

Name

Address:

✓
Alan Pinlwasser
2145 NE 204th St.
North Miami Bch, FL
33179

MAR-08-1996 9:03am 96-078776
ORB 7156 Pg 1075
RECORDED INDEXED FILED

Property Appraisers Parcel Identification (Folio) Number(s):

①

State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of MADISON LAKES HOMEOWNERS ASSOCIATION INC., a Florida corporation, filed on November 2, 1995, as shown by the records of this office.

The document number of this corporation is N9500005245.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Sixth day of November, 1995



CR2EO22 (2-95)

Sandra B. Mortham

Sandra B. Mortham
Secretary of State

ARTICLES OF INCORPORATION OF MADISON LAKES HOMEOWNERS ASSOCIATION
INC., a FLORIDA CORPORATION NOT-FOR-PROFIT

WE the undersigned acknowledge and file in the office of the Secretary of State of the State of Florida in order to form a corporation not for profit under Chapter 617 of the Florida Statutes and the laws of the State of Florida these Articles of Incorporation.

ARTICLE I

NAME

The name of the corporation shall be Madison Lakes Homeowners Association Inc. For convenience the corporation shall hereinafter be referred to as the "Association".

ARTICLE II

PURPOSES

The purpose for which the Association is organized is to provide an entity which will maintain and administer the common areas and other facilities of that certain residential community known as Madison Lakes, situate in Palm Beach County and exercise the various functions necessary to effectuate the above as well as covenants, conditions, restrictions, agreements and limitations as recorded or which will be recorded, which have or will further encumber said property. Further a Declaration of Restrictions as are being recorded in the Public Records of Palm Beach County, Florida are incorporated herein by reference and made a part hereof and are further covered by the aforesaid. The Association shall

have the power and duties reasonably necessary to operate and maintain the Association including but not limited to all powers and privileges and perform all duties and obligations of the Association as set forth in the Declaration which will hereinafter be recorded in the Public records of Palm Beach County, Florida and aa same may be amended from time to time as therein provided said Declaration to be incorporated herein as set forth at length as relating to the property as encumbering the legal description which is attached hereto. Such documentation shall hereinafter be referred to collectively as the "restrictions of record." As such entity it shall be the purpose of this Association to maintain, administer and enforce all of the provisions of the restrictions of record.

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any member or individual person, firm, or corporation.

ARTICLE III

POWERS

The powers of this Association shall include but shall not be limited to the following:

1. The Association shall have all of the common law powers of a corporation not for profit, as well as those granted by the Florida Statutes, which are not in conflict with the terms of these Articles, the restrictions of record, or the By-Laws of the Association.

2. The Association shall have the power to contract for the management of the Association and to delegate to the party with whom such contract has been entered the powers and duties of the Association except those which require approval of the Board of Directors or members.

3. The Association shall have all of the powers reasonably necessary to implement the purposes of the Association, including but not limited to the following:

(a) To make, establish and enforce reasonable rules and regulations necessary to implement the provisions o the restrictions of record;

(b) To make, levy and collect assessments against the record owners of fee simple title to any lot in the MADISON LAKES SUBDIVISION; and to use and expend the proceeds of assessments in the exercise of the powers and duties of the Association;

(c) To maintain, repair and replace to the reasonable satisfaction of the Directors of the Department of Public Works and the Building and Zoning Department of Metropolitan Palm Beach County including any wall which may surround the MADISON LAKES SUBDIVISION.

(d) To maintain, repair, replace and operate any and all amenities which may be included within the MADISON LAKES SUBDIVISION: to enforce by legal means the provisions of the restrictions of record, the By-Laws, the rules and regulations of the Association, and these Articles of Incorporation.

(e) To contract for the performance of services consonant with the purposes of this Association and to delegate to such contractors, reasonable powers and duties to carry out the terms of such contracts;

(f) To deal with other Homeowners Associations or representatives thereof on matters of mutual interest;

(g) The Association shall have the powers and duties reasonably necessary to operate and maintain the Association including but not limited to all of the powers, privileges and perform all of the duties and obligations of the Association as set forth in the Declaration which shall be recorded in the Public Records of Palm Beach County and as same may be amended from time to time as hereinafter provided said Declaration to be incorporated herein as if set forth at length.

(h) To participate in mergers and consolidations with such other non-profit corporations organized for the same purpose or annex additional residential property and common area provided that any such merger or consolidation or annexation shall have the consent of the majority of each class of the members at a duly called meeting of the Association except as otherwise provided in the Declaration being recorded at Palm Beach County, Florida.

ARTICLE IV

MEMBERS

The qualifications of members and the manner of their admission to membership shall be as follows:

1. The fee simple title holders of lots in the MADISON LAKES SUBDIVISION shall be entitled to membership.

2. Membership shall be established by the acquisition of ownership of fee title to or fee interest in a lot in the MADISON LAKES SUBDIVISION whether by conveyance, devise or judicial decree, which designates the lot affected thereby. The new owner designated in such deed or other instrument shall thereupon become a member of the Association and the membership of the prior owner as to the lot designated shall be determined. The new owner shall deliver to the Association a true copy of such deed or instrument by which title was acquired.

3. Types of Voting Rights. The Association shall have two classes of voting membership.

3.1 CLASS A - Class A members shall be all those owners as defined in Section 2 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interests required for membership by Section 2. When more than one person holds such interest or interests in any Lot, all such persons shall be members, but the vote for such Lot shall be exercised only by that one member as shall be designated in a written instrument ("Voting Designation") executed by or on behalf of any record owner of such interest, filed with the Secretary of the Association. In no event shall more than one vote be cast with respect to any Lot. Any such Voting Designation may be executed by any one record owner of such interest in such Lot without regard to the voting member designated therein. In the event of the filing

of conflicting Voting Designations with respect to any Lot, neither voting Designation shall be effective. Under such circumstances, the filing with the Secretary of the Association of the Voting Designation, duly executed by or on behalf of all of the record owners of the entire fee interest in such Lot, designating one of them as the person entitled to cast the vote for such Lot shall be a necessary condition precedent to the right to cast such vote.

3.2 CLASS B - The only Class B member shall be the Developer. The Class B member shall be entitled to one vote for each Lot in which it holds the interest required for membership in Section 2; provided, however, that notwithstanding any provision contained herein to the contrary, the Developer shall have the right to elect the entire Board of Directors of the Association until 120 days after the earlier of (a) the sale and conveyance by the Developer of 90 percent of the Lots within Madison Lakes or (b) the giving of a written notice by the Developer to the Association that the Developer waives and relinquishes its right to elect the entire Board of Directors of the Association.

4. Suspension of Voting Rights. The Association shall have the right to suspend any Member's right to vote for any period during which any assessment levied by the Association against such Member's Lot shall remain unpaid for more than 30 days after the date for the payment thereof. The provision of this paragraph shall not be applied against the Developer.

5. Meetings of Members. The By-Laws of the Association shall provide for annual meetings of members, and may make provision for regular and special meetings of members in addition to the annual meetings. A quorum for the transaction of business at any meeting of the members shall exist if 30 percent of the total number of members in good standing shall be present or represented by proxy at the meeting, except at annual meetings, at which a quorum shall be the number of voting members in attendance at the meeting.

ARTICLE V

TERM

This Association shall have perpetual existence.

ARTICLE VI

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are as follows:

NAME	ADDRESS
Ethel Pinkwasser	2145 N.E. 204th Street, North Miami Beach, Florida 33179
William Kraut	2145 N.E. 204th Street, North Miami Beach, Florida 33179
Barbara Kraut	2145 N.E. 204th Street, North Miami Beach, Florida 33179
Alan Pinkwasser	2145 N.E. 204th Street, North Miami Beach, Florida 33179

ARTICLE VII

Officers

Subject to the direction of the Board of Directors, the affairs of the Association shall be administered by the officers designated in the By-Laws, who shall serve at the discretion of the Board of Directors. The Directors shall elect the President, Secretary, Treasurer and as many Vice-Presidents, assistants, secretaries and assistant treasurers as the Directors shall from time to time determine to be necessary. The same person may hold two offices and all persons shall hold office at the discretion of the Board of Directors.

Election and Appointment of Officers. The officers of the Association, in accordance with the applicable provisions of the By-Laws, shall be elected by the Board of Directors for terms of one year and until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies, and for the duties of the officers. The president and all other officers may or may not be directors of the Association. If the office of president shall become vacant for any reason, or if the president shall be unable or unavailable to act, the vice president shall automatically succeed to the office or perform his duties and exercise his powers. If any office other than that of president shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy. The same person may hold two offices, provided, however, that the

offices of president and vice president shall not be held by the same person, nor shall the offices of president and secretary be held by the same person.

The names of the officers who shall serve until the first election following the first annual meeting of the Board of Directors are as follows:

TITLE	NAME
President	William Kraut
Vice-President	Barbara Kraut
Secretary	Alan Pinkwasser
Treasurer	Ethel Pinkwasser

ARTICLE VIII

Directors

The affairs and property of the Association shall be managed and governed by a Board of Directors composed of not less than three directors and in the future the number will be determined from time to time in accordance with the provisions of By-Laws of the Association.

A majority of the directors in office shall constitute a quorum for the transaction of business. The By-Laws shall provide for meetings of directors, including annual meetings.

The Directors herein named shall serve until the first election of Directors and any vacancies in their number occurring before the first election shall be filled by the remaining

Directors.

The names and addresses of the members of the first Board of Directors are as follows:

NAME	ADDRESS
Ethel Pinkwasser	2145 N.E. 204th Street, North Miami Beach, Florida 33179
William Kraut	2145 N.E. 204th Street, North Miami Beach, Florida 33179
Barbara Kraut	2145 N.E. 204th Street, North Miami Beach, Florida 33179
Alan Pinkwasser	2145 N.E. 204th Street, North Miami Beach, Florida 33179

Election of Members of Board of Directors. Except for the first Board of Directors, directors shall be elected by the members of the Association at the annual meeting of membership as provided by the By-Laws of the Association, and by By-Laws may provide for the method of voting in the election and for removal from office of directors. All directors shall be members of the Association except that such requirement shall not apply to the first Board of Directors nor to directors appointed or designated by the Developer.

Duration of Office. Persons elected to the Board of Director shall hold office until they resign or until the next succeeding annual meeting of members, and thereafter until qualified successors are duly elected and have taken office.

Vacancies. If a director elected by the general membership

shall for any reason cease to be a director, the remaining directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term. The Developer shall have the unqualified right to designate a successor to fill the vacancy created if a director designated or appointed by the Developer shall resign or for any other reason cease to be director.

ARTICLE IX

By-Laws

The By-Laws of the Association shall be adopted by the first Board of Directors and may be altered, amended or rescinded in the manner provided in Article X.

ARTICLE X

Amendments

Amendments to these articles shall require the affirmative vote of a majority of the Board of Directors and the affirmative vote of the members of the Association present and voting; provided, however, that (a) no amendment shall make any change in the qualifications for membership nor the voting rights of the Members without the written approval or affirmative vote of all Members of the Association; (b) these Articles shall not be amended in any manner without the prior written consent of the Developer to such amendment for so long as the Developer is the Owner of any Lot; and (c) these Articles shall not be amended in any manner which conflicts with the terms, covenants, and provisions contained

in the Declaration. A copy of each amendment to these Articles shall be recorded among the Public Records and filed with the Florida Secretary of State.

ARTICLE XI

Indemnification

In order to induce persons to serve as officers and Directors of the Association, the Association shall indemnify and hold harmless each such person from and against any and all claims, liabilities and expenses to which such person may be subjected by reason of his having been a director or officer of the Association. In accordance with the foregoing, the Association shall reimburse or otherwise hold any such person harmless from all expenses reasonably incurred, including legal expense, in defending claims based on alleged acts or omissions of such person while acting as an officer or Board member of the Association provided that in the case of a settlement of a claim brought against such person, the indemnification provided herein shall apply only when the Board of Directors approves such settlement and determine that reimbursement to such person is in the best interest of the Association; provided further that in cases where it is determined that such person has been derelict or guilty of willful misconduct in connection with the performance of his duties as a director or officer of the Association, there shall be no indemnification or reimbursement. The foregoing rights of indemnification shall be in addition to all other rights to which such persons may be entitled.

ARTICLE XII

Dissolution or Liquidation

In the event of a dissolution or final liquidation of the Association, the Common Areas, as defined in the Declaration, shall be conveyed by the Association to a non-profit Florida corporation which shall own, maintain, and administer the Common Areas in accordance with the covenants and restrictions contained in the Declaration.

ARTICLE XIII

Registered Agent

The street address of the initial registered office of this Corporation is 2145 N.E. 204th Street, North Miami Beach, Florida 33179 and the name of the initial registered agent is Alan Pinkwasser. The principal place of business for the association is the same as the registered office.

IN WITNESS WHEREOF, THE SUBSCRIBERS have executed these Articles of Incorporation on this _____ day of _____, 1995.

[Handwritten signature]

William Kraut

[Handwritten signature]

Barbara Kraut

[Handwritten signature]

Ethel Pinkwasser

[Handwritten signature]

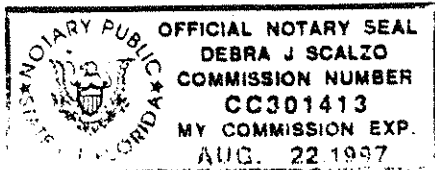
Alan Pinkwasser

STATE OF FLORIDA

COUNTY OF PALM BEACH

I hereby certify that on this *26* day of *October*, 1995 before me personally appeared William Kraut and Barbara Kraut, to me known to be the persons described herein and who executed the foregoing instrument and acknowledged that they executed same and produced Driver's License as identification.

Witness my hand and seal this *26* day of *October*, 1995.



[Handwritten signature]
Notary Public

STATE OF FLORIDA

COUNTY OF DADE

I hereby certify that on this 25 day of June, 1995
before me personally appeared Alan Pinkwasser and Ethel Pinkwasser
to me known and known to me to be the individuals described herein
and who executed the foregoing instrument and produced Driver's
License identification.

Witness my hand and seal this 25 day of June, 1995.

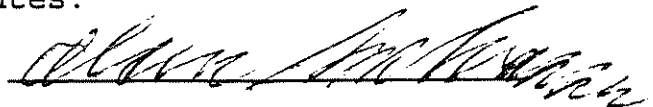


Notary Public



MARTIN OPPENHEIM
MY COMMISSION # CC 207575 EXPIRES
July 14, 1996
BONDED THRU TROY FAIM INSURANCE, INC.

Having been named to accept service of process for the above named
corporation I hereby agree to accept to act in this capacity and
agree to comply with the Florida Statutes.



Alan Pinkwasser

Prepared by and Return to:
Alan Pinkwasser, Esq.
2145 N.E. 204th Street
North Miami Beach, Florida 33179
(305) 935-2400

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shall include maintaining the roads in the development, grass cutting, sprinklers, guard gate, signage, berms in common areas, the common pool including heating of same, the clubhouse, guest parking lot, lift station for the property, street lights on property in common area as well as exterior of home and roof if no negligence by homeowner.

Section 1. The fiscal year of the Association shall be the calendar year unless changed by the Board of Directors.

Section 2. The seal of the Association shall bear the name of the Corporation, the word "Florida", the words "Corporation not for profit", the year of incorporation, an impression of which is as follows: MADISON LAKES HOMEOWNERS ASSOCIATION INC.

ARTICLE III

DEFINITIONS

The definition of words as defined in the Declaration of Restrictions to which these By-Laws are attached as Exhibit "C" and recorded in the Public Records of Palm Beach County, Florida are incorporated herein by reference and made a part hereof. Added thereto are:

1. "Association" shall mean and refer to the Madison Lakes Homeowners Association Inc., a not-for-profit corporation organized and existing under the laws of the State of Florida.

2. The "Properties" shall mean and refer to the Madison Lakes Property as described in the Declaration of Covenants and Restrictions for Madison Lakes (the "Declaration") recorded or to

be recorded among the Public Records of Palm Beach County, Florida.

3. "Lot" shall mean and refer to any lot as same appears on the plat or replat for The Property or any portion thereof.

4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within the Properties.

5. "Member" shall mean and refer to all those Owners who are members of the Association as provided in Section 4, of the Articles of Incorporation of the Association.

6. "Developer" shall mean and refer to Madison Lakes Inc., a Florida corporation, and any successor Developer as designated pursuant to the Declaration.

7. Any term used herein which is defined in the Declaration or the Articles of Incorporation of the Association shall have the same meaning or definition when used herein as the meaning or definition ascribed thereto in the Declaration or the Articles of Incorporation.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held at least once each calendar year on a date and at a time to be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President or Vice-President. In addition, a special meeting of the members shall be called as directed by resolution of the Board of Directors or upon

the written request of the members who have the right to vote one-third of the votes of the Class A members;hip, except that a special meeting of the members to recall or remove a member of the Board of Directors (other than a director elected or designated by the Class B member) shall be called either as directed by resolution of the Board of Directors or upon the written request of the members who have the right to vote one-fourth of all the votes of the entire membership or who have the right to vote one-fourth of the votes of the Class A membersip.

Section 3. Notice of Meetings.

a) Written notice of each meeting of the members shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting (provided, however, in the case of an emergency, four (4) days' notice will be deemed sufficient) to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

b) Meetings of the Board of Directors shall be open to all lot owners and notices of meetings shall be posted in a conspicuous place on the association property at least 48 hours in advance, except in an emergency. Notice of any meeting in which assessments against lots are to be established shall

specifically contain a statement that assessments shall be considered and a statement of the nature of such assessments.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitle to cast, one-third (1/3) of the votes of the Association shall constitute a quorum for any action, except as otherwise provided in the articles of incorporation, the Declaration of these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Included in determining the above is Class A members and Class B shall be deemed a member with 130 votes for determining a quorum pursuant to ARTICLE IV of the ARTICLES OF INCORPORATION.

Once a quorum is found to exist at any meeting, the withdrawal of any Member shall not be deemed to deprive the meeting of a quorum.

Section 5. Voting.

(a) In any meeting of members the Owners of units shall be entitled to cast one (1) vote as the owner of a unit, unless the decision to be made is elsewhere required to be determined in another manner. This is modified specifically by ARTICLE IV of the ARTICLES OF INCORPORATION as Class B shall be deemed a member and owner of 130 Units pursuant to said ARTICLE.

(b) The rights of membership are subject to the payment

of annual and special assessments levied by the Association. the obligation for such assessment is imposed against each Owner of every Lot against which such assessments are made, and such assessments become a lien upon the Lot against which the same are assessed as provided in Article VI of the Declaration. No member shall be entitled to vote on any matter during such time as any assessments (annual or special) against his Lot are delinquent.

(c) If a unit is owned by one (1) person his right to vote shall be established by the record title to his unit. If any unit is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit and filed with the Secretary of the Association. If a unit is owned by a Corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the President or Vice-President and attested by the Secretary or Assistant Secretary of the Corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate designating the person entitled to cast the vote of a unit may be revoked by the Owner of a unit. If such a certificate is not on file, the vote of such Owners shall not be considered in determining the requirement for a quorum or for any other purpose.

d) Unless a lower number is provided in the By-Laws, the percentage of voting interests required to constitute a quorum at a meeting of the members shall be a majority of the voting

interests. Unless otherwise provided in this chapter or in the Articles of Incorporation or by-Laws, decisions shall be made by a majority of the voting interests represented at a meeting at which a quorum is present.

e) Homeowners may not vote by general proxy, but may vote by limited proxy. Limited proxies may also be used for votes taken to amend the Articles of Incorporation or By-Laws or for any matter that requires or permits a vote of the homeowners.

f) Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than 90 days after the date of the first meeting for which it was given. A proxy is revocable at any time at the pleasure of the homeowner who executes it.

g) For election of members of the Board of Directors, homeowners shall vote in person at a meeting of the homeowners or by a ballot that the homeowner personally casts.

Section 6. Adjourned Meetings. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy may adjourn the meeting from time to time until a quorum is present.

Section 7. The order of business at annual members' meetings, and as far as practical at other members' meetings, shall be:

- a. Election of Chairman of the meeting.
- b. Calling of the roll and certifying of proxies.
- c. Proof of notice of meeting or waiver of notice.

- d. Reading and disposal of any minutes.
- e. Reports of officers.
- f. Reports of committees.
- g. Election of inspectors of elections.
- h. Election of directors.
- i. Unfinished business.
- j. New business.
- k. Adjournment.

Section 8. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE V

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than nine (9) persons who need not be members of the Association. The first Board shall consist of three (3) members. Thereafter the number of Directors may be increased to a maximum of nine (9) by a majority vote of the Board of Directors.

Section 2. Term of Office. The first election of Directors shall be held within thirty (3) days after Class B membership ceases, as provided in ARTICLE VIII of the Articles of Incorporation at a meeting of the members called for that purpose. Three (3) Directors shall be elected at this first election, one

(1) for a term of one (1) year, one (1) for a term of two (2) years, and one for the term of three (3) years. At the expiration of any term of three (3) years, any Director may be elected.

Section 3. Removal. At such time as the members of the Association are permitted to elect Directors, any Director may be removed from the Board with or without cause by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Any director may be removed from office at any time with or without cause by the affirmative majority vote of the Association membership, except that the directors elected or designated by the Class B member and the directors named in the Articles of Incorporation may be removed only by the Class B member.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at the meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATIONS AND ELECTION OF DIRECTORS

At such time as members of the Association are permitted to elect Directors, the nomination and election of Directors shall be conducted as follows:

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least sixty (60) days prior to each annual meeting of the members to serve until the close of the annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. The first meeting. The first meeting of a newly elected Board of Directors, for the purpose of organization, shall be held immediately after the annual meeting of members, provided the majority of the members of the Board of Directors elected be present. Any action taken at such meeting shall be by a majority of the whole Board. If the majority of the members of the Board elected shall not be present at that time, or if the directors shall fail to elect officers, the meeting of the Board to elect officers shall then be held within 30 days after the annual meeting of members upon at least three days' notice to each member of the Board elected, stating the time, place, and object of such meeting.

Section 2. Regular Meetings. Regular meetings of the Board of Directors shall be held every three (3) months without notice, at such place and hour as may be fixed, from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 3. Waiver of notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 4. Adjourned meetings. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting any business

that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 5. Joinder in meeting by approval of minutes. The joinder of a Director in the action of a meeting by signing and concurring in the minutes of that meeting shall constitute the presence of such Director for the purpose of determining a quorum.

Section 6. The presiding officer of Director's meetings shall be the Chairman of the Board if such an officer has been elected; and if none, the President shall preside. In the absence of the presiding officer the Directors present shall designate one of their members to preside.

Section 7. The order of business at Directors' meetings shall be:

- a. Calling of roll.
- b. Proof of due notice of meeting.
- c. Reading and disposal of any minutes.
- d. Reports of officers and committees.
- e. Electing of officers.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

Section 8. Directors fees if any, shall be determined by the members.

Section 9. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors after not less than three

(3) days notice to each Director.

Notice of each special meeting of the Board of Directors, stating the time, place and purpose or purposes thereof, shall be given by or on behalf of any two members of the Board of Directors to each member of the Board of Directors not less than three days by mail or one day by telephone or telegraph. Special meetings of the Board of Directors may also be held at any place and time without notice by unanimous waiver of notice by all the directors. The Board of Directors may act by unanimous written consent in lieu of a meeting.

Section 10. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the powers reasonably necessary to operate and maintain the Association, including, but not limited to the following:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties and/or fines for the infraction thereof;

(b) Suspend the voting rights and right to use of the Common

Area of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations.

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation or the Declaration;

(d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) Employ a manager, an independent contractor, or such other employees as they deem necessary, prescribe their duties and delegate any or all of the duties and functions of the Association and/or its officers.

Section 2. Duties. It shall be the duty of the Board of Directors to cause the Association to perform the purposes for which it was formed, including, but not limited to, the following:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members;

(b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration, to fix the amount of the annual assessment against each Lot and send notice

thereof to every Owner at least thirty (30) days in advance of each annual assessment period;

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability, hazard, property and/or casualty insurance on property owned by the Association and as required by the Declaration.

(f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section. The officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors from time to time. Any two or more offices may be held by the same person provided, however, that neither the offices of President and Vice President nor the offices of President and Secretary shall be held by the same person. Any officer may be removed at any time by the affirmative vote of a majority of the Board of Directors at any duly called regular or special meeting of the Board.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices

except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. the duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the members and Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall

disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member.

The association shall maintain each of the following items, when applicable, which shall constitute the official records of the association:

(a) A copy of the plans, permits, warranties, and other items provided by the developer.

(b) A copy of the By-Laws of the homeowners' association

and of each amendment to the By-Laws.

(c) A certified copy of the articles of incorporation of the homeowners' association, or other documents creating the homeowners' association, and of each amendment thereto.

(d) A copy of the current rules of the homeowners' association.

(e) A book or books that contain the minutes of all meetings of the homeowners' association, of the board of directors, and of members, which minutes shall be retained for a period of not less than 7 years.

(f) A current roster of all members and their mailing addresses, parcel identifications, and, if known, telephone numbers.

(g) All current insurance policies of the homeowners' association or a copy thereof.

(h) A current copy of any management agreement, lease, or other contract to which the homeowners' association is a party or under which the homeowners' association or the parcel owners have an obligation or responsibility.

(i) Accounting records for the homeowners' association and separate accounting records for each parcel, according to generally accepted accounting principles. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall be open to inspection by parcel owners or their authorized representatives at reasonable times. The failure of the homeowners' association to permit inspection of its

accounting records by parcel owners or their authorized representatives entitled any person prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly knowingly denied access to the books and records for inspection. The accounting records shall include, but are not limited to:

(1) Accurate, itemized and detailed records of all receipts and expenditures.

(2) A current account and a periodic statement of the account for each member of the homeowners' association, designating the name of the member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

(3) All audits, reviews, accounting statements, and financial reports of the homeowners' association.

(4) All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of 1 year.

(j) Minutes of all meetings of members and of the board of directors shall be kept in a businesslike manner and shall be available for inspection by parcel owners, or their authorized representatives, and board members at reasonable times. The association shall retain these minutes for at least 7 years.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each member is

obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessments which are not paid fifteen (15) days after the due date, a late fee of \$25.00 plus interest at the highest maximum permissible rate per annum for individuals, beginning from the due date, may be levied by the Board of Directors for each month the assessment is late, and the Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees incurred by the Association in connection with collection and/or appeal shall be added to the amount of such assessment with thirty (30) days after the due date. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XIII

FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Articles of Incorporation shall be supplemented by the following provisions:

A. Accounts. The receipts and expenditures of the Association shall be created and charged to accounts under the following classification as shall be appropriated, all of which expenditures shall be common expenses:

- (1) Current Expenses, which shall include all receipts

and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, for additional improvements or to operations. The balance of this fund at the end of each year shall be applied to reduce the assessments for current expenses for the succeeding year.

(2) Reserve for deferred maintenance which shall include funds for maintenance items that occur less frequently than annually.

(3) Reserve for replacement which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(4) Betterment which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be a part of the common facilities.

B. Budget. The Board of Directors shall adopt a budget for each fiscal year that shall include the estimated funds required to defray the assessments and to provide and maintain funds for the foregoing accounts and reserves according to good accounting practices as follows:

- (1) Current expenses.
- (2) Reserve for deferred maintenance.
- (3) Reserve for replacement.

(4) Betterment which shall include the funds to be used for capital expenditures for additional improvements to the common property, provided, however, that in the expenditure of this fund

no sum in excess of One Thousand (\$1,000.00) Dollars shall be expended for a single item or for a single purpose without approval of the members of the Association.

(5) Operation, the amount of which may be to provide a working fund or to meet losses.

(6) Provided, however, that the amount of each budgeted item may be increased over the foregoing limitations when approved by owners entitled to cast not less than two-thirds (2/3) of the votes of the entire membership of the Association; and further provided, that until the Declarant has completed all of the contemplated improvements and closed the sales of all units at Madison Lakes or until the Declarant elects to terminate its control of the Association whichever shall first occur, the Board of Directors may omit from the budget all allowance for contingencies and reserves.

(7) Copies of the budget and proposed assessments shall be transmitted to each member on or before the commencement of the year for which the budget is made. If the budget is amended subsequently, a copy of the amended budget shall be furnished to each member.

C. Assessments. Assessments against the owners for their shares of the items of the budget shall be made for the calendar year. If assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment and installments on such assessment shall be due upon each installment payment date until changed by an amended

assessment. In the event the assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors if the accounts of the amended budget do not exceed 125% of the limitations for that year. Any account that does exceed such limitations shall be subject to the prior approval of the membership of the Association as previously required in these By-Laws. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be due as determined by the Board of Directors. the first assessment shall be determined by the Board of Directors of the Association. Assessments for repair and maintenance of the limited common property shall be made as funds are expended or liability therefore is incurred by the Association.

D. Acceleration of assessment installments upon default. If a unit owner shall be in default in the payment of an installment upon an assessment, the Board of Directors may accelerate the remaining installments of the assessment upon notice to the unit owner, and the then unpaid balance of the assessment shall be due upon the date stated in the notice, but not less than ten (10) days after delivery of the notice to the unit owner, or not less than twelve (12) days after sending by certified mail, whichever shall occur first.

E. Assessments for emergencies. Assessments for common expenses for emergencies that cannot be paid from the annual assessments for common expenses shall be made only after notice of the need for such expenditures is given to the unit owners

concerned. After such notice and upon approval in writing by persons entitled to cast more than one-half (1/2) of the votes of the unit owners concerned, the assessment shall become effective and shall be due after thirty (30) days' notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

F. The depository of the Association shall be such bank or banks and/or such savings and loan association as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of the monies from such accounts shall be only by check signed by such persons as are authorized by the Directors.

G. Audit. At the Annual Meeting of the Association, the members present shall determine by a majority vote whether an audit of the accounts of the Association for the year shall be made by a Certified Public Accountant, a Public Accountant, or by an auditing committee consisting of not less than three (3) members of the Association none of which shall be Board Members. The cost of the audit shall be paid by the Association.

H. Fidelity Bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for the association funds. The amount of such bonds shall be determined by the Directors, but shall be at least the amount of the total of two (2) monthly assessments against members for common expenses. The premiums on such bonds shall be paid by the Association.

ARTICLE XIV

PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-Laws of the corporation or with the Statutes of the State of Florida.

ARTICLE XIV

PARAMOUNT PROVISIONS

In the event of any irreconcilable conflict between the provisions of these By-Laws and the provisions of the Declaration, the provisions of the Declaration shall govern and control. However, the Declaration and these By-laws shall, to the extent possible, be read, construed and interpreted so that they are consistent.

ARTICLE XVI

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. Prior to the first sale and conveyance of a Lot by the Developer these By-Laws may be amended by the unanimous affirmative vote or consent of the Board of Directors.

Section 3. No amendment to these By-Laws shall be made which conflicts with the Declaration or the Articles of Incorporation of

the Association.

Section 4. No amendment to these By-Laws shall be made without the written consent of the Developer for so long as the Developer is the owner of any Lot.

Section 5. A copy of each amendment of these By-Laws shall be recorded in the Public Records of Palm Beach County, Florida.

Section 6. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws the Declaration shall control.

ARTICLE XVII

INSURANCE

The following insurance shall be purchased, maintained, and governed by the following provisions:

Section 1. Purchaser of insurance. All insurance purchased pursuant to this Article XII shall be purchased by the Association for the benefit of the Association, the Owners and their respective mortgagees, as their interest may appear, and shall provide for the issuance of certificates of insurance and mortgagee endorsements to Owners and any or all of the holders of institutional first mortgages. The policies shall provide that the insurer waives its rights of subrogation as to any claims against Owners and the Association, their respective servants, agents and guests. Each owner and the Association hereby agree to waive any claim against each other and against other Owners for any loss or damage for

which insurance hereunder is carried where the insurer has waived its rights of subrogation as aforesaid.

Section 2. Cost and Payment of Premiums. The Association shall pay the cost of obtaining all insurance hereunder, excluding only the insurance as may be purchased by individual owners and any other fees or expenses incurred which may be necessary or incidental to carry out the provisions hereof.

Section 3. Owners' Responsibility. Each Owner may obtain insurance, at his own expense, affording coverage upon the property for which he has the responsibility to maintain and for his own liability and living expenses as he deems advisable. All such insurance shall contain the same waiver of subrogation that is referred to herein and shall waive any right to contribution.

Section 4. Coverage. The following coverage shall be obtained by the Association.

(a) The dwelling structures and all other insurable improvements as originally constructed and equipped by Declarant upon the Common Areas, including all fixtures, partitions, appliances and cabinetry, and all personal property owned by the Association shall be insured in an amount equal to the maximum insurable replacement value thereof (exclusive of excavation and foundations) as determined annually by the Association, assisted by the insurance company providing the coverage. Said coverage shall afford protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement and all other such risks as, from time to time, may be covered with respect to

building and improvements similar in construction, location and use, including, but not limited to, vandalism, malicious mischief, windstorm, war damage and war risk insurance, if available.

(b) Comprehensive general public liability and property damage insurance in such an amount and in such form as shall be required by the Association in limits of not less than \$500,000.00 for bodily injury or death resulting from any one damage. Said coverage shall include, but not be limited to, water damage, legal liability, hired automobile, non-owned automobile, and off-premises employee coverage. All liability insurance shall contain cross liability endorsements to cover liabilities of the Owners as a group to an individual Owner, and one Owner to another.

(c) Workmen's compensation policies shall be obtained to meet the requirements of law.

(d) Such other insurance as the Board of the Association may determine to be necessary from time to time.

Section 5. Insurance Trustee. All insurance policies purchased in accordance with Section 4(a) hereof shall provide that if the proceeds payable to the Association as a result of any insured loss exceed \$50,000.00 then the proceeds shall be paid to an Insurance Trustee to be named by the Association in the event of a loss; if, however, the proceeds do not exceed \$50,000.00 then they shall be paid directly to the Association. In the event of an insured loss where payment will be made to the Insurance Trustee, a state, national or federal bank doing business in Palm Beach County and having trust powers shall be designated as Trustee by

the Association (said Trustee, acting as such, is herein referred to as the "Insurance trustee"). The Insurance Trustee shall not be liable for payment of premiums, the removal of the policies, the sufficiency or content of the policies, or for failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive said proceeds, as paid, and to hold the same in trust for the benefit of the Association and the Owners as follows:

Proceeds on account of damage to Common Area shall be held for the Association.

Section 6. Association as Agent. The Association is irrevocably appointed agent for each Owner of any other interest in the Common Area to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 7. Responsibility. The responsibility of reconstruction after casualty shall be that of the Association.

Section 8. Nature of Reconstruction. Any reconstruction included hereunder shall be substantially in accordance with the plans and specifications of the original building, or as the building was last constructed, subject to modification to conform with the then current governmental restrictions and codes. Unless appropriate governmental approval is received, the dimensions of the replacement dwelling shall not exceed the dimensions of the previous dwelling.

Section 9. Estimates. In all instances hereunder, immediately after a casualty causing damage to the property for

which the Association has the responsibility of maintenance and repair, the Association shall obtain a reliable, detailed estimate of the cost to place the damaged property in a condition as good as that before the casualty. Such cost may include professional fees and premiums for such bonds as the Board may desire, of those required by an institutional Mortgagee involved.

Section 10. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction, or if, at any time during reconstruction or upon completion of reconstruction are insufficient, assessments shall be made against the Owners in sufficient amounts to provide funds for the payment of such costs. Assessments on account of damage to all Common Area improvements shall be uniform against all Owners.

Section 11. Disposition of Proceeds.

(a) The proceeds of insurance and any special assessments, if any, collected on account of a casualty shall constitute a construction fund which shall be disbursed from time to time, as the work progresses. The holder of the construction fund shall make payments upon the written request for a disbursement accompanied by an appropriate certificate signed by the party responsible for the repair and by the architect, engineer or contractor in charge of the work, setting forth:

(1) That the sum then requested either has been paid or is justly due and certifying that the sum requested does not exceed the value of the services and materials described in the certificate.

(2) That except for the amounts stated in said certificate to be due as aforesaid, there is no outstanding indebtedness known which may become the basis of vendor's, mechanic's or materialmen's liens.

(3) That the cost, as estimate, or work remaining to be done subsequent to the date of said certificate, does not exceed the amount of funds remaining in the construction fund after the payment of the sum so requested.

(b) It shall be presumed that the first monies disbursed in payment of such costs of reconstruction shall be from insurance proceeds and shall first be applied to reconstruction of all improvements other than dwellings, and then to the dwellings. If there is a balance in a construction fund after the payment of all costs of reconstruction, said balance shall be distributed to or kept by the Association. In the event special assessments had been made against some, but not all, Owners under Section 10 hereof, then the Association may return said balance, pro-rata, to the Owners who paid said special assessment.

Section 12. Authority of Association. In all instances herein except when a vote of the membership of the Association is specifically required, all decisions, duties and obligations of the Association hereunder may be made by the Board. The Association and its members shall jointly and severally be bound thereby.

ARTICLE XVIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, We being all of the Directors of MADISON LAKES HOMEOWNERS ASSOCIATION INC., having hereunto set our hands this 13 day of February, 1996.

[Signature]
William Kraut

[Signature]
Barbara Kraut

[Signature]
Ethel Pinkwasser

[Signature]
Alan Pinkwasser

State of Florida
County of Dade

I hereby certify that on the 13 day of February, 1996 personally appeared before me William Kraut, Barbara Kraut, and Ethel Pinkwasser, to me personally known and known to me to be the individuals described herein and who produced Drivers Licenses identification, acknowledged that they executed the foregoing.

In Witness Whereof, I have hereunto set my hand and official seal this 13 day of February, 1996.

[Signature]
Notary Public

