

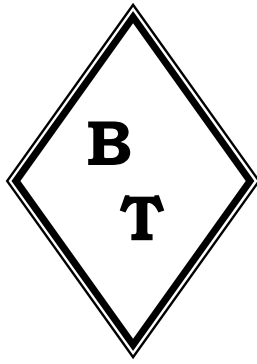
BREAKWATER TOWERS  
C O R P O R A T I O N  
1900 S. OCEAN DRIVE  
FT. LAUDERDALE, FL 33316

APPLICATION PACKET

FOR

MEMBERSHIP

BREAKWATER TOWERS CORPORATION  
C/O TMG MANAGEMENT  
P.O. BOX 802  
POMPANO BEACH, FL 33061  
(954) 782-7820 FAX: (954) 782-7823

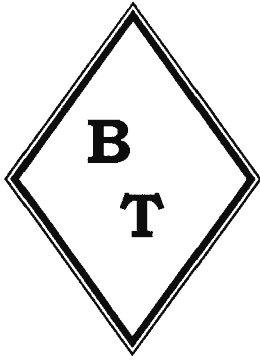


**BREAKWATER TOWERS  
CORPORATION**  
1900 S. OCEAN DRIVE  
FT. LAUDERDALE, FL 33316

**APPLICATION PACKET INDEX**

1	APPLICATION CHECK LIST OF REQUIREMENTS
2	APPLICATION FOR OCCUPANCY
3	ASSOCIATED CREDIT AUTHORIZATION
4	INTERVIEW DISCUSSION ITEMS
5	CONSTRUCTION WORK RULES & REGULATIONS
6	ACH (DIRECT DEBIT) FORM
7	BREAKWATER CURRENT BUDGET
8	FREQUENTLY ASKED QUESTIONS (FAQ)
9	BY-LAWS
10	OCCUPANCY AGREEMENT <i>(for review purposes only, signatures not required until closing)</i>

BREAKWATER TOWERS CORPORATION  
c/o TMG MANAGEMENT  
P.O. Box 802  
POMPANO BEACH, FL 33061  
(954) 782-7820 FAX: (954) 782-7823



# BREAKWATER TOWERS CORPORATION

1900 S. OCEAN DRIVE  
FT. LAUDERDALE, FL 33316

## APPLICATION CHECK LIST

*(Please return this form with your application)*

Unit No. \_\_\_\_\_

Date Received by Office \_\_\_/\_\_\_/\_\_\_

Current Members Name: \_\_\_\_\_

Applicants Name: \_\_\_\_\_

Applicants Phone: \_\_\_\_\_

Closing Agent: \_\_\_\_\_

Closing Agent Phone: \_\_\_\_\_

All items below are required prior to processing application:

	Copy of Executed Sales Contract
	Screening Fee (\$100 per adult occupant over 17 or married couple)
	Credit/Criminal Background Check Fee (\$50 per adult purchaser or married couple)
	Application for Occupancy (1 fully completed per adult occupant or purchaser over 17 or married couple, all questions must be answered)
	Proof of Income (for each purchaser adult or married couple, all questions must be answered)
	Copy of each adults Drivers License
	Character Reference Letters One Employer (if applicable), Three Personal (other than relatives)

BREAKWATER TOWERS CORPORATION  
c/o TMG Management  
1900 S. Ocean Drive  
Ft. Lauderdale, FL 33316

## Purchase Application

Unit # \_\_\_\_\_

Application is herewith made for the purchase of membership in BREAKWATER TOWERS CORPORATION. A non-refundable processing fee of \$100.00 per applicant (husband and wife is considered one applicant) must accompany this application. In addition to processing fee, a non-refundable \$50.00 per person credit report fee shall be required of all applicants. All fees must be submitted along with this application to the manager's office or concierge. No application will be accepted without accompanying required fees.

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ SS# \_\_\_\_\_

Spouse \_\_\_\_\_ Date of Birth \_\_\_\_\_ SS# \_\_\_\_\_

Single ( ) Married ( ) Divorced ( ) Separated ( )

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ (home) \_\_\_\_\_ (work) \_\_\_\_\_ (cell)

Fax \_\_\_\_\_

Previous Address (if < 5 yrs at above address) \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Total subscription price \$ \_\_\_\_\_

Paid on signing application \$ \_\_\_\_\_

Balance to paid on Closing \$ \_\_\_\_\_

Who will live in unit: Number of Adults \_\_\_\_\_ Number of Children \_\_\_\_\_

We, prospective applicants, understand that:

- a) A studio apartment is to be occupied by no more than 2 persons
- b) A one-bedroom apartment by no more than 3 persons
- c) A two and three bedroom apartment by no more than 4 persons.

## Business and Personal References

Business or Employer (if retired, former employer) \_\_\_\_\_ How long \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

Spouse Business or Employer \_\_\_\_\_ How long \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

BREAKWATER TOWERS CORPORATION  
c/o TMG Management  
1900 S. Ocean Drive  
Ft. Lauderdale, FL 33316

## Banking References

Name	Address

## Personal References

Name	Address

## Applicant's Statement

1.) Have you ever been convicted of a crime? \_\_\_\_\_

If yes, please explain \_\_\_\_\_  
\_\_\_\_\_

2.) Have you ever lived in a co-op? \_\_\_\_\_

If yes, name and address of co-op \_\_\_\_\_

3.) I understand NO PETS ARE PERMITTED.

4.) I/we agree to allow only members of our immediate family to occupy my/our apartment during my/our absence. Namely mother, father, children, sisters, and brothers.

5.) I understand that under NO circumstances are renters permitted. And may subject me to forfeiture of my/our apartment.

I/we agree to the above restrictions and conditions \_\_\_\_\_ (initial)  
\_\_\_\_\_ (initial)

The applicant represents the following:

- a) That the statements herein are true and may be verified by Breakwater Towers Board of Directors
- b) That he/she is prepared to furnish additional information if required by the Board
- c) He/she consents to have application marked withdrawn in the event that he/she fails or refuses to sign any of the agreements or documents required to be signed by participants in this cooperative housing project, payments made by him/her on the contract shall be returned. Provided said sums were deposited with Breakwater Towers in an escrow capacity. The processing fees of \$100.00 per applicant to be searched accompanying this application is not refundable. He/she understands, and agrees that this application is subject to the approval of the Breakwater Towers Board of Directors.

Applicant's Signature \_\_\_\_\_

Witness \_\_\_\_\_

Applicant's Signature \_\_\_\_\_

Witness \_\_\_\_\_

# ***ASSOCIATED CREDIT REPORTING, INC.***

Established 1985

8795 West McNab Road, First Floor, Tamarac, Florida 33321  
www.associatedcreditreporting.com

Phone: 954-543-9400  
Toll Free: 800-676-7640  
Fax: 954-543-9411  
Toll Free Fax: 800-235-7185

APPLICANTS: Most banks, financial institutions, mortgage companies and employers require your signature and name printed to verify information. Please complete the form below: Thank you.

## **\*\*\*AUTHORIZATION FORM\*\*\***

You are hereby authorized to release to any and all information requested with regards to verification of my bank account (s), credit history, residential history, criminal record history, employment verification and character references to **Associated Credit Reporting, Inc.** This information is to be used for my/our credit report for my/our Application for Occupancy.

I/We hereby waive any privileges I/We may have with respect to the said information in reference to its release to the aforesaid party. Information obtained for this report is for the exclusive use of the association for residential screening purposes only

**PLEASE INCLUDE COPY OF DRIVER'S LICENSE and SOCIAL SECURITY CARD TO CONFIRM IDENTITY.** If you do not have a Social Security Card, please include a copy of your Passport or current identification card.

**Please notify your Landlord(s), Employer(s), and Character References that we will be contacting them to obtain a reference pursuant to your application.**

I/We further state the Application for Occupancy and Authorization Form were signed by me/us and was not originated with fraudulent intent by me/us or any other person and that the signature(s) below are my/our own proper signature.

I/We certify under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
(Applicant's Signature)

\_\_\_\_\_  
(Applicant's Name Printed)

\_\_\_\_\_  
(Spouse's Signature)

\_\_\_\_\_  
(Spouse's Name Printed)

\_\_\_\_\_  
(Date Signed)

\_\_\_\_\_  
(Date Signed)

NOTE TO APPLICANTS: Banks and some employers require your signature and name printed as authorization to verify information. If it is not your bank or employer's policy to verify by fax or verbally-please enclose a copy of your most recent bank statement and check stub. Thank You!

# **BREAKWATER INTERVIEW DISCUSSION ITEMS**

(TO BE USED BY BOARD MEMBERS AS A GUIDELINE – RULES REMINDER)

Unit #: \_\_\_\_\_ Buyer: \_\_\_\_\_ Date: \_\_\_\_\_

- 1) APPLICANT AND IMMEDIATE FAMILY MEMBERS MUST ADHERE TO THE RULES AND REGULATIONS OF THE CORPORATION AS STIPULATED IN THE OCCUPANCY AGREEMENT, PUBLISHED RULES AND REGS, AND BY-LAWS
- 2) A MEMBER MUST NOTIFY THE CORPORATION THROUGH MANAGEMENT IF YOU WISH TO TRANSFER OWNERSHIP OF YOUR MEMBERSHIP SHARE AND UNIT
- 3) THE APARTMENT MAY NOT BE RENTED
- 4) NO PETS OF ANY KIND ARE PERMITTED IN THE BUILDING OR UPON THE PROPERTY OF THE CORPORATION AT ANY TIME
- 5) ONLY IMMEDIATE FAMILY MEMBERS AS REGISTERED WITH THE CORPORATION SHALL BE PERMITTED TO USE THE APARTMENT
- 6) NO STRUCTURAL CHANGES MAY BE MADE TO THE APARTMENT WITHOUT THE EXPRESS PERMISSION OF THE CORPORATION
- 7) PARKING IS LIMITED TO NON-COMMERCIAL CARS, TRUCKS AND MOTORCYCLES UP TO A GROSS VEHICLE WEIGHT RATING OF < 8500 LBS. MOTOR HOMES ARE PERMITTED TO PARK IN A DESIGNATED SPACE BASED ON PROOF OF SHAREHOLDER OWNERSHIP OF MOTOR HOME FOR A MAXIMUM OF 14 DAYS PER SHAREHOLDER PER YEAR.
- 8) NO BUSINESS ENTERPRISE MAY BE OPERATED OUT OF THE APARTMENT
- 9) YOU ARE RESPONSIBLE FOR THE REMOVAL OF CONSTRUCTION DEBRIS (DOORS, CABINETS, FIXTURES, CARPETING, ETC.) FROM THE PROPERTY. NOR SHALL SUCH DEBRIS BE PLACED IN THE DUMPSTER ROOM
- 10) YOU ARE RESPONSIBLE FOR THE REMOVAL OF FURNITURE FROM THE PROPERTY
- 11) ALL BICYCLES MUST HAVE A BT REGISTRATION AFFIXED TO THEM. OBTAINABLE FROM THE DAYTIME SECURITY GUARD
- 12) YOU ARE RESPONSIBLE TO PROVIDE MANAGEMENT WITH YOUR CURRENT ADDRESS AND PHONE NUMBERS IN WRITING
- 13) YOUR VEHICLE CLICKER AND LOBBY KEYS ARE FOR YOUR USE ONLY
- 14) IF YOU ARE INSTALLING ANY FLOOR COVERING OTHER THAN CARPETING YOU MUST NOTIFY MANAGEMENT AND OBTAIN EXPRESS PERMISSION
- 15) NO ITEM LONGER THAN SIX FEET IN LENGTH MAY BE PLACED IN THE ELEVATOR WITHOUT EXPRESS PERMISSION BY MANAGEMENT AND MAY REQUIRE A SECURITY DEPOSIT
- 16) ALL CONTRACTORS MUST REGISTER WITH THE FRONT DESK EACH DAY BEFORE ENTERING THE BUILDING AND FILE OCCUPATIONAL LICENSE AND INSURANCE CERTIFICATES WITH MANAGEMENT. Building permits must be on display, as required by the city.

Acknowledged and Accepted: \_\_\_\_\_ Board Member \_\_\_\_\_ Date

Acknowledged and Accepted: \_\_\_\_\_ Buyer/Resident \_\_\_\_\_ Date

# BREAKWATER TOWERS CORPORATION

## Construction Work Rules & Regulations

All Shareholders and visitors shall observe and abide by all Breakwater Towers' policies, as well as state, city and county codes and regulations. Failure to observe and abide by these policies, codes, and regulations may result in non-approval or stoppage of work and additional expenses incurred by the Shareholder, for which Breakwater Towers accepts no responsibility or liability.

- All work requires Shareholder to complete "BT Application to Make Alterations and/or Improvements".
- All workers (contractors and Shareholders) are responsible for all clean up of all activities.
- Messy work, work creating tracking dust, work with concrete or other filthy materials require drop cloth on the catwalk and foyer.
- Work related vehicles may park in front of the building to unload or load materials only.
- All workers must only use Elevator 1. While working when maintenance staff is not present, owners are responsible to put up and take down elevator pads.
- Work may not begin prior to 8:00am and must be completed by 5:00pm, Monday – Friday, and 3:00pm on Saturday. Work is not permitted on Sundays. Work involving excessive noise or loud disturbance may only begin after 9:00am.
- Construction related trash and bulk garbage can not be put in the Corporation dumpster. The dumpsters are for household trash ONLY. REMOVAL FROM THE PROPERTY of all construction debris, such as old cabinets, doors, appliances, plumbing fixtures, plaster and furniture, is the responsibility of the shareholder and their contractor.
- If new floor is being installed, Building Superintendent must inspect to ensure proper insulation (cork) is utilized.
- All contractors performing work in the building must be properly licensed and insured and must present proof to lead concierge prior to commencement of work.
- When required, proper Building Permits must be obtained and supplied to Management upon request prior to the start of any work.
- No construction work such as cutting tile, wood or sheetrock, is to be performed on the walkways, balconies or elevator lobbies. Any work required outside of unit must be done in the designated work area located outside the north side dumpster room or other area designated and approved by management.
- A \$500 deposit may be required at the request of Management.
- Contractors must utilize their equipment for transporting materials. The corporation's carts can not be used by anyone for hauling construction materials, debris, tools, etc.



# Association Pay (ACH) Authorization

BB&T Association Services (727) 549-1202 or toll free (888) 722-6669

BB&T

Sign up for Association Pay to automatically pay your association payment from your checking or savings account at any U.S. financial institution.

## To enroll online:

To enroll in Association Pay online, visit [BBT.com/payments](http://BBT.com/payments). If your association is not set up for online enrollment for Association Pay, complete the Association Pay authorization form below. Complete a separate authorization form for each payment obligation.

## To enroll by U.S. Mail:

- Complete the Association Pay authorization form and attach a voided check to the form.
- Mail form to **BB&T Association Services, P.O. Box 2914 Largo, FL 33779-2914**.
- Continue to make your payments until you are notified by the bank when your automatic payment will start.

## Association Pay Terms and Conditions:

- You are enrolling in Association Pay to authorize recurring payments through electronic funds transfers by ACH debit entries.
- **When your payment is due, your account is debited automatically on the 3rd of the month. If the 3rd is on a weekend or holiday, your account is debited the next business day.**
- Payments will appear as **your full or abbreviated Association Name** on your bank statement.

Authorizations must be received by the 20th of the month to be effective for the next debit month. If the 20th falls on a weekend or holiday, the deadline is the last business day prior to the 20th. This Authorization will remain in effect until BB&T receives written notice from you or your association or its management company to cancel or change it. You hereby authorize BB&T to accept changes in amounts or account information or cancellation of this Authorization from the association or its management company. Notice from you must be in writing and sent to the address referenced below or faxed to BB&T at 727-548-0277 or Toll Free Fax: 866-297-8932. Notice must be received by BB&T on or before the 27th of the month to be effective for the next debit date. When the 27th of the month falls on a weekend or holiday, the deadline is the last business day prior to the 27th. Some exceptions apply; ask a BB&T Representative for an Association Pay deadline calendar. You may print a Cancel or Change Request for Association Pay from the BB&T Online Payment System or online at [BBT.com/payments](http://BBT.com/payments). All payments initiated for debit are subject to acceptance by the designated financial institution. All ACH transactions authorized herein must comply with applicable U.S. law. Contact BB&T Association Services at 727-549-1202 or Toll Free at 888-722-6669 with questions regarding Association Pay. Doc. ID#102

## Keep top section for your records

Mail enrollments, cancels or changes to Association Pay: BB&T Association Services – P.O. Box 2914, Largo, FL 33779-2914

Attach voided check

## Association Pay (ACH) Authorization

Return bottom section

Association Name: \_\_\_\_\_ Unit No. \_\_\_\_\_

Is the account that is being debited for your homeowner payment funded electronically by a financial agency outside of the U.S. territorial jurisdiction? \_\_\_\_ Yes \_\_\_\_ No

Name \_\_\_\_\_ Phone \_\_\_\_\_

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Financial Institution \_\_\_\_\_ Phone \_\_\_\_\_

Bank Routing No. \_\_\_\_\_ Checking ☐ Savings ☐ Account No. \_\_\_\_\_

By signing this authorization, you agree to the following: I am authorized to initiate transactions for the checking or savings account I have provided. I have read and agree to the Terms and Conditions provided. I hereby authorize the above named association to debit my checking or savings account to collect my association payments. I hereby authorize BB&T to initiate electronic funds transfers by ACH debit entries to the account referenced above for the purpose of making these payments. I authorize the financial institution to withdraw these payments from my account. Doc ID#102

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_

BILL PAY ACC#:	SERIAL #:	MGT CO#:	ASSOC#:	FREQ:	DATE REC'D:
----------------	-----------	----------	---------	-------	-------------

**Breakwater Towers**  
**2013 Budget**  
**1/1/2013 to 12/31/2013**  
**DRAFT (proposed)**

	<u>Acct. #</u>	<u>2012 Budget</u>	<u>Proposed 2013 Budget</u>
<b>INCOME:</b>			
Maintenance Income	6110	\$ 995,821	\$ 994,217
Covered Parking Charges	6410	\$ 13,356	\$ 13,356
Special Parking Charges	6411	\$ 6,409	\$ 6,409
Telephone Tower Income	6490	\$ 29,172	\$ 30,631
Laundry Income	6810	\$ 7,175	\$ 7,175
<b>Total Income</b>		<b>\$ 1,051,933</b>	<b>\$ 1,051,788</b>
<b>OPERATING EXPENSES:</b>			
<b>Management &amp; Personnel</b>			
Management Fee	7015	\$ 51,129	\$ 52,408
Janitorial Employee	9610	\$ 28,000	\$ 28,000
Security Employees/Conceirge	8670	\$ 107,000	\$ 107,000
Maintenance Employees	9607	\$ 84,000	\$ 88,000
<b>Taxes</b>			
Payroll Taxes	7060	\$ 14,000	\$ 15,000
Federal Income Tax	7430	\$ 5,000	\$ 5,000
State & Fed Unemployment	7440	\$ 5,000	\$ 5,000
FL Sales Tax	7450	\$ 2,000	\$ 2,000
<b>Insurance</b>			
Workers Comp Insurance	7250	\$ 5,700	\$ 5,700
Workers Health Insurance	7255	\$ 5,400	\$ 5,400
Insurance - Building	7280	\$ 300,000	\$ 290,000
<b>Administrative</b>			
Accounting Fees	7020	\$ 6,550	\$ 6,550
Professional Fees	7050	\$ 500	\$ 500
Legal - General	7160	\$ 4,000	\$ 4,000
Licenses & Permits	7161	\$ 1,500	\$ 1,500
Fees - DBPR, Corp. Bank	7300	\$ 1,500	\$ 2,500
Office Supplies	7320	\$ 6,200	\$ 6,200
Allowance for Doubtful Accounts	7330	\$ 5,000	\$ 5,000
<b>Utilities</b>			
Trash Removal	8905	\$ 20,000	\$ 15,500
Electricity	8910	\$ 25,000	\$ 25,000
Water & Sewer	8930	\$ 33,000	\$ 33,000
Gas	8960	\$ 1,000	\$ 1,000
Cable TV	8970	\$ 65,000	\$ 70,000
Telephone	7225	\$ 7,000	\$ 5,500
Employee Cell Phones	7226	\$ 500	\$ 500
<b>Maintenance</b>			
Pool Repairs	8260	\$ 1,000	\$ 1,000
Repairs & Maintenance	9210	\$ 20,000	\$ 20,000
Door & Window Repair	9212	\$ 15,000	\$ 15,000
Fire Inspection	9214	\$ 2,500	\$ 2,500
Maintenance Supplies	9220	\$ 2,000	\$ 2,000
Janitorial Supplies	9230	\$ 1,500	\$ 1,500
Elevator Repairs	9247	\$ 3,000	\$ 3,000
Generator Repairs	9248	\$ 1,500	\$ 1,500
Water Pressure Pumps	9249	\$ 750	\$ 750
Laundry Repairs	9260	\$ 1,500	\$ 1,500
Garden Supplies	9825	\$ 3,000	\$ 3,000

**Contracts**

Pride Maint. Service Contract	9606	\$	46,100	\$	46,100
Fire & Safety	9215	\$	5,000	\$	5,000
Elevator Service Contract	9612	\$	8,500	\$	8,600
Pool Service Contract	9615	\$	3,100	\$	3,100
Pest Control	9750	\$	7,000	\$	7,000
Pest Control - Dry Wood Term.	9752	\$	8,000	\$	8,000
Landscape Contract	9810	\$	14,500	\$	14,500

**Projects**

Special Projects	7460	\$	15,000	\$	15,000
Security System Cameras	9655	\$	3,000	\$	7,000
Catwalk/Balcony Repairs	9211	\$	7,500	\$	7,500

**Total Operating Expenses**

<b>\$</b>	<b>953,429</b>	<b>\$</b>	<b>953,808</b>
-----------	----------------	-----------	----------------

**RESERVES:**

Res Exp - Parking Lot Lights	9931	\$	1,111	\$	1,111
Res Exp - Parking Lot	9932	\$	1,540	\$	1,999
Res Exp - Recreation Room	9936	\$	609	\$	609
Res Exp - Termite Control	9937	\$	3,943	\$	3,943
Res Exp - Lobby	9941	\$	746	\$	746
Res Exp - Balconies/Catwalks	9942	\$	50,063	\$	50,063
Res Exp - Elevators	9943	\$	4,581	\$	4,581
Res Exp - Generator	9944	\$	2,639	\$	2,639
Res Exp - Roof	9960	\$	13,265	\$	13,776
Res Exp - Painting	9965	\$	15,051	\$	15,051
Res Exp - Pool	9970	\$	2,955	\$	-
Res Exp - Laundry (W&D)	9975	\$	-	\$	1,440
Res Exp - Electrical	9980	\$	1,000	\$	1,000
Res Exp - Plumbing	9985	\$	1,000	\$	1,021

**Total Reserves**

<b>\$</b>	<b>98,504</b>	<b>\$</b>	<b>97,980</b>
-----------	---------------	-----------	---------------

**Total Op. Expenses & Reserves**

<b>\$</b>	<b>1,051,933</b>	<b>\$</b>	<b>1,051,788</b>
-----------	------------------	-----------	------------------

**NET INCOME/(LOSS)**

<b>\$</b>	<b>0</b>	<b>\$</b>	<b>0</b>
-----------	----------	-----------	----------

<b>\$</b>	<b>1,051,933</b>	<b>\$</b>	<b>1,051,788</b>
-----------	------------------	-----------	------------------

**Increase / Decrease**

0%

0%

**Annual Funding of Reserve**

Component	Estimated Useful Life	Est. Remaining Useful Life (Yrs.)	Est. Replacement Cost	Projected Accumulated Funds as of 12/31/12	Allocation of Unallocated Reserve	Annual Funding Requirement Year 2013	Monthly Funding Requirement Year 2013
Roof	19		\$ 275,000.00	\$ 13,265.40	\$ 2,573.66	\$ 13,775.51	\$ 1,147.96
Parking Lot	15		\$ 40,000.00	\$ 10,009.52	\$ 388.89	\$ 1,999.37	\$ 166.61
Balconies / Catwalks Repairs	12		\$ 700,000.00	\$ 99,246.84	\$ 6,805.66	\$ 50,062.76	\$ 4,171.90
Painting / Caulking	8		\$ 150,000.00	\$ 29,591.16	\$ 1,468.36	\$ 15,051.11	\$ 1,254.26
Elevators	28		\$ 205,000.00	\$ 76,720.84	\$ 1,989.08	\$ 4,581.40	\$ 381.78
Generator	17		\$ 50,000.00	\$ 5,138.88	\$ 486.12	\$ 2,638.89	\$ 219.91
Lobby	1		\$ 10,000.00	\$ 9,254.28	\$ 97.22	\$ 745.72	\$ 62.14
Parking Lights	30		\$ 45,000.00	\$ 11,669.48	\$ 437.51	\$ 1,111.02	\$ 92.58
Washers & Dryers	5		\$ 15,000.00	\$ 7,800.00	\$ 145.84	\$ 1,440.00	\$ 120.00
Termite Control	2		\$ 25,000.00	\$ 17,113.28	\$ 243.06	\$ 3,943.36	\$ 328.61
Recreation Room	1		\$ 10,000.00	\$ 9,391.12	\$ 97.22	\$ 608.88	\$ 50.74
Pool	1		\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ -
Electrical - Building	16		\$ 20,000.00	\$ 3,666.52	\$ 194.46	\$ 1,020.84	\$ 85.07
Plumbing - Building	16		\$ 20,000.00	\$ 3,999.84	\$ 194.46	\$ 1,000.01	\$ 83.33
Unallocated Reserve Interest (as of 08/31/12)				\$ 15,215.50			
<b>Total</b>			<b>\$ 1,585,000.00</b>	<b>\$ 332,082.66</b>	<b>\$ 15,215.50</b>	<b>\$ 97,978.86</b>	<b>\$ 8,164.90</b>

# Breakwater Towers Corporation

1900 S. Ocean Drive  
Ft. Lauderdale, FL 33316

## Frequently Asked Questions FAQ

Q. How many units are in this building?

A. 185 consisting of studio, 1, 2 & 3 bedroom units, 16 floors, 2 elevators.

Q. How many votes does each apartment have?

A. 1

Q. Can I rent my apartment?

A. No, renting is not permitted.

Q. Can I let friends use my apartment?

A. No, only immediate family members are allowed to stay in the apartment in your absence.

Q. Who pays my real estate taxes?

A. You, as an owner, you are responsible for your taxes.

Q. Who pays my utilities?

A. The corporation pays for your water, trash, basic cable TV and basic pest control.

Q. Who pays my insurance?

A. The corporation maintains liability, fire, flood, windstorm and plate glass insurance on the building and common areas. However, each owner should maintain a standard homeowner's policy as the corporation policy covers common areas only.

Q. Do I have storage?

A. The corporation maintains storage lockers on various floors and these are available on a first come, first served basis. Only 1 locker per apartment is permitted.

Q. Where do I park?

A. Reserved parking is available on a first come, first served basis for a fee; however, there is plenty of free parking on all four sides of the building. All owners are required to display a BT parking permit on their vehicles and guests must request a permit from the concierge. BT maintains a strict towing policy.

Q. Who can use the recreation room?

A. Any resident may use the recreation room for small gatherings. You must make an appointment and a \$50.00 deposit must be placed with the concierge.

Q. When are the Corporation Meetings?

A. Monthly Board of Director meetings are typically conducted October through March on the 3<sup>rd</sup> Tuesday of each month at 7:00pm in the recreation room. Meetings are open to all cooperators. Annual meetings and elections are held on the first Monday of February at 7:00pm.

# Breakwater Towers Corporation

1900 S. Ocean Drive  
Ft. Lauderdale, FL 33316

Q. Do I need to notify management before I move furniture in or out?

A. Yes, and you must also post a deposit of \$500.00 which will be returned to you providing there is no damage to the building or elevators after your move.

Q. Is there any security on the property?

A. The corporation maintains a 24X7 concierge staff along with limited video surveillance.

Q. When are my monthly assessments due?

A. Assessments are due on the 1<sup>st</sup> of each month. After 30 days, late fees will accrue.

Q. Are washers and dryers permitted in the apartments?

A. No. Washers and dryers are provided on various floors.

Q. Is there a service contract included in the monthly maintenance?

A. Yes. Electrical, plumbing, A/C and appliance repairs are covered by a contractor service contract included in the monthly maintenance.

BY - LAWS  
Of  
BREAKWATER TOWERS CORPORATION

ARTICLE I

NAME AND LOCATION OF CORPORATION

Section 1. The name of this corporation is BREAKWATER TOWERS CORPORATION. Its principal office is located at 1013 Centre Road, Wilmington, Delaware 19805

ARTICLE II

PURPOSE

Section 1. The purpose of this corporation is to provide its members with housing on a non-profit basis consonant with the provisions set forth in its Certificate of Incorporation.

ARTICLE III

MEMBERSHIP

Section 1. Eligibility. Any natural person approved by at least two (2) Board of Directors shall be eligible for membership.

Section 2. Application for Membership. Application for membership shall be presented in person to the Board of Directors and all such applications shall be acted upon promptly by the Board of Directors.

Section 3. Apartment Deposits. All deposits received from applicants shall be deposited promptly without deduction in a special account to be designated "Escrow Account to Membership in Breakwater Towers Corporation", with a federally insured banking institution approved by the Board of Directors located in Ft. Lauderdale, Florida. Such funds shall be subject to withdrawal or transfer to the account of the corporation only upon certification by the President and Secretary of the corporation to the above-named bank that:

- (a) The Purchase Agreement of a named applicant has been terminated pursuant to its terms and such withdrawal is required to repay the amount paid by him under such agreement.

Section 4. Members. The members shall consist of the incorporators as have been approved for membership by the Board of Directors and who have paid for their membership and received membership certificates as well as Certificates of Occupancy for their unit.

Section 5. Transfer of Membership. Except as provided herein, membership shall not be transferable.

- (a) Death of a Member. If, upon death of a member, his membership in the corporation passes by will or intestate distribution to a member of his immediate family, such legatee or distribution may, by assuming the written terms of the Occupancy Agreement within sixty (60) days after member's death, and paying all amounts due thereunder, become a member of the corporation. If member dies and an obligation is not assumed in accordance with the foregoing, then the corporation shall have the option to purchase the membership from the deceased member's estate in the manner provided in paragraph (b) of the Section, written notice of the death being equivalent to notice of intention to withdraw. If the corporation does not exercise such option, the provisions of paragraph (c) of this Section shall be applicable, the references to "member" therein to be construed as references to the legal representative of the deceased member.
- (b) Option of Corporation to Purchase. If a member desires to sell his membership in the corporation and has a written offer from any third party, he shall notify the Corporation in writing of such notice and also attach a copy of the offer to sell and the corporation shall have an option for a period of thirty (30) days thereafter to purchase the membership under the same terms and conditions as set forth in the aforementioned offer. It is understood and agreed that the corporation has the option and not the obligation to purchase the member's membership and Occupancy Agreement. The purchase by the corporation of the membership will immediately terminate the member's rights and the member shall forthwith vacate the premises.
- (c) Procedure Where Corporation Does Not Exercise Option. If the corporation waives in writing its right to purchase the membership under the foregoing option, or if the corporation fails to exercise such option within the thirty day period, the member may sell his membership to any person who has been duly approved by the corporation as a member. All amounts due the corporation shall be paid by the member or his/her estate until such time that their interest has been divested.

Section 6. Termination of Membership. In the event the corporation has, pursuant to the provisions of the Membership Agreement /Occupancy Agreement terminated the rights of a member under said Membership Agreement/Occupancy Agreement and repossessed the dwelling unit, the retiring member shall be required to deliver promptly to the corporation his membership and his Membership Agreement/ /Occupancy Agreement, both endorsed in such a manner as may be required by the corporation. The corporation shall thereupon at its election either (1) repurchase said membership at its current fair market value as determined by the corporation and established by the mean average of three independent appraisers or (2) proceed with reasonable diligence to effect a sale of the retiring member's rights under such membership to a purchaser and at a sales price acceptable to the corporation. The retiring member shall be entitled to receive the current fair market value (if the corporation has exercised election (1) above) or the sales price (if the corporation has exercised option (2) above) but in either case less the following amounts (The determination of such amounts by the corporation to be conclusive):

- (a) Any amounts due to the corporation from the member under the Membership Agreement/Occupancy Agreement;
- (b) The cost or estimated cost of all deferred maintenance, including painting, redecoration, floor finishing, and such repairs and replacements as are deemed necessary by the corporation to place the dwelling unit in suitable condition for another occupant; and
- (c) Legal and other expenses incurred by the corporation in connection with the default of such member and the resale of his membership.

Section 7. Current Fair Market Value. Whenever the corporation elects to purchase the membership as set forth in Article III, Section 6 of these By-Laws, the term "Current Fair Market Value" shall be understood to mean the mean average of three independent appraisers as determined by the corporation.

Section 8. Lien. The corporation shall have a lien on the membership in order to secure payment of any sums which shall be due or become due from the members thereof for any reason whatsoever, including any sums due under any membership agreements/Occupancy Agreements.

## ARTICLE IV

### MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the corporation or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The annual meetings of the corporation shall be held on the 1<sup>st</sup> Monday of February each year. At such meeting there shall be elected by



ballot of the members a Board of Directors in accordance with the requirements of Section 3 of Article V of these By-Laws. The members may also transact such other business of the corporation as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the corporation as directed by resolution of the Board of Directors or upon a petition signed by twenty percent of the members having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the members present, either in person or by proxy.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the corporation, or if no such address appears, at his last known place of address, at least 15 but not more than 45 days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 5. Quorum. The presence, either in person or by proxy, of a majority of the voting interests of record of the corporation shall be requisite for, and shall constitute a quorum for, the transaction of business at all meetings of members.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called, and those who attend such an adjourned meeting, although less than a majority of the membership, shall nevertheless constitute a quorum for the purpose or purposes of said meeting, provided at least 25% of the membership is present either in person or by proxy.

Section 7. Voting. At every meeting of the members, each member present, either in person or by proxy, shall have the right to cast one vote on each question and never more than one vote, without regard to the membership standing in the name of the member on the books of the corporation. The vote of the majority of those present, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Certificate of Incorporation or of these By-Laws, a different vote is required, in which case such express provision shall govern and control.

Section 8. Proxies. A member may appoint any other member as a proxy. Any proxy must be filed with the secretary before the appointed time of each meeting. No proxy, limited or general, shall be used in the election of Board Members, however, limited and general proxies may be used to establish a quorum. Any proxy given shall be effective only for the specific meeting and any lawfully adjourned meeting thereof.

Section 9. Order of Business. The order of business at all meetings of the members shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Appointment of inspectors of election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

## ARTICLE V

### DIRECTORS

Section 1. Number and Qualification. The affairs of the corporation shall be governed by a Board of Directors composed of 7 persons, the majority of whom shall be members in the corporation.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include but not be limited.

- (a) to accept or reject all applications for membership and admission to occupancy of a dwelling unit in the cooperative housing project, either directly or through an authorized representative;
- (b) to establish monthly carrying charges prescribed in Occupancy Agreement, based on an annual operating budget formally adopted by such Board;
- (c) to authorize in their discretion patronage refunds from residual receipts when and as reflected in the annual report prescribed in the Certificate of Incorporation; and
- (d) to promulgate such rules and regulations pertaining to the use and occupancy of the premises as may be deemed proper and which are consistent with these By-Laws, the Occupancy Agreement and the Certificate of Incorporation.

Section 3. Directors, Election and Term of Office. The directors will be elected by the membership to serve a term of three (3) years, The directors shall hold office until their successors have been elected. All elections of the Board Members shall

be conducted in accordance with these Bylaws and applicable provisions of Chapter 719, Florida Statutes as same presently exists or may be amended from time to time.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected by the members at the next annual meeting.

Section 5. Removal of Directors. Any one or more of the directors elected by members may be removed with or without cause at any time by a vote of the majority of the entire membership of the corporation at any regular or special meeting duly called, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the corporation in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. A director may not be an employee of the corporation.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or facsimile at least three (3) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days notice to each director, given personally or by mail, telephone or facsimile which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least three directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If

all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the corporation handling or responsible for corporate funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the corporation.

Section 13. Safeguarding Subscription Funds. It shall be the duty of the Board of Directors to see to it that all sums received are deposited and withdrawn only in the manner provided for in Article III, Section 3 of these By-Laws.

## ARTICLE VI

### OFFICERS

Section 1. Designation. The principal officers of the corporation shall be President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the corporation shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

Section 4. President. The President shall be the chief executive officer of the corporation. He/she shall preside at all meetings of the members and of the Board of Directors. He/she shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the membership from time to time as he/she may in his discretion decide is appropriate to assist in the conduct of the affairs of the corporation.

Section 5. Vice-President. The Vice President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the corporation he/she shall have the custody of the seal of the corporation; he/she shall have charge of the membership books and of such other books and papers as the Board of Directors may direct; and he/she shall, in general, perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the corporation. He/she shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the corporation in such depositories as may from time to time be designated by the Board of Directors.

## ARTICLE VII

### MEMBERSHIP

Section 1. Membership Certificates. Each membership certificate shall state that the corporation is organized under the laws of the State of Delaware. The name of the registered holder of the membership represented thereby, the corporation lien rights as against such membership as set forth in Section 8 of Article III. Every membership certificate shall be signed by the President or Vice President, and the Secretary, and shall be sealed with the corporate seal. This certificate is given to member after full payment for dwelling unit is obtained.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the corporation and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion, and as a condition precedent to the issuance thereof, require the registered owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and to give the corporation a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the corporation.

## ARTICLE VIII

### AMENDMENTS

Section 1. Amendments. These by-Laws may be amended by two-thirds vote of the members present and voting at any regular or special meeting, provided that a quorum as prescribed in Section 5, Article IV herein, is present at any such meeting and provided further that no amendment shall become effective unless and until it has received the written approval of the members. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty percent of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon.

## ARTICLE IX

### CORPORATE SEAL

Section 1. Seal. The Board of Directors shall provide a suitable corporate seal containing the name of the corporation, which seal shall be in charge of the Secretary. If so directed by the Board of Directors, a duplicate of the seal may be kept and used by the Treasurer or any assistant secretary or assistant treasurer.

## ARTICLE X

### FISCAL MANAGEMENT

Section 1. Fiscal Year. The fiscal year of the corporation shall begin on the first day of May of each year, except that the first fiscal year of the corporation shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the corporation shall be kept under the direction of the Treasurer.

Section 3. Auditing. At the closing of each fiscal year, the books and records of the corporation shall be audited by a Certified Public Accountant. Based on such reports, the corporation will furnish its member with a statement of the income and disbursements of the corporation for each fiscal year as provided in the Association's governing documents and Chapter 719, Florida Statutes, as same presently exists or may be amended from time to time.

Section 4. Inspection of Books. Financial reports and records of the corporation shall be available for inspection by the members at the principal office of the

corporation at reasonable times scheduled in advance by the member(s) and the Board of Directors.

Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts, including Occupancy Agreements, shall be executed on behalf of the corporation by either the President or the Vice President, and all checks shall be executed on behalf of the corporation by (1) either the President or the Vice President, and (2) countersigned by either the Secretary or Treasurer or other authorized member or director designated as a signatory on the Association's account.

## ARTICLE XI

### FLORIDA STATUTES

Section 1. Florida Statutes, Chapter 719 of the Florida Statutes (the Cooperative Act) is incorporated herein as if fully set forth in its entirety as same now exists or may be amended from time to time.

OCCUPANCY AGREEMENT  
For  
BREAKWATER TOWERS CORPORATION

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of, \_\_\_\_\_ 200\_\_ by and between BREAKWATER TOWERS CORPORATION, (hereinafter referred to as the (Corporation), a Delaware corporation having its principal place of business at Fort Lauderdale, Florida, and \_\_\_\_\_ (hereinafter referred to as Member);

WHERE AS, the corporation has been formed for the purpose of constructing, owning and operating a cooperative housing project to be located in Fort Lauderdale, Florida with the intent that its membership shall have the right to occupy the dwelling units thereof under the terms and conditions hereinafter set forth; and

WHERE AS, the Member is the owner and holder of a membership in the corporation and has a bona fide intention to reside in the project;

NOW, THEREFORE, in consideration of ten Dollars (\$10.00) to each of the parties paid by the other party, the receipt of which is hereby acknowledged, and in further consideration of the mutual promises contained herein, the corporation hereby lets to the member, and the member hereby hires and takes from the corporation dwelling unit number # \_\_\_\_\_ located at, 1900 S. Ocean Dr. Ft. Lauderdale Florida 33316

TO HAVE AND HOLD said dwelling unit unto the member, his executors, administrators and authorized assigns, on the terms and conditions set forth herein and in the corporate Charter and By-Laws of the corporation and any rules and regulations of the corporation now or hereafter adopted pursuant thereto, from the date of this agreement, for a term terminating on this \_\_\_\_\_ day of \_\_\_\_\_, renewable thereafter for successive three year periods under the conditions provided for herein, provided that member shall continue to be a member in good standing.

ARTICLE 1. MONTHLY CARRYING CHARGES

Commencing at the time indicated in ARTICLE 2 hereof, the member agrees to pay to the corporation a monthly sum referred to herein as "Carrying Charges", equal to one-twelfth of the member's proportionate share of the sum required by the corporation as estimated by its Board of Directors to meet its annual expenses including but not limited to the following items:

- (a) The cost of all operating expenses of the project and services furnished.
- (b) The cost of necessary management and administration.
- (c) The amount of all taxes and assessments levied against the project of the corporation or which it is required to pay, and ground rent, if any.



- (d) The cost of fire and extended coverage insurance on the project and such other insurance as the corporation may effect or as may be required by any mortgage on the project, if applicable.
- (e) The cost of furnishing water, electricity, heat, gas, garbage and trash collection, and other utilities, if furnished by the corporation.
- (f) All reserves set up by the Board of Directors, including the general operating reserve and the reserve for replacements and improvements to the Corporate property.
- (g) The estimated cost of repairs, maintenance and replacements of the project property to be made by the corporation.
- (h) The amount of principal, interest, mortgage insurance premiums and other required payments on the hereinafter mentioned insured mortgage if applicable.
- (i) Any other expenses of the corporation approved by the Board of Directors, including deficiencies, if any, for prior and future periods.

The Board of Directors shall determine the Carrying Charges from time to time. Said sums shall be estimated on an annual basis and divided by the number of months remaining in the then current fiscal year; but in no event shall the member be charged with more than his proportionate share thereof as determined by the Board of Directors.

Until further notice from the corporation, the monthly Carrying Charges for the abovementioned dwelling unit shall be \$ \_\_\_\_\_ / Month. Late charges apply from the 5<sup>th</sup> of the month at the rate of \$1.00 per day.

:

## ARTICLE 2. WHEN PAYMENT OF CARRYING CHARGES TO COMMENCE.

After thirty days' notice by the corporation to the effect that the dwelling unit is available for occupancy, or upon acceptance of occupancy, whichever is earlier, the member shall make a payment for carrying charges covering the unpaid balance of the month. Thereafter, the member shall pay carrying charges in advance on the first day of each month.

## ARTICLE 3. PATRONAGE REFUNDS.

The corporation agrees on its part that it will refund or credit to the member within ninety (90) days after the end of each fiscal year, such sums as may have been collected in anticipation of expenses which are in excess of the amount needed for expenses of all kinds, including reserves, at the discretion of the Board of Directors.

## ARTICLE 4. MEMBER'S OPTION TO RENEW.

It is covenanted and agreed that the term herein granted shall be extended and renewed from time to time by and against the parties hereto for further periods of three years each from the expiration of the term herein granted, upon the same covenants and agreements as herein contained unless: (l) notice of the member's election not to renew shall have been

given to the corporation in writing at least four months prior to the expiration of the then current term, and (2) the member shall have on or before the expiration of said term (a) endorsed his membership for transfer in blank and deposited same with the corporation, and (b) met all his obligations and paid all amounts due under this agreement up to the time of said expiration, and (c) vacated the premises, leaving same in good state of repair. Upon compliance with provisions (1) and (2) of this Article, the member shall have no further liability under this agreement and shall be entitled to no payment from the corporation.

ARTICLE 5. PREMISES TO BE USED FOR RESIDENTIAL PURPOSES ONLY.

The member(s)/owner(s) shall occupy the dwelling unit covered by this agreement as a private dwelling for himself and his immediate family, and for no other purpose, and may enjoy the use, in common with the other members of the corporation, of all community property and facilities of the project, so long as he continues his membership in the corporation, occupies his dwelling unit and abides by the terms of this agreement. For the purposes of this Article, "immediate family" shall mean and refer to a member/owner's spouse, children, grandchildren, parents, grandparents, sisters and brothers.

The member shall not permit or suffer anything to be done or kept upon said premises which will increase the rate of insurance on the building, or on the contents thereof, or which will obstruct or interfere with the rights of other occupants, or annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the premises or commit or suffer any immoral or illegal act to be committed thereon. The member shall comply with all of the requirements of the Board of Health and of all other governmental authorities with respect to the said premises. If by reason of the occupancy or use of said premises by the member the rate of insurance on the building shall be increased, the member shall become personally liable for the additional insurance premiums.

The number of permanent residents per apartment shall be as follows:

- (i) Studio Apartment – two (2) persons;
- (ii) One Bedroom Apartment – three (3) persons;
- (iii) Two Bedroom Apartment – four (4) persons;
- (iv) Three Bedroom Apartment – four (4) persons.

In the event of extraordinary circumstances or if a hardship shall arise, any owner/member may apply to the Board of Directors for a variance or exception to the occupancy limitations and requirements stated herein. The Board of Directors shall consider each request on a case by case basis and the decision of the Board shall be final. Except when granted additional

time in writing by the Board of Directors, no visitor may occupy the premises for more than fourteen (14) days in the absence of the unit owner/member.

#### ARTICLE 6. MEMBER'S RIGHT TO PEACEABLE POSSESSION.

In return for the member's continued fulfillment of the terms and conditions of this agreement, the corporation covenants that the member may at all times while this agreement remains in effect, have and enjoy for his sole use and benefit the property herein above described, after obtaining occupancy and may enjoy in common with all other members of the corporation the use of all community property and facilities of the project.

#### ARTICLE 7. NO RENTALS

The member hereby agrees not to assign this agreement or sublet, lease or rent his dwelling unit under any circumstances. Violation of this provision shall, at the option of the Corporation result in termination or forfeiture of the members rights under this agreement.

#### ARTICLE 7(a). PETS

No pets of any kind are permitted in the building or upon the property of the corporation at any time.

#### ARTICLE 8. TRANSFERS.

Neither this agreement nor the member's right of occupancy shall be transferable or assignable except as provided in clauses (a), (b) and (c) of this Article.

(a) Death of Member. If, upon death of the member, his right of occupancy under this agreement, together with his membership in the corporation, pass by will or intestate distribution to a member of his immediate family such legatee or distributee may, by assuming in writing the terms of this agreement within sixty (60) days after member's death and paying all amounts due hereunder, become the member hereunder. If member dies and this agreement is not assumed in accordance with the foregoing, then the corporation shall have an option to purchase the equity from the deceased member's estate in the manner provided in paragraph (b) of this Article, written notice of the death being equivalent to notice of intention to withdraw. If the corporation does not exercise such option, the provisions of paragraph (c) of this Article shall be applicable, the references to "Member" therein to be construed as references to the legal representative of the deceased member.

(b) Option of Corporation to Purchase. If a member desires to sell his membership in the Corporation and has a written offer from any third party, he shall notify the Corporation in writing of such notice and also attach a copy of the offer to sell and the corporation shall have an option for a period of thirty (30) days thereafter to purchase the membership under the same terms and conditions as set forth in the aforementioned offer. It is understood and agreed that the corporation has the option and

not the obligation to purchase the member's membership and Occupancy Agreement. The purchase by the corporation of the membership will immediately terminate the member's rights and the member shall forthwith vacate the premises.

- (c) Procedure Where Corporation Does Not Exercise Option. If the corporation waives in writing its right to purchase the membership under the foregoing option, or if the corporation fails to exercise such option within the thirty day period, the member may sell his membership to any person who has been duly approved by the corporation as a member.
- (d) Corporation to Cooperate in Locating Purchaser. If the member notifies the corporation of his intention to remove from his dwelling unit and to sell his membership and occupancy agreement, and the corporation waives or fails to exercise its option to purchase same, the member may deliver his occupancy agreement to the corporation for cancellation and endorse his membership for transfer in blank and deposit same with the corporation. The corporation will thereupon (without any obligations, however) reasonably assist the member to find a purchaser at a price designated in writing by the member. The corporation shall be entitled to charge the member a fee it deems reasonable for this service. It is understood, however, that the member shall not be released from his liability under this agreement until such time as a sale has been effected to a purchaser acceptable to the corporation and such purchaser has assumed this agreement or executed a new occupancy agreement.

#### ARTICLE 9. MANAGEMENT, TAXES AND INSURANCE.

The corporation shall provide necessary management, operation and administration of the project; pay or provide for the payment of all taxes or assessments levied against the project; procure and pay or provide for the payment of fire insurance and extended coverage, and other insurance as required by any mortgage on property in the project and such other insurance as the corporation may deem advisable on the property in the project. The corporation will not, however, provide insurance on the member's interest in the dwelling unit or on his personal property. As to the effect of a fire loss on the interests of the member, see Article 15 below.

#### ARTICLE 10. UTILITIES.

The corporation shall provide water, electricity, heat and gas utilities in amounts which it deems reasonable.

#### ARTICLE 11. REPAIRS.

(a) By Member. The member agrees to repair and maintain his dwelling unit at his own expense as follows:

- (1) Any repairs or maintenance.

- (2) Interior decorating and maintenance of grounds, if any appurtenant to his dwelling unit.

(b) By Corporation. The corporation shall provide and pay for all necessary repairs, maintenance and replacements of common property only.

#### ARTICLE 12. ALTERATIONS AND ADDITIONS.

The member shall not, without the written consent of the corporation, make any structural alterations in the premises or in the water, gas or steam pipes or electrical conduits, plumbing or other fixtures connected therewith, or remove any additions, improvements or fixtures from the premises.

If the member for any reason shall cease to be an occupant of the premises, he shall surrender to the corporation possession thereof, including any alterations, additions, fixtures and improvements.

The member shall not, without the prior written consent of the corporation, install or use in his dwelling unit any air conditioning equipment, washing machine, clothes dryer, electric heater or power tools, all of which are expressly excluded even from occasional use by the member unless the required written consent of the corporation has been obtained. The member agrees that the corporation may require the prompt removal of any such equipment at any time, and that his failure to remove such equipment upon request shall constitute a default within the meaning of Article 13 of this agreement.

#### ARTICLE 13. DEFINITION OF DEFAULT BY MEMBER AND EFFECT THEREOF.

It is hereby mutually agreed as follows: if at any time after the happening of any of the events specified in clauses (a) to (i) of this Article, the corporation shall give to the member a notice that this agreement will expire at a date not less than thirty (30) days thereafter, this agreement and all of the member's rights under this agreement will expire on the date so fixed in such notice, unless in the meantime the default has been cured in a manner deemed satisfactory by the corporation, it being the intention of the parties hereto to create hereby conditional limitations, and it shall thereupon be lawful for the corporation to re-enter the dwelling unit and to remove all persons and personal property therefrom either by summary dispossess proceedings or by suitable action or proceeding at law or in equity or by force or otherwise, and to repossess the dwelling unit in its former state as if this agreement has not been made:

- (a) In case at any time during the term of this agreement the member shall cease to be the owner and legal holder of the membership in the corporation.

- (b) In case the member attempts to transfer or assign this agreement in a manner inconsistent with the provisions of Article 8 hereof.
- (c) In case at any time during the continuance of this agreement the member shall be declared a bankrupt under the laws of the United States.
- (d) In case at any time during the continuance of this agreement a receiver of the member's property shall be appointed under any of the laws of the United States or of any State.
- (e) In case at any time during the continuance of this agreement the member shall make a general assignment for the benefit of creditors.
- (f) In case at any time during the continuance of this agreement a member's membership shall be duly levied upon and sold under process of any Court.
- (g) In case the member fails to effect and/or pay for repairs and maintenance as provided for in Article 11 hereof.
- (h) In case the member shall fail to pay any sum due pursuant to the provisions of Article 1 hereof.
- (i) In case the member shall default in the performance of any of his obligations under this agreement.

The member hereby expressly waives any and all right of redemption in case he shall be dispossessed by judgment or warrant of any Court or Judge; the words "enter", "re-enter" and "re-entry", as used in this agreement are not restricted to their technical legal meaning, and in the event of a breach or threatened breach by the member of any of the covenants or provisions hereof, the corporation shall have the right of injunction and the right to invoke any remedy allowed at law or in equity, as if re-entry, summary proceedings, and other remedies were not herein provided for.

The failure on the part of the corporation to avail itself of any of the remedies given under this agreement shall not waive nor destroy the right of the corporation to avail itself of such remedies for similar or other breaches on the part of the member.

#### ARTICLE 14. MEMBER TO COMPLY WITH ALL CORPORATE REGULATIONS.

The member covenants that he will preserve and promote the cooperative ownership principles on which the corporation has been founded, abide by the Charter, By-Laws, rules and regulations of the corporation and any amendments thereto, and by his acts of cooperation with its other members bring about for himself and his co-members a high standard in home and community conditions.

ARTICLE 15. EFFECT OF FIRE LOSS ON INTERESTS OF MEMBER.

In the event of loss or damage by fire or other casualty to the abovementioned dwelling unit without the fault of negligence of the member, the corporation shall determine whether to restore the damaged premises and shall further determine, in the event such premises shall not be restored, the amount which shall be paid to the member to redeem the Class 1 membership and to reimburse him for such loss as he may have sustained.

If, under such circumstances, the corporation determines to restore the premises carrying charges shall abate wholly or partially as determined by the corporation until the premises have been restored. If on the other hand the corporation determines not to restore the premises, the carrying charges shall cease from the date of such loss or damage.

ARTICLE 16. INSPECTION OF THE DWELLING UNIT.

The member agrees that the officers and employees of the corporation, shall have a right to enter the dwelling unit of the member and make inspections thereof at any reasonable hour of the day.

ARTICLE 17. NOTICES.

Whenever the provisions of law or the By-Laws of the corporation or this agreement require notice to be given to either party hereto, such notices may be given in writing by depositing the same in a post office or letter box, in a postpaid, sealed wrapper addressed to the person to whom the notice is to be given, at his or her address as the same appears in the books of the corporation, and the time when the same shall be mailed shall be deemed to be the time of the giving of such notice.

ARTICLE 18. FISCAL REPORTS.

At the end of each fiscal year, the corporation shall furnish to the member a statement of the income and disbursements of the corporation.

ARTICLE 19. ORAL REPRESENTATION NOT BINDING.

No representations other than those contained in this agreement, the Charter and the By-Laws of the corporation shall be binding upon the corporation.