

BY-LAWS OF THE LAKES AT LA PAZ CONDOMINIUM
ASSOCIATION, INC., A NOT-FOR-PROFIT CORPORATION

ARTICLE I.
IDENTITY

These are the By-Laws of THE LAKES AT LA PAZ CONDOMINIUM ASSOCIATION, INC., a Florida corporation ("Association").

ARTICLE II.
PURPOSES

This Association has been organized for the purpose of being a condominium association within the meaning of the Condominium Act of the State of Florida (the "Act"), and in turn for the purpose of operating, governing, administering and managing the property and affairs of THE LAKES AT LA PAZ, a Condominium (the "Condominium") and to exercise all powers granted to it as a corporation under the laws of the State of Florida, these By-Laws, the Articles of Incorporation and the Declaration of Condominium to which these By-Laws are attached, and further to exercise all powers granted to a condominium association under the Act.

ARTICLE III.
DIRECTORS AND OFFICERS

1. Directors.

A. The affairs of the Association initially shall be managed by a Board of Directors composed of three (3) persons. The members of the first Board of Directors are designated in the Articles of Incorporation and need not be members of the Association. They shall serve until fifteen (15%) percent of the units in the Condominium are sold, at which time one (1) of them shall be replaced by a Director elected by the unit owners other than the Developer. Unit owners other than the Developer shall be entitled to elect two (2) Directors either three (3) months after ninety (90%) percent of the units have been sold; three (3) year after fifty (50%) percent have been sold; or when all of the units have been completed, some of them have been conveyed to purchasers and none of the units are being offered for sale by the Developer in the ordinary course of business; or when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer in the ordinary course of business, whichever shall be the first to occur. The Developer shall be entitled to elect at least one (1) Director as long as the Developer holds for sale in the ordinary course of business at least five (5%) percent of the units in the Condominium.

Until such time as the unit owners other than the Developer shall be entitled to elect all of the Directors, the Developer shall have the absolute right, in its absolute discretion and at any time, to remove any Director selected by the Developer and to replace the Director so discharged.

B. Directors shall be elected at each annual meeting of members to serve for a term of one (1) year and shall hold office until the next annual meeting of members and until qualified successors are elected.

C. At least fourteen (14) days before each annual meeting of members, a complete list of members entitled to vote at such election, together with the addresses of each, shall be prepared by the Secretary. Such list shall be maintained at the office of the Association for fourteen (14) days prior to the annual meeting of members, for the examination of every member of the Association and shall be produced and kept at the time and place of the annual meeting of members, subject to the inspection rights of any member who may be present.

D. Directors, other than the initial Board of Directors, shall be elected as follows:

(1) Nominations shall be from the floor at the annual meeting of members, and a vote shall be had by written, secret ballot. The election of each Director shall require a plurality of the votes held by those members of the Association voting, either in person or by proxy, at the election. All of the Directors shall be elected at the same meeting.

(2) Directors shall be members of the Association, except that this provision shall not apply to Directors selected by the Developer.

(3) Each Director who is present at a meeting of the Board of Directors, at which meeting action on any corporate matter is taken, shall be presumed to have assented to the action taken, unless such Director votes against such action or abstains from voting with respect to such action because of an asserted conflict of interest.

2. Officers.

The Officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer, any of whom may be members of the Board of Directors, and such other Officers as the Board of Directors may appoint. The President must be a member of the Board of Directors. The Officers named in the Articles of Incorporation shall serve, unless removed and replaced by the Developer, until the first meeting of the Board of Directors held subsequent to the first annual meeting of members, and at such meeting the Board of Directors shall elect the aforesaid Officers. Officers elected at the first meeting of the Board of Directors held subsequent to the first annual meeting of members, shall hold office until the next and ensuing annual meeting of the Board of Directors and until their successors shall have been elected and shall qualify.

3. Resignation, Vacancy, Removal, Compensation.

A. Any Director or Officer of the Association may resign at any time, by instrument in writing. Resignations shall take effect at the time specified therein, and if no time is specified, at the time of receipt by the President or Secretary of the Association. The acceptance of a resignation shall not be necessary to make it effective. A resignation shall be deemed to have occurred upon termination by the Director or Officer of membership in the Association.

B. Subject to the right of the Developer to replace Directors selected by the Developer, when a vacancy occurs on the Board of Directors, the vacancy shall be filled by the remaining

members of the Board of Directors at their next meeting, by electing a person who shall serve until the next annual meeting of the members.

When a vacancy occurs in an office for any cause before an Officer's term has expired, the office shall be filled by the Board of Directors at its next meeting by electing a person to serve for the unexpired term.

C. Any Director may be recalled and removed from office, with or without cause, pursuant to the provisions of Section 718.112(2)(k) of the Act, except that Directors elected by the Developer shall not be affected by this provision.

D. Upon an affirmative vote of a majority of the members of the Board of Directors, any Officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting called for such purpose.

E. No compensation shall be paid to Directors or Officers for their services as Directors or Officers.

ARTICLE IV.

POWERS AND DUTIES OF THE ASSOCIATION AND THE EXERCISE THEREOF

The Association shall have all powers granted to it by law, the Declaration of Condominium to which these By-Laws are attached, the Act as the same may be amended from time to time, and the Articles of Incorporation, all of which powers shall be exercised by its Board of Directors unless the exercise thereof is otherwise restricted by the Declaration of Condominium, these By-Laws, or by law; and the aforementioned powers of the Association shall include, but shall not be limited to, the following:

1. All of the powers specifically provided for in the Declaration of Condominium and the Act.

2. The power to levy and collect assessments, based on a budget formally adopted by the Board of Directors; provided, however, the Association shall not charge any fee for use by members of the common elements or of property owned by the Association, unless such use is the subject of a lease between the Association and the members. It is understood, however, that the failure of the Board of Directors or the members of the Association to adopt a budget shall not impair or affect the members' obligations to pay their share of the common expenses of the Condominium.

3. The power to acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including units in the Condominium, as may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in the Declaration of Condominium.

4. The power to expend monies collected for the purpose of paying the common expenses of the Association.

5. The power to purchase equipment, supplies and material required in the maintenance, repair, replacement, operation and management of the common elements.

6. The power to insure and keep insured the buildings and improvements of the Condominium as provided for and limited by the Declaration of Condominium. The Association shall, not less than forty-five (45) days prior to the effective date of any renewals or amendments to the Association's insurance coverage, which reflects the changes authorized by Chapter 84-368, Florida Statutes, notify each member of the changes to be made in the Association's insurance coverage, including a description of the property previously covered by the Association's insurance coverage which will no longer be covered and the effective date of such change.

7. The power to employ the personnel required for the operation of the common elements and the Association.

8. The power to pay utility bills for utilities serving the common elements.

9. The power to contract for the management of the Condominium.

10. The power to make reasonable rules and regulations and to amend them from time to time, and to see that all members are notified of such changes in the rules and regulations as may be enacted.

11. The power to improve the Condominium property, subject to the limitations of the Declaration of Condominium.

12. The power to enforce by any legal means the provisions of the Articles of Incorporation, the By-Laws, the Declaration of Condominium, and the Rules and Regulations duly promulgated by the Association.

13. The power to collect delinquent assessments by suit or otherwise, and to abate nuisance and enjoin or seek damages from unit owners for violation of the provisions of the Declaration of Condominium and its Exhibits.

14. The power to pay all taxes and assessments which are liens against the common elements, and to assess the same against the members and their units.

15. The power to deal with and approve or disapprove all conveyances or leases of condominium units as provided for under the Declaration of Condominium. No fee shall be charged in connection with the consideration of a transfer, lease or sale in excess of the expenditures reasonably required for consideration of such transfer, lease or sale, and this expense shall not exceed \$50.00 per applicant other than husband/wife or parent/dependant child which are considered one applicant. No charge shall be imposed in connection with an extension or renewal of a lease or sub-lease.

16. The power to select depositories for the Association funds, and to determine the manner of receiving, depositing and disbursing Association funds, and the form of check and the person or persons by whom the same shall be signed, when not signed as otherwise provided by these By-Laws.

17. The power to possess and exercise all powers necessary to implement, enforce and carry into effect the powers above

described, including the power to acquire, hold, mortgage, convey and deal in real and personal property.

18. The power to enter into, ratify, modify and amend each and every one of the agreements and undertakings contemplated by and contained within the Declaration of Condominium to which these By-Laws are attached.

19. The power to subscribe to and enter into a contract with any person, firm, corporation or real estate management agent of any nature or kind to provide for the maintenance, operation, repair and upkeep of the Condominium property. Said contract may provide that the total operation of said managing agent, firm, or corporation shall be at the cost of the Association. Said contract may further provide that the managing agent shall be paid from time to time a reasonable fee, either stated as a fixed fee or as a percentage of the total cost of maintenance, operation, repair and upkeep, or of the total funds of the Association handled and managed by the managing agent.

ARTICLE V.
DUTIES OF OFFICERS

1. The President shall:

A. Act as Presiding Officer at all meetings of the membership of the Association and of the Board of Directors.

B. Call special meetings of the Board of Directors and of members.

C. Sign all checks, contracts, promissory notes, deeds, and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons.

D. Perform all acts and duties usually required of an executive to insure that all orders and resolutions of the Board of Directors are carried out.

E. Appoint committees and be an ex-officio member of all committees, and render an annual report at the annual meeting of members.

2. The Vice President shall:

A. Act as Presiding Officer at all meetings of the membership of the Association and of the Board of Directors when the President is absent.

B. Perform all other acts and duties required of the President, in the absence of the President.

C. Perform such other duties as may be required by the Board.

D. Sign checks on behalf of the Association in the absence of the President.

3. Should the President and Vice President be absent from any meeting, the remaining Directors shall select a person to act as chairman of the meeting.

4. The Secretary shall:

A. Attend all regular and special meetings of the members of the Association and of the Board of Directors and keep all records and minutes of proceedings thereof or cause the same to be done.

B. Have custody of the corporate seal and affix same when necessary or required.

C. Attend to all correspondence on behalf of the Board of Directors, prepare and serve notice of meetings, keep membership books and receive all applications for membership, for transfer and lease of units, and present such applications to the Board of Directors for consideration.

D. Perform such other duties as the Board may determine and on all occasions in the execution of his duties, act under the supervision, control and direction of the Board of Directors.

E. Have custody of the minute book of the meetings of the Board of Directors and of the members, which minute book shall at all reasonable times be available at the office of the Association for inspection by members, or their authorized representatives, and by the Directors, and act as transfer agent to record transfers and rules and regulations in the corporate books. The minutes of all meetings of the Board of Directors and of the members shall be retained by the Secretary for a period of not less than seven (7) years.

F. Maintain copies of all documents required to be maintained by the Association in accordance with Section 718.111(7), Florida Statutes (the "Association Records"). The Association Records shall be maintained in Palm Beach County, Florida and shall be open to inspection by any member, or the authorized representative of such member, at all reasonable times.

5. The Treasurer shall:

A. Receive such monies as shall be paid into his hands for the accounts of the Association and disburse funds as may be ordered by the Board, taking proper vouchers for such disbursements, and be custodian of all securities, contracts, leases, and other important documents of the Association which he shall keep safely deposited.

B. Supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association. He shall prepare and distribute to all of the members of the Board of Directors, at least ten (10) days prior to each annual meeting of the Board of Directors, and whenever else required, a summary of the financial transactions and condition of the Association for the preceding year. He shall make a full and accurate report of the matters and business pertaining to his office to the members at the annual meeting of members and make all reports required by law.

C. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Board of Directors. In the event the Association enters into a management

agreement, it shall be proper to delegate such of the Treasurer functions to the management agent as is deemed appropriate by the Board of Directors.

ARTICLE VI.
MEMBERSHIP

1. Except as provided in the Articles of Incorporation, membership in the Association is limited to owners of condominium units in the Condominium. Membership is automatically conferred upon acquisition of a condominium unit, as evidenced by the filing of a deed of conveyance amongst the Public Records of Palm Beach County, Florida or, as provided in the Declaration of Condominium, for transfer of membership upon the death of a member.

2. If a condominium unit is owned by more than one owner, co-partners or a corporation, there shall nevertheless be only one membership assigned to such unit, and the vote for such membership shall be cast by the person designated in a Voting Certificate signed by all of the owners (or by the proper corporate officer) of said unit, filed with the Secretary of the Association. In the absence of such a writing, such vote shall not be counted except that a Voting Certificate shall not be required when a unit is owned by a husband and his wife only.

3. Membership in the Association may be transferred only as an incident to the transfer of title to the condominium unit.

4. Membership shall terminate upon the transfer of title to a condominium unit.

ARTICLE VII.
MEETINGS, SPECIAL MEETINGS, QUORUMS, PROXIES

1. Meetings of Members.

A. Annual meetings: The annual meeting of the Association shall be held at the office of the Association on the second Wednesday in January of each calendar year. At such meetings there shall be elected by ballot of the members, a Board of Directors, in accordance with the requirements of these By-Laws. The members may also transact such other business of the Association as may properly come before the meeting.

B. Special meetings: It shall be the duty of the President to call a special meeting of the members of the Association as directed by resolution of the Board of Directors or upon a petition signed by members having fifty-one (51%) percent of the total votes in the Association, having been presented to the Secretary. No business shall be transacted at a special meeting except as stated in the notice thereof. In addition, a special meeting of the members of the Association, to recall or remove a member of the Board of Directors, shall be called upon members having at least ten (10%) percent of the total votes in the Association giving notice of the meeting, provided the notice states the purpose of the special meeting.

C. Notice of meetings: It shall be the duty of the Secretary to provide notice of the annual meeting of members or of special meetings of members, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of

the Association, or, if no address appears, at his last known place of address, at least fourteen (14) but not more than forty (40) days prior to such meeting. Notice of the annual meeting of members shall be posted at a conspicuous place at the Condominium Property, at least fourteen (14) days prior to the annual meeting and at least 48 hours in advance of each other meeting, except in cases of emergency. If hand delivered, receipt of such notice shall be evidenced by receipt signed by the member. An officer of the Association shall provide an affidavit, to be included in the official records of the Association, affirming that notices of the Association meeting were mailed or hand delivered in accordance with the provisions of Section 718.112(2)(d), Florida Statutes, to each member at the address last furnished to the Association. Notice of any meeting at which assessments against members are to be considered shall specifically contain a statement that such assessments will be considered and the nature of such assessments.

D. Budgetary meetings: The Board of Directors shall mail a meeting notice to the members of the Association indicating the date, time and place of the meeting together with a copy of the proposed annual budget, not less than thirty (30) days prior to the meeting of the Board of Directors at which the budget will be considered. Such meeting will be open to members. If an adopted budget requires assessment against the members in any fiscal or calendar year exceeding 115% of the assessments for the preceding year, the Board of Directors, upon written application of members having not less than 10% of the total votes in the Association, shall call a special meeting of the members within thirty (30) days, provided that not less than ten (10) days' written notice is given to each member. At the special meeting, members may consider and enact a budget by a vote of not less than 51% of the total votes in the Association. If a meeting of members has been called and a quorum is not attained or a substitute budget is not adopted by the members, 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 reserves for repair or replacement of the Condominium property, anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis, or assessments for betterments to the Condominium property shall be excluded from the computation.

E. Quorum: The presence, either in person or by proxy, of members having at least 33-1/3% of the total votes in the Association shall constitute a quorum for the transaction of business at all meetings of members.

F. Adjourned meetings: If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided for by law, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

G. Voting: At every meeting of the members, each member present, either in person or by proxy, shall have the right to cast one vote on each question. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Declaration

of Condominium, a different vote is required, in which case such express provision shall govern and control. All voting shall be by secret ballot.

H. Proxies: A member may appoint a proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting and such proxy shall be valid only for the particular meeting designated in the proxy and any lawfully adjourned sessions thereof. In no event shall such proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given and every proxy shall be revocable, at any time, at the pleasure of the member granting it.

I. Waiver and consent: Nothing herein shall be construed to prevent a member from waiving notice of a meeting or acting by written agreement without a meeting, and such waiver and action by written agreement are hereby expressly permitted.

2. Meetings of Directors:

A. Organizational meeting: The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the whole Board of Directors shall be present.

B. Annual meetings: There shall be an annual meeting of the Board of Directors immediately prior to the annual meeting of the members, at the offices of the Association.

C. Regular meetings: The Board of Directors may establish a schedule of regular meetings to be held at such place as the Directors may designate, in which event no notice need be sent to the Directors once said schedule has been adopted.

D. Special meetings: Special meetings of the Board of Directors may be called by the President, on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two-thirds of the Board of Directors.

E. Notice to members: All meetings of the Board of Directors shall be open to members. Notice of the time and purpose of all meetings of the Board of Directors shall be conspicuously posted at the Condominium Property at least 48 hours prior to each meeting, except in cases of emergency.

F. Waiver of Notice: Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be deemed a waiver of notice by him of the time and place thereof, unless such Director attends a meeting for the sole purpose of objecting to the propriety of the notice provided to him.

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

ARTICLE VIII.
PROCEDURE

1. Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Declaration of Condominium, the Articles of Incorporation, these By-Laws or applicable Florida law.

2. The order of business at annual members' meetings and as far as appropriate at other members' meetings will be:

- A. Election of Chairman;
- B. Roll Call;
- C. Proof of Notice of Meeting; or Waiver of Notice;
- D. Reading of Minutes of Prior Meeting;
- E. Officers' Reports;
- F. Committee Reports;
- G. Election of Inspectors of Election;
- H. Elections;
- I. Unfinished Business;
- J. New Business;
- K. Adjournment.

ARTICLE IX.
ASSESSMENTS AND MANNER OF COLLECTION

1. The Board of Directors has the sole power to and shall from time to time fix and determine the amounts necessary to pay the common expenses of the Condominium and the Association. The common expenses include those expenses described in the Declaration of Condominium and any other expenses designated as common expenses by the Board of Directors, under the authority and sanction of the Declaration of Condominium and the Act.

2. The Board shall adopt a budget for the Association and the Condominium during the month preceding the fiscal year wherein the budget will take effect, which budget shall include a schedule of assessments to be paid by the members. Each member shall be responsible for the payment of the assessments imposed against his unit in an amount equal to the percentage of responsibility for payment of common expenses provided in the Declaration of Condominium.

3. Regular assessments shall be paid by the members on a monthly basis, payable on the first day of each and every month.

4. Special assessments should they be required by the Board of Directors, shall be levied and paid in the same manner as regular assessments, unless the Declaration of Condominium shall otherwise provide.

5. When the Board of Directors has determined the amount of any assessments, the Secretary shall transmit a statement of such assessment to each member. Until further notice, assessments shall be made payable to the Association and shall be payable at the office of the Association.

Assessments are necessarily made upon projections and estimates of the Board of Directors, and may be in excess of, or less than the sums required to meet the cash requirements of the Condominium and the Association, in which event the Board of Directors may increase or diminish the amount of an assessment and make such adjustments in cash, or otherwise as they shall deem proper, in their sole discretion, including the assessment of each member of his proportionate share for any deficiency. Notice of all changes in assessments shall be given to all members.

6. Assessments shall not include charges for utilities separately charged and metered to each unit, nor charges for alterations, repairs, maintenance, improvements, or decorating within the interior of any unit.

7. Assessments not paid within ten (10) days from the date due shall bear interest from the date when due until paid at the rate of eighteen (18%) percent per annum. Additionally, the failure to pay any assessment within ten (10) days from the date due shall entitle the Association to levy a \$25.00 late charge against the delinquent member for each thirty (30) day period that the assessment remains delinquent.

8. In the event an assessment is not paid within ten (10) days of the date same shall be due and payable, the Association, through the Board of Directors, may proceed to enforce and collect said assessments from the delinquent member in any manner provided for by the Act, the Declaration of Condominium and these By-Laws; provided, however, that a fine cannot become a lien against the unit owned by the affected member. Each member shall be individually responsible for the payment of assessments against his unit and for the payment of reasonable attorneys' fees and costs incurred by the Association in the collection of sums due and the enforcement of any lien held by the Association.

9. If the proposed annual budget is not adopted prior to the start of the new fiscal year, an assessment shall be presumed to be made in the amount of the last prior assessment and monthly installments on such assessment shall be due upon each installment payment date until changed by an amended assessment.

ARTICLE X. FISCAL MATTERS

1. Fiscal year: The fiscal year of the Association shall be the same as the fiscal year of BOCA POINTE COMMUNITY ASSOCIATION, INC., which presently commences on February 1 of each year.

2. Depositories: The funds of the Association shall be deposited in a savings and loan association or bank or banks in Palm Beach or Broward Counties, Florida, in an account for the Association under resolutions duly approved by the Board of Directors, and shall be withdrawn only over the signature of the authorized Officers. Said funds shall be used only for Association purposes.

If necessary, and if demanded by Institutional Mortgagees, separate accounts shall be established to maintain and disburse escrow funds required by Institutional Mortgagees to meet mortgage requirements as to establishment of escrows for real estate taxes and insurance respecting condominium units.

3. Fidelity bonds: Fidelity bonds shall be required for all persons handling or responsible for Association funds, in the principal sum of not less than \$10,000.00 for each such person. The premium for such bonds shall be paid for by the Association.

4. Records: The Association shall maintain accounting records according to good accounting practice, which records shall be open to inspection by members at reasonable times. Such records shall include a record of receipts and expenditures for each member, shall designate the name and address of the member the amount of each assessment, the amounts paid upon the account and the balance due, in a register of names for the benefit of any mortgage holders or lien holders who have notified the Association of their liens, and to which lien holders the Association will give notice of default, if requested.

5. Annual report: An audit of the accounts of the Association shall be made annually by an auditor, accountant or Certified Public Accountant and a copy of the financial statement obtained from such audit shall be furnished to each member no later than the first day of April following the fiscal year for which the report is made. The report shall be deemed to be furnished to the member upon its delivery or by mailing to the member at his last known address as shown on the books and records of the Association.

6. Insurance: The Association shall procure, maintain and keep in full force and effect, all insurance required by the Declaration of Condominium pursuant to the provisions of the Declaration of Condominium.

ARTICLE XI.

ADMINISTRATIVE RULES AND REGULATIONS

The Board of Directors may, from time to time, adopt rules and regulations governing the details of the operation and use of the common elements, and such other rules and restrictions as are designed to prevent unreasonable interference with the use of the units, limited common elements and common elements by the members and all members shall abide thereby, provided that said rules and regulations shall be equally applicable to all members and uniform in their application and effect.

ARTICLE XII.

VIOLATIONS AND DEFAULTS

In the event of a violation, other than nonpayment of an assessment by a member, of any of the provisions of the Declara-

tion of Condominium, these By-Laws, the Rules and Regulations of the Association, the Articles of Incorporation or any provision of the Act, the Association, after reasonable notice to cure not to exceed ten (10) days, shall have all rights and remedies provided by law, including without limitation (and such remedies shall or may be cumulative) the right to sue for damages, the right to seek injunctive relief, and in the event of the failure to pay assessments, the right to foreclose its lien provided in the Act and in every such proceeding, the member at fault shall be liable for court costs and the Association's reasonable attorneys' fees. If the Association elects to enforce its lien by foreclosure, the Association shall be entitled to petition a court of competent jurisdiction to cause the member to pay the Association a reasonable rent for his condominium unit during litigation and the Association shall be entitled to the appointment of a receiver to collect such rent. A suit to collect unpaid assessments may be prosecuted by the Association without waiving the lien securing such unpaid assessments.

ARTICLE XIII.
AMENDMENT OF BY-LAWS

Subject always to the provisions of the Declaration of Condominium, these By-Laws may be amended, modified or rescinded in accordance with the Declaration of Condominium or by a resolution duly adopted by a majority of the Board of Directors at any duly called meeting of the Board of Directors, and thereafter submitted to the members at any duly convened meeting of the members and approved by members, present in person or by proxy, having at least 75% of the votes at the meeting, provided that notice of the proposed amendment (unless waived) is given in the notice of the meeting, and further provided that the voting requirements of the Declaration of Condominium are met in full, in the appropriate cases. Amendments to these By-Laws may be proposed by the Board of Directors, acting upon the vote of a majority of the Directors, or proposed by members of the Association having a majority of the total votes in the Association.

No amendment shall discriminate against any unit owner nor any class or group of unit owners unless the unit owners so affected shall consent. No amendment shall be made that is in conflict with the Articles of Incorporation or the Declaration of Condominium. No amendment which affects the Developer may be adopted or become effective without the prior written consent of the Developer. No amendment which affects the rights of mortgagees may be adopted or become effective without the prior written consent of the Institutional Mortgagee having the highest dollar value of mortgages encumbering units in the Condominium. No By-Law shall be revised or amended by reference to its title or number only. Proposals to amend existing By-Laws shall contain the full text of the By-Laws to be amended; new words shall be inserted in the text and underlined and words to be deleted shall be lined through with hyphens. However, if the proposed change is so extensive that this procedure would hinder, rather than assist, the understanding of the proposed amendment, it is not necessary to use underlining and hyphens as indicators of words added or deleted, but, instead, a notation must be inserted immediately preceding the proposed amendment in substantially the following language: "Substantial re-wording of By-Law. See By-Law Article ____ for present text." Non-material errors or omissions in the By-Law process shall not invalidate an otherwise properly promulgated amendment.

A copy of each amendment shall be attached to a certificate stating that the amendment was duly adopted as an amendment of the By-Laws, which certificate shall be executed by the Officers of the Association with the formalities of a deed. Each amendment to the By-Laws must set forth, on the first page thereof, the book and page of the public records where the Declaration of Condominium for the Condominium has been recorded. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Public Records of Palm Beach County, Florida.

ARTICLE XIV.
VALIDITY

If any portion of the By-Laws shall be adjudged invalid, such fact shall not effect the validity of any other By-Law.

ARTICLE XV.
ENFORCEMENT

Every member and every approved lessee shall comply with the provisions of the Declaration, these By-Laws, the Articles of Incorporation of the Association and all Rules and Regulations adopted by the Association, as same may be amended from time to time. Failure of a member or approved lessee to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief or any combination thereof. In addition to all other remedies, in the sole discretion of the Board of Directors of the Association, a fine or fines may be imposed upon a member or approved lessee for failure of a unit owner, or approved lessee, or their family members, guests, invitees or employees, to comply with any covenant, restriction, rule or regulation set forth in the Declaration, or in the Articles of Incorporation or in the By-Laws or with respect to the Rules and Regulations adopted by the Association, provided the following procedures are adhered to.

1. Notice. The Association shall provide written notification to the member or approved lessee of the infraction or infractions. Included in the notice shall be the date and time of the next Board of Directors' meeting at which time the member or approved lessee shall present reasons why penalties should not be imposed. At such meeting, the member or approved lessee shall be entitled to be represented by counsel (at his expense) and cross-examine and present witnesses and other testimony or evidence.

2. Hearing. The non-compliance shall be presented to the Board of Directors after which the Board of Directors shall hear reasons why penalties should not be imposed. Formal rules of evidence shall not apply. A written decision of the Board of Directors shall be submitted to the member or approved lessee not later than twenty-one (21) days after the Board of Directors' meeting.

3. Fines. The Board of Directors may impose a fine against the member or the approved lessee in an amount not to exceed Fifty and No/100 (\$50.00) Dollars.

4. Payment of Fines. Fines shall be paid not later than thirty (30) days after notice of the imposition or assessment of the penalties.

5. Collection of Fines. The Association is hereby authorized to collect all fines imposed in the same manner as the Association may collect all obligations owed to it; provided however, that a fine cannot become a lien against the unit owned by the affected member.

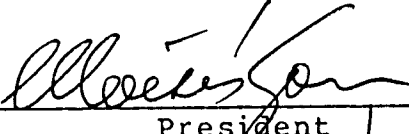
6. Application of Penalties. All monies received from fines shall be allocated as directed by the Board of Directors.

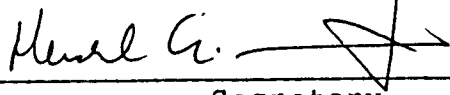
7. Non-Exclusive Remedy. These fines shall not be construed to be exclusive remedies and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any fine paid by the offending member or approved lessee shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from such member or approved lessee.

ARTICLE XVI.
ARBITRATION

All internal disputes arising from the operation of the Association and the Condominium, among the developer, members, the Association and their agents and assigns, shall be submitted to voluntary binding arbitration in accordance with the rules and regulations adopted by the American Arbitration Association.

The foregoing was adopted as the By-Laws of THE LAKES AT LA PAZ CONDOMINIUM ASSOCIATION, INC., a not-for-profit Florida corporation, at a meeting of the members of said Association duly noticed, at which all members were present, by the unanimous vote of the members on the 6th day of April, 1988.



President


Secretary

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06/11/87