Amendment #2

*Full text of the proposed amendments to the By-Laws of the Madison Lakes Homeowners Association, Inc. (“By-Laws”) originally recorded in Official Records Book 9156 at page 1091 of the Public Records of Palm Beach County, Florida.*

***The following amendment creates and constitutes a new Article XX of the By-Laws:***

**ARTICLE XX**

**LOT TRANSFERS**

1. This Article XX shall apply to any sale, disposition, or transfer of any Lot, or any interest therein or portion thereof (hereinafter “transfer”), in any manner, except for: (1) testamentary or intestate transfers upon the death of the owner(s), (2) involuntary transfers such as via foreclosure sale, tax deed sale, condemnation, lawful seizure, etc., and (3) deeds in lieu of foreclosure wherein the transferee is an institutional lender who has commenced, or threatened to commence, foreclosure proceedings (items 1-3 above shall be collectively referred to as “exempt transfers”). In the event of any of an exempt transfer, the exempt transfer itself need not be approved by the Association, however no person may occupy the Lot without first obtaining written Association approval in the same manner as required below.

2. No transfer thereof shall be valid without the Owner having first obtained the written approval of the Association. The Owner shall seek approval from the Association in writing, on an application form provided by, or acceptable to, the Association. A complete application, purchase contract (if applicable), and other information and/or documents the Association may require to screen prospective transferees, must be provided to the Association not less than thirty (30) days prior to the proposed transfer. The application must indicate the proposed date of the transfer. An application is not considered complete until such time as all information requested by the Association has been submitted.

3. The Association may charge an application fee in an amount determined by the Board of Directors. An application fee must be paid for each prospective transferee. The application fee shall be remitted to the Association at the same time as the application.

4. Approval.

a. If a transfer is approved by the Association, the Association shall issue a Certificate of Approval, which shall be recorded as an exhibit to the deed. For all transfers occurring after this amendment is recorded in the Public Records of Palm Beach County, no transfer which requires Association approval shall be valid unless the Certificate of Approval is attached to the deed or other transfer instrument. Any transfer made without a Certificate of Approval attached may be canceled as provided in subsection 4(b) hereinbelow.

b. If the transfer is not approved by the Association, the transfer shall not take place. Any transfer made without Association approval shall be considered null and void, and the Association may pursue all available legal and equitable remedies to cancel such transfer. In the event of a lawsuit, the Association shall be entitled to recover from the Owner all attorney’s fees and costs incurred in any such action through all phases of litigation, including trial, post-judgment, and appellate proceedings, including any attorney’s fees incurred in connection with securing a determination on the Association’s entitlement to, and the amount of, its prevailing party attorney’s fees. All costs and attorney’s fees incurred in connection with such action may be levied against the Owner as an individual special assessment.

5. The Board of Directors is authorized to screen prospective purchasers in accordance with the laws of the State of Florida and federal law. The Association may require prospective purchasers to submit to an in-person interview. The Association may reject proposed purchasers based upon the following criteria:

a. Credit Score. All proposed purchaser’s must have a minimum credit score of 650, as determined by the unweighted average of their credit scores issued by the three major credit bureaus, Experian, Equifax, and Transunion.

b. Criminal Background. The Association does not prohibit any specific type or category of past criminal conduct, except as set forth below, and the Board of Directors will consider the totality of the circumstances when evaluating prior criminal convictions, including the nature, severity, and recency of the crime, as well as the particular facts or circumstances surrounding the crime, the age of the proposed purchaser at the time, a good ownership or rental history before and/or after the crime, and rehabilitation efforts undertaken. If the Board of Directors determines the criminal history of the proposed purchaser indicates the proposed purchaser is a risk to the safety of the community, the proposed purchaser will be denied. Notwithstanding the foregoing, any proposed purchaser who has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as that term is defined in section 102 of the Controlled Substances Act (21 U.S.C. 802), shall be denied. This subsection is intended to comply with the all applicable housing laws and rules, including, without limitation, the Fair Housing Act.

6. Notwithstanding anything to the contrary, this Article does not apply to sales or transfers involving the Association. The Association may purchase, sell, or otherwise acquire, dispose, and transfer Lots in the sole discretion of the Board of Directors.

7. This Article does not apply to leases, which are separately governed by Article XIX.

No further changes.