BY-LAWS OF ROYAL SCOT APARTMENTS, **INC.**

569 Bayshore Drive

Fort Lauderdale, Florida 33304

(As amended March 1, 1973, February 3,1993, 1995, March 13, 2000, March 1,

2010, June 3, 2013, February 13, 2017 and March 5, 2018

ARTICLE I

SECTION 1. The name of this corporation shall be ROYAL SCOT APARTMENTS, INC., hereinafter referred to as ROYAL SCOT.

SECTION 2. Its principal office shall be located in Fort Lauderdale, Florida.

ARTICLE II

Ownership

Proprietary Leases

SECTION 1. There shall be no stock certificates issued by this Corporation, but instead there shall be twelve (12) Proprietary Leases issued by the

Corporation. One Proprietary Lease shall be issued to each of the owners of the various individual apartments in the cooperative, known as ROYAL SCOT. The price for the issuance of said Proprietary Lease shall be the sales cost of said apartment.

SECTION 2. All Proprietary Leases shall be signed by the President or Vice President and Secretary and shall be sealed with the corporate seal.

SECTION 3. The form of the Proprietary Lease to be issued shall be decided by the Board of Directors of the Corporation.

SECTION 4. Transfers of Proprietary Leases shall be made only on the books of the Corporation and the old Lease, properly endorsed, shall be surrendered and cancelled before a new Lease is issued. All transfers must be made by the holders of the Proprietary Lease or by their legal representative and all of said transfers are subject to the provisions of these By-Laws.

SECTION 5. In case of the loss or destruction of the Proprietary lease, a new Proprietary Lease shall be issued only upon the giving of satisfactory proof to

the Board of Owners of such loss or destruction. Any new lease shall be plainly marked "duplicate" upon its face.

The Corporation shall be entitled to treat the registered holder of any lease as the full owner thereof and unless express notice is given to the Corporation of any interest not appearing upon the face of the Lease, it shall not be required to recognize such interest.

SECTION 6. Each Lease shall entitle owner and holder to one vote in the management of the Corporation.

SECTION 7. The Corporation shall maintain a suitable register for the recording of pledged Leases. Any pledgee of a Lease may, but is not obligated to, notify the Corporation of the pledge and the terms thereof, furnishing the Secretary of the Corporation with such information as may be required by the Board of Owners. In the event notice of default is given any owner under the applicable provisions of the By-Laws, a copy of such notice shall likewise be mailed to the registered pledgee. In addition, in the event of the sale of the Corporation of its assets, and prior to the distribution of the proceeds thereof to the owners, suitable notice shall be given to all registered pledgees. No other obligation is accepted or assumed by the Corporation with respect to such registration of pledged Leases. The Corporation does not assume any liability for reason of the non-delivery of any notice to any pledgee.

SECTION 8. The Corporation shall have a first lien upon all of the individual Leases registered in the name of each owner for debt due the Corporation by said owners.

ARTICLE Ill

Classes of Proprietary Leases

SECTION I. There shall be one type of ownership of Proprietary Leases Resident. A Resident Owner shall be defined any natural person or persons owning a Proprietary Lease under which the owner is currently entitled to full occupancy rights and full voting rights in the affairs of the Corporation.

SECTION 2. The holder of a Resident Proprietary Lease, who has been approved by the Board of Owners, shall be entitled to full occupancy rights in the apartment covered by the said Proprietary Lease pursuant to the rules and regulations and By-Laws of the Corporation.

ARTICLE IV

Courtesy Occupant

SECTION 1. A "Courtesy Occupant" is defined as an occupant of an Owner's apartment when the Owner is not in residence. A Courtesy Occupant is a person or persons other than the Owner's lawful spouse or any member of his family related to him by blood within the second degree. No rentals of apartments will be allowed. All owners may allow a "Courtesy Occupant" to enjoy the privilege of use of their apartment without the payment of rental or board approval. No "Courtesy Occupancy" shall be allowed for a period In excess of 14 days, cumuiatively, in any 12 month period coinciding with the calendar year.

SECTION 2. Violation of ARTICLE IV SECTION 1 may result in fines or suspension of rights consistent with current Florida Statutes.

SECTION 3. No more than 6 Courtesy Occupants/Guests shall be allowed at any given time to occupy a unit owner's apartment Owners are liable for any and all damages by Courtesy Occupants/Guests to Royal Scot property.

ARTICLE V

Transfer or Sale of Proprietary Lease

SECTION 1. All owners shall be notified, and have the right of first refusal for fifteen (15) days, if any Proprietary lease is to be offered for sale.

SECTION 2. Application for transfer of a Proprietary Lease. The Owner of a Proprietary Lease shall transfer the apartment assigned to the Proprietary Lease only with the consent in writing of the Board of Owners.

Appiication for transfer shall include references which must be approved by the Board of Owners.

SECTION 3. If said transfer is approved and the Owner's accounts have been placed in good standing and are not delinquent, said transfer may be accomplished upon the books of the Corporation, and the Owner after that shall be relieved of any further liability on said lease.

SECTION 4, The approval or disapproval by the Board of Owners of the transfer of a Proprietary Lease shall be final and no liability shall be incurred by

said Board by reason of approval or disapproval.

SECTION 5. The Secretary of the Corporation shall maintain a register showing the owners and holders, including any pledgees of record, of all Proprietary Leases.

SECTION 6. All future buyers/sellers are responsible for paying any associated costs incurred by Royal Scot when a unit is sold.

ARTICLE VI

SECTION 1. Regular Assessments: Each owner is subject to the payment of assessments for the upkeep and maintenance of the Corporation property. The Board of Owners of the Corporation shall from time to time fix and determine the sums of money needed for the continued ownership and operation of the apartment building. It shall determine the amount required to meet operating costs such as taxes, insurance, repairs, improvements, utilities , salaries of employees and other such sums necessary for the upkeep, operation and maintenance of the Corporation property, The cost of such requirements shall be assessed as a single sum against twelve (12) apartments and in accordance with the percentage assigned to each apartment as follows:

|  |  |  |
| --- | --- | --- |
| Apartment | 1 | 7.75% |
| Apartment | 2 | 7.65% |
| Apartment | 3 | 8.95% |
| Apartment | 4 | 7.75% |
| Apartment | 5 | 7.65% |
| Apartment | 6 | 8.95% |
| Apartment | 7 | 7.75% |
| Apartment | 8 | 8.95% |
| Apartment | 9 | 8.95% |
| Apartment | 10 | 7.75% |
| Apartment | 11 | 8.95% |
| Apartment | 12 | 8.95% |

Such percentage shall not he changed except with the unanimous consent of the owners of all the apartments.

SECTION 2. Special Assessments: Special assessments, should such be required, shall be levied and paid in the manner of regular assessments

depending on the purpose of said assessments.

All assessments paid by individual owners to the Corporation for maintenance, operations, mortgage payments, if any, insurance, etc., shall be utilized by

the Corporation in paying the obligations of the Corporation as authorized by the Board of owners. Any excess of monies received from assessments paid by individual owners and held by the Corporation at the conclusion of its taxable year, whether calendar or fiscal, shall be used by said Corporation to apply against future expenses of the Corporation.

**ARTICLE VII**

Default

SECTION 1. Assessments: In the event an assessment is not paid within thirty

(30) days from the date of mailing of notice, the Corporation may treat such failure to pay as intentional, inexcusable, and a material breach of the proprietary Lease and thereupon the Corporation, by a second notice in writing transmitted to the apartment Owner by registered or certified mail with return receipt requested, may at its option, advise the Owner that thirty (30} days after the receipt of the second notice declare the lease terminated and without further force and effect unless such default has been removed with the thirty (30) day period.

SECTION 2. Other Breaches of Conditions of the Lease: In the event of a violation by the Owner or by any person or persons in possession by or through the Owner of any provisions of the Proprietary Lease, By-Laws, Certificate of incorporation, or rules established by the Board of Owners, the Corporation may by direction of its Board of Owners notify the Owner of such breach by written notice transmitted by registered or certified mail with return receipt requested that if such violation continues or thirty (30) days after the receipt of the letter, the Corporation shall have the right to treat such a violation as intentional, inexcusable and material. The Corporation can thereupon declare the lease terminated and without further force and effect unless such breach has been remedied within the thirty (30) day period,

11v,.,. "'· 111u1ic: e\len a an wner, or any o er person or persons m possession by or through the right of the Owner, shall fail to vacate said apartment upon the termination of the lease aforesaid, the Corporation may bring such action or actions as may be necessary under the iaws of the State of Florida to effect an eviction of said Owner or other person and regain

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possession of said apartment In this connection, all of the applicable provisions of Florida Statutes, are incorporated herein by reference and made a part thereof.

In addition to all of the other remedies afforded it, the Corporation shall have a lien against the Owner's Proprietary Lease to the extent of any sums due the Corporation which are not paid when due. If said sums are not paid within thirty (30} days after the Owner has been given registered notice as provided for in paragraph above, the Corporation may, at its option, proceed to foreclose said lien in the Circuit Court of Broward County, Florida, in the same manner as foreclosure of mortgage liens in the State of Florida, and the Corporation shall be entitled to receive, in addition to any sums of principal due or late charges, all their costs and their reasonable attorney's fee incurred in connection with said foreclosure, The Corporation shall be entitled to bid at any sale held pursuant to said foreclosure decree and to apply against said bid all sums due the Corporation for principal or late charges.

SECTION 4, The decision to oust a courtesy occupant shall be in the sole discretion of the Board of Owners, as the purpose back of this provision is to insure that occupants of the apartment building owned by the Corporation conduct themselves and their households in a manner which will maintain the high standards of a first-class apartment building .

ARTICLE VIII

Surrender of Premises

In the event of termination of the Proprietary Lease or termination of the occupancy rights there under, the Owner, or any other person or persons in possession by or through the right of the Owner, shall promptly quit and surrender the apartment unit to the Corporation in good repair, ordinary wear and tear and damages by fire or other acts of God excepted, and the Corporation shall have the right to re-enter and to repossess the apartment unit. The Owner. for himself and any successor of interest by operation of law or otherwise, hereby waives any and all notice and demand for possession if such be required by the laws of the State of Florida.

ARTICLE IX

Owners Meetings

SECTION 1. An owner shall act in the dual capacity of an owner and director and shall be entitled to all the privileges and assume all the responsibilities of both capacities immediately his purchase of a Proprietary Lease is approved by the Board of Owners he takes title to the lease at the time of settlement.

SECTION 2. The property, business and affairs of the Corporation shall be managed by a Board of twelve (12) owners who will function as a Board of Owners, In the outline of duties and responsibilities shown in the Proprietary Lease and the By-Laws the terms Owner and Director are therefore used interchangeably, The Managing Board shall be known as the Board of Owners.

SECTION 3. The Annual Meeting of all Owners and, therefore, of the Board of Owners shall be held on the first Monday in March of each year at Fort Lauderdale, Florida, or, with the unanimous consent of all the Owners, at some other place in the United States. A ten day notice is to be sent giving the time, date and place of such meeting.

SECTION 4. A special meeting of the Board of Owners shall be called by the President and, in his absence, by the Vice President, or by seven (7) of the Board of Owners, to be held in Fort Lauderdale, Florida, or with the unanimous consent of all the Owners, at some other place in the United States. Five days notice in writing shall be given showing the time and place of the meeting.

SECTION 5. Notices of annual or special meetings can be waived provided that such waiver be in writing and signed by all twelve (12) Owners.

SECTION 6. An annual or special meeting of the Board of Owners called for the purpose of amending the Certificate of Incorporation, Proprietary Lease, or By­ laws, sale or mortgage of the property, or removal of an officer shall require the consent in writing or affirmative vote of at least nine (9) out the twelve (12) Owners in regard to any action taken at the meeting.

SECTION 7. Each owner shall be entitled to one vote in person or one vote by use of a limited proxy complying with Florida Statutes. All of the provisions of the Act regarding Limited Proxies are incorporated into these by-laws by reference. Currently Section 719.106 (b) of the Florida Statutes.

SECTION 8. A quorum for the transaction of business at any annual, regular or

special meeting of the Board of Owners shall be seven (7) Owners but a majority of those present shall have the power to recess the meeting to some future date.

SECTION 9. The Board of Owners may establish a schedule of regular meetings to be held at 569 Bayshore Drive or any other agreed upon place and no notice shall be required to be sent to such Owners of said meetings once said schedule has been adopted.

SECTION 10. Board approval will be required for non-routine expenditures for building additions or alterations, major repairs, additions and replacements of equipment and planting in excess of $500. An expenditure of less than this can be approved by an Owner to whom the responsibility for a given function has been assigned, or by the President or his delegate if responsibility is unassigned.

SECTION 11, If seven (7) members of the Board cannot be assembled (or reached conveniently and promptly without undue expense) to consider an emergency measure which may require the immediate expenditure of funds or the commitment of the Corporation to some future act or position, the Board will support the action of any Owner in residence, the banking representative, or the legal representative of the Corporation taken to meet such an emergency. The only condition is that in the judgment of the Owner, banking representative, or legal representative, such action must be necessary in order to minimize any loss and/or preserve the value of the property, or limit liability of the Owners.

SECTION 12. The Board of Owners shall elect the officers of the Corporation at the annual meeting.

ARTICLEX

Officers

SECTION 1. The officers of this Corporation shall be a President, a Vice President, a Secretary, and a Treasurer, who shall be elected for the term of one year and shall hold office until their successors are duly elected and qualified.

SECTION 2. All officers must be the holders and Owners of Proprietary Leases except the Secretary. The offices of Secretary and Treasurer may be held by one person but the President may only hold one office.

SECTION 3, The President shall be the chief executive officer and shall preside at all Owners' Meetings and shall have executive powers and general

supervision over the affairs of the Corporation and other offices. The President shall sign all leases and other written contracts of the Corporation. He shall perform all other duties as are incident to his office.

SECTION 4. The Vice President of the Corporation shall perform all of the duties of the President in his absence and such other duties as may be required of him by the Board of Owners.

SECTION 5. The Secretary shall issue notice of all Owners' meetings, and shall attend and keep the minutes of the same; shall have charge of all the corporate books, records and papers; shall be custodian of the corporate seal; shall attest with his signature and impress with the corporate seal, all Proprietary Leases and written contracts of the Corporation; and shall perform all such other duties as are incident to his office.

SECTION 6. The Treasurer shall be head of the Finance Committee and Director of the Budget and shall have custody of all money and securities of the Corporation and shall give bond, in such sum and with such sureties as the Board of Owners may require, conditioned upon the faithful performance of the duties of his office.

SECTION 7. Any vacancy in the office of President, the Vice President, Treasurer, Secretary or any other officer or employee for any reason whatsoever shall be filled by the Board of Owners, who shall elect a successor to the vacant officer, who shall hold the office for the balance of the unexpired term.

SECTION 8. The duly elected officers of this Corporation, and the duly appointed Chairman of the Housing Committee shall constitute the Board of Administration.

ARTICLE XI

SECTION 1. The funds of the Corporation shall be deposited in a bank in Fort Lauderdale. Florida. The Board of Owners shall establish by resolution the selection of a bank, procedure for approval of bills for payment, signature requirement for checks, and other methods for the disbursement of funds\_

SECTION 2. For accounting purposes, the Corporation shall operate upon the calendar year beginning on the first day of January and ending on the 31st day of December of each year. The Board of Owners is expressly authorized to change this fiscal year at any lime for the convenience of the Corporation.

ARTICLE XII

Amendment of By-Laws and Certificate of Incorporation

SECTION 1. The By-Laws or Certificate of Incorporation may be altered, amended or repealed at any regular or special meeting of the Board of Owners, provided that the notice of said meeting includes advice concerning the general nature of the proposed changes. Approval by vote or written consent of at least nine (9) Owners is required for all such changes,

SECTION 2. The By-Laws or Certificate of Incorporation may not be altered, amended or repealed to change the formula or procedure for the levying of assessment, or to change in any way the Owner's equity assigned to each of the apartment units.

ARTICLE XIII

Sale, Lease, Exchange or Mortgage of Corporate Property, Consolidation, Merger, or Dissolution of the Corporation

SECTION 1. The property belonging to the Corporation shall not be sold, leased, exchanged or mortgaged as an entirety without the approval by vote or written consent of at least nine (9) out of twelve (12) Owners of Proprietary Leases.

SECTION 2. The consolidation, merger or dissolution of the Corporation shall be governed by the applicable laws of the State of Florida in existence at the time such action is taken.

ARTICLE XIV

Owners' Equity

SECTION 1. Each owner of a Proprietary Lease shall have an equity in accordance with pre-stated percentage in the assets of the Corporation and shall be entitled to receive their percentage of the net proceeds of the assets of the Corporation upon sale or liquidation.

ARTICLE XV

Provisions of the Proprietary Lease

SECTION I. An owner shall agree to the terms and conditions of his/her/their Proprietary Lease, as written and amended, the enforcement of which (or failure thereof) is the responsibility of the Board of Owners. The Owner, as a member of this Board shall therefore share in this responsibility and do everything in his power, actively and Immediately, to oppose any breach of, and to enforce complete compliance with the terms and conditions of the Lease on the part of any other Owner.

SECTION 2. Insertion of an air-conditioner into a vertical wall without interference with the reinforcing steel supporting wall or with the piping distributions or changes to windows or other openings, is not considered a structural change within the meaning of this Lease. Only air-conditioners of an approved manufacture or type may be installed, and in an established pattern if practicable, with due regard to the purpose of the installation of satisfactorily cooling or heating air in the room or rooms where installed.

SECTION 3. The following Rules and Regulations of Royal Scot shall govern the conduct of Resident Owners, their Guests and Courtesy Occupants. These Rules and Regulations shall be subject to the provisions of the By-Laws and Proprietary Lease as written and amended.

1. No children under twelve (12) years of age shall be permitted as permanent occupants of any of the apartments of ROYAL SCOT.
2. Pets will be allowed at Royal Scot subject to prior approval by the Royal Scot Pet Board and Owners must submit an application and agree in writing to abide by the rules and regulations set forth by the Pet Board. The Pet Board will be headed by the President. Other members will be comprised of pet owners and non-pet owners.
3. SECTION 1. (Deleted March 5, 2018 - Duplicate Courtesy Occupant bylaw)

SECTION 2. (Deleted March 5, 2018 - Duplicate Courtesy Occupant bylaw)

1. All "Courtesy Occupants" of an Owner not in residence are not permitted to bring in outside guests to use the Owner's apartment, or any "Royal Scot facilities".
2. Please be considerate. Keep noise to a minimum, especially during late and early hours when people are sleeping. Radios and televisions must not be played at a level to disturb neighbors, Picture hanging, hammering and any other noisy tasks necessarily at times should be done only after 9:00 AM. Disposals should not be used at late hours.
3. Repairs within the apartment are the responsibility of the owner.
4. Nothing may be hung on railings at the Royal Scot. Areas have been provided downstairs on both sides of the building for the use of all Owners and guests.
5. All parking areas are assigned for the exclusive use of the owners and extra guests must use space elsewhere. All auto bumpers must not go over sidewalk, by Police Department orders.

9, Drinks are permitted on the patio using "plastic glasses" only.

1. Owners must assume full responsibility in handling "washer and dryer" equipment.
2. When in bathing attire, and when using lotion, all outside chairs must be covered with beach towels.
3. Posted pool rules must be observed. Shower off grease and lotion before entering the pool.
4. Guests of owners will be extended invitations to all social programs.

END OF BY-LAWS

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