of the majority of the stockholders present at a duly called meeting of the corporation, determined for a fiscal year to provide no reserves or reserves less adequate than required by this paragraph.

15.3. Increase Annual Assessments.

If an adopted budget which requires assessment against the stockholders in any fiscal or calendar year exceeds one hundred fifteen percent (115%) of the assessments for the preceding year, the Board, upon written application of ten percent (10%) of the voting interest to the Board, shall call a special meeting of the stockholders within thirty (30) days, upon not less than ten (10) days' written notice to each stockholder. At the special meeting, the stockholders shall consider and enact a budget. The adoption of the budget shall require a vote of not less than a majority of all the voting interest. The Board of Directors may, in any event, propose a budget to the stockholders at a meeting of members or by writing, and if the budget or proposed budget is approved by the stockholders at the meeting or by a majority of all voting interest in writing, the budget shall be adopted. If a meeting of the stockholders has been called and a quorum is not attained or a substitute budget is not adopted by the stockholders, the budget adopted by the Board of Directors shall go into effect as scheduled. In determining whether assessments exceed 115% of similar assessments for prior years, any authorized provisions for reasonable services for repair or replacement of cooperative property, anticipated expenses by the corporation which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the cooperative property shall be excluded from computation.

15.4. Adjustments.

It is understood that the cash requirements of the corporation are those funds needed for the operation or maintenance of the cooperative buildings on a for-profit basis, and the above expenses are subject to such additions or deletions as the Board of Directors may authorize from time to time, in their discretion.

15.5. Additional Assessments.

The Board of Directors may not levy an assessment, regular or special to cover structural additions to the buildings or grounds, nor for the acquisition of additional property or land without first obtaining a sixty-six and two-thirds percent (66-2/3%) affirmative vote of the stockholders.

15.6. When payable.

Regular maintenance assessments as described in Article 15.1, and in Article 16.1, shall become due and payable in advance on the first day of the month, the quarter, or annually, as selected by the stockholder, without notice. Extra monthly assessments as provided in Article 16.4 & 16.5, shall be paid as set forth in notices sent to all lessee stockholders. Assessments for the purposes described in this Article 15.5 and based upon Article 16.5 will become due and payable as set forth in notices sent to all lessee stockholders. Any stockholder who is delinquent after the fifteenth (15th) of any month in which payment is due shall automatically be charged Twenty-Five Dollars (\$25.00) per month as a late fee for such delinquency. The Twenty-Five Dollar (\$25.00) late fee shall continue to be added automatically for each month thereafter so long as any delinquent amount remains unpaid.

15.7. Acceleration of Assessments.

If the stockholder should default in the payment of an installment of an assessment by not making payment within thirty (30) days of written demand for said payment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the stockholder by certified mail. The unpaid balance of the assessment shall become due upon the date stated in the notice to the stockholder, or not less than ten (10) days after delivery of the notice to the stockholder, or not less than twenty (20) days after mailing of such notice to him/her by registered or certified mail, whichever shall first occur. Any stockholder in default in the payment of an installment of an assessment due to the corporation shall be responsible for payment to the corporation of all legal costs, attorneys' fees, and other expenses incurred by the corporation in an effort to collect such delinquent installments of an assessment, whether suit be filed or not.

15.8. Financial Report.

Within sixty (60) days following the end of the calendar year, the Board of Directors of the corporation shall mail or furnish by personal delivery to each stockholder a complete financial report of receipts and expenditures for the previous twelve months. The report shall show the amounts of receipts by accounts and receipt classifications and should show the amount of expenses by accounts in expense classifications.

16. ARTICLE 16: ASSESSMENTS AND PERCENTAGES

16.1. Assessments and Percentages.

Funds for the payment of common expenses shall be collected by assessments against the stockholders. The percentages applicable to each unit for the purpose hereinafter stated cannot be changed without a 100% approval of the stockholders, and shall be as follows:

UNIT	NUMBER		PERCENTAGE	
39 — One Bedroom	100	209	403	1.352%
	102	210	404	
	103	211	405	
	104	302	406	
	105	303	409	
	106	304	410	
	109	305	411	
	110	306	412	
	111	309	413	
	112	310	505	
	113	311	506	
	202	312	512	
	203	313		
	204			
18 — Two Bedroom	101		401	1.610%
	107		407	
	114		408	
	201		414	
	207		501	
	208		507	
	301		508	
	307		514	
	308			
	314			
10 — Special			108	1.771%
			206	2.222%
			212	1.771%
			214	2.094%
			402	1.449%
			502	1.771%
			504	1.997%
			509	1.771%
			511	1.997%
		513	1.449%	
TOTAL: 67			100.000%	

16.2. Regular Assessments

Lessee stockholders shall pay the regular assessments as stated in Article 16.1 as set forth above, and in Article 15.6.

16.3. Liability for Assessments.

A stockholder, regardless of how title is acquired, including, without limitation, a purchaser at a judicial sale, shall be liable for all assessments incurred during any legal proceeding and assessments coming due while he/she is in exclusive possession of a unit. In a voluntary transfer, the stockholder in exclusive possession shall be jointly and severally liable with the previous stockholder for all assessments against the previous stockholder for his/her share of the common expenses up to the time of the transfer, without prejudice to the rights of the stockholder in exclusive possession to recover from the previous stockholder the amounts paid by the stockholder in exclusive possession thereof. The liability for assessments may not be avoided by waiver of the use or enjoyment of any common areas or by abandonment of the unit for which the assessments are made. Assessments, and installments on them, not paid when due shall incur a late fee not to exceed the maximum amount permitted by the Cooperative Act.

16.4. Capital Improvements, etc.

The cost of capital additions or improvements to the land and buildings as referred to in Article 15.5, and all expenditures in connection therewith, shall be apportioned and collected from the stockholders based upon the percentages listed in Article 16.1 hereinabove. These same percentages shall be used to apportion and distribute to lessee stockholders the net proceeds arising from any future liquidation or sale of Palm Worth, Inc., or its assets, in whole or in part.

16.5. Special Assessments.

The specific purposes of any special assessment approved in accordance with the Bylaws shall be set forth in a written notice of such assessments sent or delivered to each stockholder. The funds collected pursuant to the special assessment shall be used only for the specific purpose or purposes set forth in the notice. Upon completion of such specific purpose, any excess funds shall be considered common surplus.

17. ARTICLE 17: ASSIGNMENT, SALE AND SUBLEASE

17.1. Listing for Sale.

Any stockholder desiring to sell his/her stock and assign his/her proprietary lease shall advise the Board of Directors of the corporation of such intention in writing (handwritten, mailed, e-mailed, or faxed). The Board of Directors, at the request of said stockholder, shall inform stockholders that the unit is for sale by mail, e-mail, or fax. No notice shall be posted within the cooperative buildings. Any public advertising must state that Palm Worth is a community for older persons.

17.2. Procedure for Assignment and Sale.

The following procedures apply to transfers of ownership from current owner(s) to new owner(s), and to the addition of a co-owner to a current Shareholder's stock and Proprietary Lease(s).

A Closing Agent approved by the Board of Directors shall process all transfers of stock and assignments of and replacement of proprietary leases. The stockholder shall not transfer the share of stock or proprietary lease except under the following terms and conditions:

- a) The selling stockholder shall have paid all assessments, fines, penalties and interest which are due and owing at that time by reason of the ownership of the share of stock and the proprietary lease.
- b) The selling stockholder shall submit to the Board of Directors an agreement with the proposed purchaser (who must be one or two individuals with the exception of situations referred to in Section 17.3.j *infra*) indicating his/her intention to sell, assign and convey his/her share of stock and proprietary lease to the proposed purchaser. This agreement may be in a form prepared and approved by the Board of Directors. If not on such a prepared form, the agreement between the seller and purchaser must include explicit acknowledgment by the proposed purchaser that the transfer of the stock and proprietary lease is contingent upon the proposed purchaser's acceptance of the Bylaws, including any and all restrictions therein, and the House Rules of Palm Worth.

In addition to the Association's right to notice and documentation of the transferor's intent, the Association will also require additional documentation pertaining to the property transfer. This may include completion by the proposed transferee(s) of applications and forms prescribed by the Association, personal interviews with the proposed transferee(s), and such other information about the intended transferee(s) as the Association may reasonably require. The Board of Directors may require that such personal information be submitted on a designated form approved by the Board.

- c) The Selling Stockholder shall submit to the Board of Directors a properly executed assignment of the stock certificate and proprietary lease.
- d) After the Board of Directors has received the submissions required by Sections 17.2.b and 17.2.c and any reasonably required reports relating to the applicant's personal and credit qualifications, an interview of the proposed purchaser will be scheduled and conducted as follows: (Note: In the event there are two proposed purchasers, then each purchaser shall be interviewed.):
 - The interviews will be conducted in person by at least two members of the Board of Directors. The interview(s) will take place at Palm Worth, 2850 S. Ocean Blvd., Palm Beach, FL 33480.
 - In the event that two Board of Directors members are not available for such an interview, a majority of the Board may appoint two stockholders, from different units, to conduct the interview of the proposed purchaser (s). The interviews will take place at Palm Worth.
 - All interviews will follow a form and list of questions approved by the Board of Directors, and used for ALL interviews.
 - A written report by the members of the Board, or the substituted shareholders, who conducted the interview(s) shall be forwarded to the Board of Directors.
- e) The Board of Directors shall act upon the application pursuant to a resolution adopted at any meeting of the Board of Directors. The meeting must be held within sixty (60) days following the receipt by the Board of the report from the interviewing members of the Board of Directors or their substitutes.

The Board of Directors may approve the transfer; or may disapprove the transfer for good cause, which shall be defined to include the following:

1. The applicant fails to qualify for membership in the Association, including, but not limited to, those applicants who fail to qualify for membership because of the restrictions on occupancy or ownership set forth in this or other Association documents; or
2. The person seeking approval (which shall include all proposed occupants) has been convicted at any time of a felony involving violence to persons, or a felony where the victim was a minor, or has been convicted of any other felony within the ten (10) years preceding the date of application; or
3. The applicant takes possession of the Unit prior to approval by the association as provided for herein; or
4. The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by this conduct at Palm Worth as a lessee, guest, owner or occupant of a unit; or
5. The applicant fails to comply with the requirements of Section 17.2 of these Bylaws.
6. No transfer of title will be approved if, at the time of the application or at any time prior to the time approval is to be granted, the Unit is delinquent in the payment of any financial obligation to the Association under these Bylaws or under any of the governing documents or the applicable statute, or if the unit is in violation of any provision of these Bylaws or the Rules and Regulations which remains uncured at the time the Association is required to make its decision hereunder.

The decision of the Board of Directors shall be final and conclusive.

Written notice of the decision of the Board of Directors regarding approval or disapproval of the applicant shall be delivered to the stockholder selling the unit, and to the applicant.

In the event that final approval or disapproval is not given within sixty (60) days after the receipt by the Board of the report from the interviewing members, the proposed purchaser will be considered accepted and the transfer will be approved.

If the applicant has been approved by the board, the Closing Agent shall issue a new share of stock and a new Proprietary Lease to the new shareholder(s) reflecting the new status of the unit's ownership.

17.3. Sale Restrictions.

Palm Worth, Inc. is a community for older persons, intended for and operated for residents 55 years of age or older, and conforms with the provisions of the Fair Housing Act of 1988 and Community for Older Persons Act of 1995 which meets all of the following criteria:

- a) Facilities and services are provided to meet the physical and social needs of older persons.

- b) Eighty percent (80%) of the units are occupied by at least one person 55 years of age or older. Exceptions to this age provision are as follows:
1. Currently approved owners of a unit who do not meet the fifty-five (55) years of age limit requirement at the time these Bylaws go into effect shall continue their ownership and occupancy without change regardless of their age.
 2. Surviving spouses of owners who are under the age of fifty-five (55) years of age may continue ownership and occupancy regardless of age.
 3. Heir(s) acquiring title to a unit through inheritance from a currently-approved owner shall continue their ownership and occupancy, regardless of their age, provided that they meet all other Bylaw requirements.

NOTE: The foregoing exceptions shall not be permitted where the occupancy would result in less than eighty percent (80%) of the occupied Units being occupied by at least one person fifty-five (55) and older.

- c) The ownership of a unit by any stockholder who has children under the age of 18 years is prohibited.
- d) The ownership of a unit for business, speculative investment or contractual leasing is prohibited. Under no circumstances may any Unit be used for any business purpose which would cause a level of noise, odor, traffic, debris or other activity inconsistent with residential use.
- e) Ownership of two units by a stockholder is prohibited without listing the original unit for sale within sixty (60) days and diligently and reasonably proceeding with sale of the unit. However, upon Board approval a stockholder may acquire a second unit only if adjacent to (side by side) their original unit.

The stockholder having two, but not more than two, side-by-side units shall be responsible for two assessments as per Article 16.1, and shall be issued two (2) separate Proprietary Leases, and shall have two votes as per Article 1.6, and Article 2.4.

Physical combining of the two units is permitted with the approval of the Board of Directors. A request to structurally combine the two units by means of an interior doorway must have the necessary permits and engineering opinion stating that the combining of the units will not impair the structural integrity of the building as per Article 20 and Article 21.2.

In the case of subleasing, the two units will function as one (1) unit with one sublessee, whether the units are combined or only one of the two units is being leased. Owners of two units cannot rent one of the two units while residing in the other unit, and must follow all subleasing requirements as stated in the Bylaws as applies to all stockholders.

- f) The ownership by an estate or trust of a deceased stockholder, except during the period of the administration of the estate, subject further to the provisions of Article 17.4 hereof, is prohibited.
- g) If ownership of a unit is through inheritance, and the new owner has children under eighteen (18) years of age, such owner's occupancy of the unit with such children for a period in excess of thirty days in any twelve month period commencing at the date of initial occupancy is prohibited.

- h) The ownership of a stock certificate by more than two individuals is prohibited, with the exceptions of situations described in Section 17.3.j infra.
- i) The ownership of stock, directly or indirectly, by any person who is under eighteen (18) years of age is prohibited.
- j) A Stockholder desiring to put his/her Palm Worth unit into a revocable trust must apply to the Board of Directors for approval PRIOR to transferring the ownership to a trust. The owner must submit the application for transfer of title to a trust, along with a copy of a properly notarized Abstract of the Trust Agreement, to the Board of Directors. If the Board of Directors requires additional detailed information about the Trust, it may require that the entire Trust Agreement be submitted to the Board. The Board will notify the owner of its approval or disapproval of such transfer within sixty (60) days after receipt of the final documents required to be submitted to the Board. In the event that any trust terms conflict with the Bylaws or House Rules of Palm Worth, the Bylaws or House Rules will prevail. The owner whose unit is approved for placement into a Trust must submit copies of all future trust amendments to Palm Worth for review.

17.4. Stockholder Death.

In the event of the death of any stockholder, the estate, any heir or beneficiary, life tenant, or tenant for years shall be subject to provisions of this Article of the Bylaws and any amendments hereto.

17.5. Subleasing

The stockholder shall not sublease his/her unit except with the prior consent of the Board of Directors and under the following terms and conditions:

- a) The subleasing stockholder shall submit to the Board of Directors an application stating his/her intention to sublease. This application shall be in a form prepared and approved by the Board of Directors which shall contain a reference to the Bylaws and the restrictions herein contained and an acceptance of the same by the proposed sublessee.
- b) Subleasing is not permitted to persons under 55 years of age.
- c) A unit may not be subleased more than once in any twelve (12) month period (commencing at the date of the proposed lease and running for the consecutive twelve months thereafter). The lease shall not be for a period of less than three (3) consecutive months.
- d) A written lease is required between the unit owner and the sublessee in which the sublessee agrees to follow all Palm Worth Bylaws and House Rules. Such lease shall be submitted to the Board of Directors for approval.
- e) The proposed sublessee shall submit such personal information as the Board of Directors may reasonably deem necessary to ensure the good character of the sublessee. Such information may be submitted on a Form designated by the Board of Directors.

- f) The proposed sublessee shall be interviewed by at least one member of the Board of Directors, or a shareholder designated by the board of Directors to conduct such an interview. A form will be provided by the Board to be utilized during the interview.

17.6. Reasonable Sale/Lease Fees

The Board of Directors may, by resolution, set reasonable fees for the processing of the sale or lease of any unit not to exceed the maximum amount permitted by the Cooperative Act, in accordance with the laws of the state of Florida.

17.7. Right to Waive Sale/Lease Requirements

The Board of Directors, by majority with all members voting, shall have the right under special circumstances, in order to avoid unfair or undue hardship, at its sole judgment and discretion, to waive any of the above requirements with respect to selling or leasing the unit of any stockholder.

17.8. Addition of a Co-owner by a Shareholder

- a) In order for a Shareholder to add a Co-shareholder (other than a spouse) to his/her share of stock and Proprietary lease, the Shareholder is required to get approval from the Board of Directors. To initiate such an ownership change, the shareholder must advise the Board of Directors of his/her desire to do so.
- b) All of the procedures required for approval of the initial Shareholder apply to the newly proposed Co-shareholder, and the new proposed Co-shareholder must comply with all of the requirements of Article 17.2 above.
- c) Written notice of the final decision of the Board of Directors regarding approval or disapproval of the applicant shall be delivered to the Stockholder seeking to add the new person, and to the new person seeking to become a Co-shareholder. If the application has been approved, the Closing Agent will issue a new share of stock and a new Proprietary Lease to the new co-owners reflecting the new status of the unit's ownership.

17.9. Filing Notice of Sale with Palm Beach County

In the event of an ownership change by any method (sale of stock & assignment of lease to a non-shareholder at Palm Worth; transfer into a trust by current Shareholder; or addition of a Co-shareholder by current Shareholder), the new owner must WITHIN 30 DAYS of his/her receipt of the new share of stock and the new Proprietary Lease, notify Palm Beach County of such change in ownership.

The Closing Agent is authorized to, and shall, notify Palm Beach County of the change in ownership forty-five (45) days after the transfer of the stock if the new owner has not yet done so. The Shareholder will be charged accordingly.

18. ARTICLE 18: REMEDIES OF CORPORATION

18.1. Right to Sell, Transfer, Assign, Cancel, Void

Subject to the provisions contained in these Bylaws, as incorporated by reference in each proprietary lease for each unit located in the Palm Worth cooperative buildings, the corporation shall have the right, at its option to sell, transfer and assign the lessee stockholder's interest in his/her proprietary lease and to cancel and cause to be voided the lessee stockholder's ownership of stock in the corporation in the event there should occur any one of the following events or contingencies:

- a) If the lessee stockholder shall remain in default in the payment of any regular or special assessment made by the corporation, or breach of any of the covenants or conditions contained in the Bylaws or in the proprietary lease, after thirty (30) days' written notice of said default or breach by the corporation action.
- b) If the leasehold interest of the lessee stockholder, or his/her certificate of stock be taken by execution or other process of law.
- c) If the lessee stockholder shall petition to be, or shall be declared a bankrupt, according to law, or shall have made an assignment for the benefit of creditors.
- d) In case at any time the corporation shall determine upon the affirmative vote of two-thirds of all the stockholders of the corporation, represented in person or by proxy, at a meeting duly called by the corporation to take action on the subject, that because objectionable conduct on the part of the lessee stockholder, or of a person dwelling in or visiting the demised premises, the tenancy of the lessee stockholder is undesirable; it being understood that the repeated violation or disregard of the rules and regulations as herein provided and referred to, or the permitting or tolerating of a person or persons whose conduct is violative of generally accepted social mores is deemed to be objectionable conduct.
- e) The corporation is authorized to charge a fee not to exceed the maximum amount permitted by the Cooperative Act as same may be amended from time to time in connection with the sale, lease, sublease, or other transfer of a unit whereby the corporation is required to approve such transfer. If the lease or sublease is a renewal of a lease or sublease with the same lessee or sublessee, no charge shall be made. The corporation may, at the discretion of the Board of Directors, require as a condition of permitting the letting or renting of the unit, that a security deposit be made to an escrow account to insure the payment of any damages to the common areas or of fines and penalties, maintained by the corporation in an amount not to exceed the equivalent of one month's rent. Within fifteen (15) days after the sublessee vacates the premises, the corporation shall refund the full security deposit or give written notice to the sublessee of any claim against the security. Disputes under this paragraph shall be handled in the same fashion as disputes concerning security deposits under Section 83.49, Fla. Stats. (1985).

18.2. Liens

The corporation shall have a lien on each cooperative unit for any unpaid assessments, plus interest, against the stockholder of the unit. Said lien shall also secure reasonable attorneys' fees incurred by the corporation incident to the collection of the assessments or enforcement of such lien. The lien is effective from and after the recording of a claim of lien in the public records in the county in which the cooperative unit is located which states the description of the cooperative unit, the name of the stockholder, the amount due, and the due dates. The lien shall expire if a claim of lien is not filed within one (1) year after the date the assessment was due, and no such lien shall continue for a longer period than one (1) year after the claim of lien has been recorded unless, within that time, an action to enforce the lien is commenced in a court of competent jurisdiction.

Liens for assessments may be foreclosed by suit brought in the name of the corporation in like manner as a foreclosure of a mortgage on real property. In any foreclosure, the stockholder shall pay a reasonable rental for the cooperative parcel, and the plaintiff in the foreclosure is entitled to the appointment of a receiver to collect the rent. The corporation has the power to bid on the cooperative unit at the foreclosure sale and to acquire and hold, lease, mortgage, or convey it. Suit to recover a money judgment for unpaid rents and assessments may be maintained without waiving the lien securing them.

Within fifteen (15) days after request by a stockholder or mortgagee, the corporation shall provide a certificate stating all assessments and other moneys owed to the corporation by the stockholder with respect to the cooperative unit. Any person other than the stockholder who relies upon such certificate shall be protected thereby.

The remedies provided in this section do not exclude other remedies provided by the cooperative documents and permitted by law.

No stockholder may be excused from the payment of his/her share of the assessments unless all stockholders are likewise proportionately excused from payment.

18.3. Return of Premises

If all debts of the lessee stockholder to the corporation, including all expenses of the corporation hereunder and current assessments which would have been due from the lessee stockholder are paid before the foreclosure of the lien from assessments received or otherwise, then, together with any surplus funds remaining after payment of such debts and expenses, the premises shall be returned to the lessee stockholder upon the execution by him/her of a new lease on the same terms as the prior lease, and the same conditions, covenants and provisions as are contained in other proprietary leases of the corporation at the time of the execution of said lease, with occupancy to commence upon the termination of any existing tenancy.

18.4. Negligence or Carelessness of an Owner

Each Unit Owner shall be liable for the expenses of any maintenance, repair or replacement to Association property rendered necessary by his act, neglect or carelessness, or by the negligence of any member of his family, his or their guests, employees, agents, licensees, or sub-lessees.

Such liability shall include misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by an insurance company as to its rights of subrogation. The cost of any maintenance, repair, or replacement performed pursuant to this section shall be charged to said Unit owner as a specific assessment, enforceable in the same manner as any other assessment under these Bylaws, including by recordation and foreclosure of a claim of lien.

In any proceeding arising because of an alleged default by a Unit owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

19. ARTICLE 19: INSURANCE COVERAGE

19.1. Coverage.

The Board of Directors of the corporation shall keep the Association property, including main cooperative buildings, and all accessory buildings, now or hereafter placed on the corporation property, insured against loss or damage by fire and extended coverage insurance; further the Board of Directors shall carry such liability insurance as they shall determine to be necessary and adequate in amount.

Such insurance shall provide primary coverage for all portions of the Palm Worth property located outside the units, as well as all portions of Palm Worth property located inside the units, which includes the unfinished, undecorated floors, walls and ceilings and the utility lines within the walls. The Unit shall include all portions of the Cooperative Property within the unfinished, undecorated interior surfaces of the floors, ceilings, and perimeter walls of a Unit. In addition, all doors, including the hardware, and all windows except the porch windows are considered part of the Unit.

Anything to the contrary notwithstanding, the term "Palm Worth property" or "Association property" or any other term within Palm Worth documents which defines the scope of property or casualty insurance that the Association must obtain shall EXCLUDE all floor, wall, and ceiling coverings, electrical and plumbing fixtures, appliances, air conditioner or heating equipment, water heaters, water filters, built-in cabinets and countertops, and window treatments, including curtains, drapes, blinds, hardware, and similar components, or replacements of any of the foregoing which are located within the boundaries of a unit and serve only one unit, and all air conditioning compressors that service only an individual unit, whether or not located within the unit boundaries. All such excluded items are deemed to be parts of the Units.

Each Unit owner is responsible for the repair of any damage to his/her own unit however such damage may have been caused. The Unit owner may choose to obtain insurance to cover such required repairs.

19.2. Proceeds.

The proceeds of any insurance collected by the corporation on account of damage shall be expended proportionately to each cooperative unit in respect to the damage done to it and to any accessory building, or shall be otherwise expended, or applied, as may be determined by the Board of Directors of the corporation.

19.3. Reconstruction

- a) Determination to Reconstruct. Any portion of the Cooperative Property damaged by casualty shall be reconstructed and repaired, as appropriate, as promptly as reasonably possible after the casualty, whether responsibility for reconstruction or repair lies with the Association or with the Unit Owner, unless the determination is made not to reconstruct or repair pursuant to Article 19.3.b.
- b) The Unit Owners may vote not to reconstruct or repair the Cooperative Property after casualty, terminate the Cooperative, and sell the Association property in the event that a casualty results in more than seventy-five percent (75%) of Units in the Cooperative being condemned by the local building department, and one hundred percent (100%) of the Association's casualty insurance policy becomes payable based upon the extent of the damage. Should those two events both occur, the membership may vote to forego reconstruction and repair, and vote to terminate the Cooperative, and sell the Association property. Such a vote may be initiated by the Board or by a petition signed by at least a majority of the total votes of the membership. In either event, the vote not to reconstruct and to terminate the Cooperative must occur within one hundred eighty (180) days of the determination to condemn the property by the local building department or the final insurance adjustment, whichever occurs later. The determination to forego reconstruction and repair, terminate the Cooperative, and sell the Association property shall not occur without the written consent and approval of at least 75% of all voting interests of the Association.
- c) Estimates. Immediately after a casualty causing damage to the property for which the Association has the responsibility of maintenance and repair, the Association shall obtain at least two (2) estimates of the cost of reconstruction.

20. ARTICLE 20: STRUCTURAL CHANGES

The shareholder or occupant of any cooperative unit agrees not to make any structural alterations in or additions to any unit, or any changes, alterations, or additions in or to the exterior of said buildings, or any structure change of the interior thereof. Such changes shall include, but shall not be limited to, changes in exterior doors, windows, air conditioners, balconies or in the color or design thereof, except with the previous written consent in each case of the Board of Directors of the corporation, and where required, the permission of the appropriate authorities of the Town of Palm Beach and where required, shall furnish the Board with a copy of a building permit and engineering drawings certifying that the alterations to be executed will not impair the structural integrity of the building. The stockholder who shall make written application to said Board of Directors for any of the foregoing changes, and shall be

denied said application by said Board, or ninety (90) days shall elapse from the date of said application to said Board of Directors without any final action on said application by said Board, then in either event said applicant shall have the right to appeal to the stockholders of the corporation at any regular or special meeting of the corporation, provided said appeal is included in the notice of the meeting, and in that event, the action of the stockholders shall be final and conclusive.

21. ARTICLE 21: MAINTENANCE RESPONSIBILITIES

21.1. Right of Access to Units.

The corporation has the irrevocable right of access to each unit from time to time during reasonable hours when necessary for routine maintenance, repair, or replacement of any structural components of the building or any mechanical, electrical or plumbing elements necessary to prevent damage to the building or to another unit. In addition, the Association has the irrevocable right to enter any and all units at any time, if necessary to prevent damage to the building or to any other unit. The Association shall notify the owner prior to entry except in the event of an emergency, when notification will be within a reasonable time of the required entry. If a unit key is not available to the corporation and an emergency should arise necessitating forced entry into that unit, the unit owner shall bear the cost of any damages resulting from said forced entry.

21.2. Stockholder's Responsibility.

- a) Lessee stockholder shall at his/her own expense keep the unit in good condition and repair, and is responsible for the maintenance and repair of his/her Unit. (See Article 19.1 supra.)

Should the lessee stockholder at any time refuse or neglect for thirty days after written notice from the corporation to make the necessary repairs, the corporation may enter said unit, have the necessary repairs made, and add the reasonable cost thereof to the next regular assessment payment due by the lessee stockholder. Stockholders receiving written permission to make alterations or structural changes shall be responsible for the maintenance, repairs, insuring of such improvements and any increase in the taxes or insurance that may be imposed upon the corporation for same. That part of the air conditioning system that is on the roof of the building is a part of the unit's system, and is the responsibility of the stockholder for periodic maintenance and necessary repairs.

- b) The unit owner is responsible for routine maintenance of the windows on the sunporch, following guidelines provided by the Board of Directors.

21.3. Maintenance Responsibilities

- a) Association Responsibility. The Association is responsible for the maintenance of the common areas, which are those portions of the cooperative property not included in the units. This includes easements through units for conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services to units and the common areas. Also

included is an easement of support in every portion of a unit which contributes to the support of a building, as well as the property and installations required for the furnishing of utilities and other services to more than one unit or to the common areas.

- b) "Limited Common Areas" are defined as those common areas which are reserved for the use of a certain cooperative unit to the exclusion of other units, and those portions of the common areas for which the shareholders are responsible for maintenance, repair, and replacement (such as doors and windows). The interior balcony structures of the units are limited common areas. Palm Worth is responsible for conducting thorough annual cleaning, lubricating, and maintaining of the porch windows. Repair and replacement of the porch window systems, whether required by casualty damage or malfunction, are the Association's responsibility unless damage to the interior of the window system is due to negligence of the unit owner, in which case the unit owner is responsible for the repair.
- c) The Association will, at the end of the winter season, on or around the month of June, conduct the annual general maintenance of the porch windows.
- d) The Association is responsible for the exterior of the balcony including but not limited to, painting, caulking and waterproofing.

21.4. Maintenance Contractors

All maintenance, repair, or replacement for which the Unit owners or the Association are responsible shall be performed by contractors with the appropriate license and insurance. The Board of Directors will set standards for appropriate levels of insurance and may require proof of licensure, insurance and the procurement of any required permits before permitting a contractor onto the cooperative property. The Board may deny access to the property to any contractor performing work that requires approval from the Board of Directors hereunder until after such approval has been granted in the manner required herein.

22. ARTICLE 22: AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed at any regular or special meeting of the stockholders by a two-thirds (2/3) majority vote of all the stockholders (and not merely by a two-thirds (2/3) majority vote of the stockholders attending the meeting) provided that a copy of the proposed alteration, amendment or repeal of any bylaw be set forth in full in the notice of said meeting and the notice of said meeting at which said change, amendment or repeal is to be acted upon shall be served upon or mailed to each stockholder as provided for in Article 2.3 of the Bylaws.

IN WITNESS WHEREOF the undersigned President of this Corporation has executed these Bylaws, and the Amendments thereto which were adopted January 27, 2009 at a special meeting duly called for that purpose. Such Amended Bylaws were recorded on February 25, 2009 in the Official Records Book 23125, page 1718, of the Public Records of Palm Beach County Florida

Dated this 25 day of February, 2009.

Signed and Sealed in the presence of:

President _____
(Seal)

State of Florida, County of Palm Beach

On this ____ day of _____, _____, before me personally appeared _____, the President of Palm Worth, Inc., to me known to be the person executing the foregoing instrument in its name and behalf, and he/she acknowledged said instrument by him/her so executed to be his/her free act and deed as such officer and the free act and deed of Palm Worth, Inc.

NOTARY PUBLIC, STATE OF FLORIDA

APPENDIX A

PALM WORTH, INC., A COOPERATIVE RESIDENCE PROPRIETARY LEASE

THIS LEASE made this _____ day of _____, A.D. _____, by and between PALM WORTH, INC., a Florida corporation, hereinafter referred to as "LESSOR", located at 2850 South Ocean Boulevard, Town of Palm Beach, Palm Beach County, Florida 33480; and _____, hereinafter referred to as "LESSEE".

WITNESSETH:

WHEREAS, the Lessor is the fee simple owner of the following described parcel of land, situate, lying and being in Palm Beach County, Florida, to-wit:

The North 182 feet of the South 682 feet of that part of Tracts 1 and 2 in Section 23, Township 44 South, Range 43 East, lying east of State Road A1A, said Tracts 1 and 2 Section 23, being described as follows:

- Tract No. 1: Beginning at a point on the Atlantic Ocean which point is 1000 feet south of the south line of Palm Beach Estates, as per plat recorded in Plat Book 8, page 3, Public Records, Palm Beach County, Florida; from this point run west to waters of Lake Worth; thence run southerly, meandering waters of Lake Worth, 1907.06 feet, more or less, to the north line of right-of-way of road running from Lake Worth bridge to Atlantic Ocean; thence run east on north line of said road right-of-way to waters of the Atlantic Ocean; thence northerly, meandering waters of Atlantic Ocean, a distance of 1907.06 feet, more or less, to the point of beginning; together with all littoral and riparian rights pertaining thereto; subject to an easement to the public to that part of the land known as Ocean Boulevard.
- Tract No. 2: Beginning at the United States Government meander corner on the east shore of Lake Worth on the section line between Sections 23 and 26, Township 44 South, Range 43 East, as surveyed by William J. Reyes, United States Deputy Surveyor, in 1855, and approved by Francis L. Dancy, Surveyor General of Florida, in 1859; thence along the meander line south 1° 00' 00" west, 70 feet; thence south 89° 18' 00" west, 750 feet; thence north 2° 15' 00" west, 1907.22 feet, thence north 89° 18' 00" east, 731.2 feet to the intersection of said line with the United States Government meander line on the east shore of Lake Worth; thence along said meander line south 2° 30' 00" east, 138.6 feet; thence continuing along said meander line south 3° 00' 00" east, a distance of 1699.5 feet to the point of beginning first above described.

WHEREAS, said Palm Worth, Inc., the lessor herein, is a Cooperative Corporation organized under the laws of the State of Florida and subject to all the rights, restrictions and reservations therein contained and duly operated pursuant to its Articles of Incorporation, Bylaws, and House Rules as now exist and may be amended, modified or repealed; and

Appendix A
Palm Worth, Inc., A Cooperative Residence
Proprietary Lease

WHEREAS, the Lessee(s) here does (do) agree to recognize and accept all of said benefits, restrictions and reservations as herein above set forth and further by the execution hereof does (do) hereby expressly agree to accept this agreement subject to the same.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. TERM. The Lessor does hereby lease to the Lessee for a term beginning the ____ day of _____, 20____, that certain apartment known as Apartment No. ____ of the apartment building located on the real property hereinabove described, and which buildings' address is 2850 South Ocean Boulevard, Town of Palm Beach, Palm Beach County, Florida 33480.
2. LESSEE'S CONSIDERATION A copy of the Bylaws of Palm Worth, Inc. is attached hereto and made a part hereof by reference as if set forth verbatim herein. Lessee covenants as follows:
 - a) To pay all assessments required to be paid in said Bylaws, or as modified by future amendment to said Bylaws.
 - b) To comply with all of the terms and conditions of said Bylaws, including any future terms and conditions required of Lessee pursuant to amendments to said Bylaws
 - c) To comply with the house rules promulgated from time to time by the Board of Directors of the Lessor corporation.
 - d) This Proprietary Lease shall not be used as collateral in any form.

IT IS EXPRESSLY UNDERSTOOD by Lessor and the Lessee that this lease is subject to the Articles of Incorporation of Palm Worth, Inc. and to the Bylaws of Palm Worth, Inc. the Lessor.

Appendix A
Palm Worth, Inc., A Cooperative Residence
Proprietary Lease

IN WITNESS WHEREOF, the Lessor has caused this instrument to be signed by its President, duly attested by its Secretary and its corporate seal to be affixed hereto, and the Lessee has executed this instrument under seal the day and year first above written.

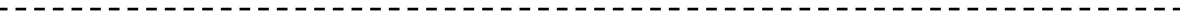
ATTEST: PALM WORTH, INC.

BY: _____
Secretary

BY: _____
President
(LESSOR)



(CORPORATE SEAL)



WITNESS: _____

_____ (SEAL)

WITNESS: _____

_____ (SEAL)
(LESSEE)