

construction fund are to be upon the order of the Association or upon approval of an architect or otherwise, nor whether a disbursement is to be made from the construction fund, nor to determine the payee nor the amount to be paid. Instead, the Insurance Trustee may rely upon a certificate of the Association, made by its President and Secretary, as to any or all of such matters and stating that the sums to be paid are due and properly payable and stating the name of payee and the amount to be paid; provided, that when a mortgagee is required in this instrument to be named as payee, the Insurance Trustee shall also name the mortgagee as payee of any distribution of insurance proceeds to a Unit Owner; and further provided that when the Association, or a mortgagee that is the beneficiary of an insurance policy whose proceeds are included in the construction fund, so requires, the approval of an architect or engineer named by the Association shall be first obtained by the Association upon disbursements in payments of costs of reconstruction and repair.

## ARTICLE XI TRANSFER

### A. Transfer Subject to Approval.

1. Sale. No Unit Owner may dispose of Unit or any interest in a Unit by sale without approval of the Board of Directors of the Association.
2. Gift. If any Unit Owner shall acquire his title by gift, the continuance of his ownership of his Unit will be subject to approval of the Board of Directors of the Association.
3. Devise or Inheritance. If any Unit Owners shall acquire his title by devise or inheritance, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association.
4. Lease. Units shall not be leased without the prior written approval of the Committee appointed by the Board of Directors. The Board shall have the right to require that a substantially uniform form of lease be used. No lease shall be for a period of less than thirty (30) days; No unit may be leased for more than three (3) periods in a calendar year. The proposed tenants shall consist of not more than two (2) persons (including children) per bedroom in the Unit to be leased, and no pets shall be permitted in leased Units. Notwithstanding the lease of his Unit, the liability of the Unit Owner under this Declaration shall continue.
5. Other Transfers. If any Unit Owner shall acquire his title in any manner not considered in the foregoing sub-sections, the continuance of his ownership of his Unit will be subject to the approval of the Board of Directors of the Association. No Unit may be leased if the Owner is in arrears of any payment to the Association.
6. Transfer Fee. The Association may charge a reasonable fee in connection with any transfer as permitted by Florida law.

B. Approval by Association. The approval of the Board of Directors or the Association that is required for the transfer of ownership or lease of Units will be obtained in the following manner:

1. Notice to Association.

a. Sale. A Unit Owner intending to make a bona fide sale of his Unit or any interest in it will give to the Board of Directors of the Association notice of such intention, together with the name and Address of the intended purchaser and such other information concerning the intended purchaser as said Board may reasonably require. Such notice, at the Unit Owner's option, may include a demand by the Unit Owner that said Board furnish a purchaser of the Unit if the proposed purchaser is not approved; and if such demand is made, the notice will be accompanied by an executed copy of the proposed contract to sell.

b. Failure to Give Notice. If the above-required notice to the Board of Directors of the Association is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a Unit, said Board, at its election and without notice, may approve or disapprove the transaction or ownership. If said Board disapproves the transaction or ownership, it will proceed as if it had received the required notice on the date of such disapproval.

2. Certificate of Approval.

a. Sale. Within twenty (20) days after its receipt of said notice and such supplemental information as it may reasonably require, a Committee appointed by the Board of Directors shall either approve or disapprove the proposed sale or transfer, in writing, and shall promptly notify the Unit Owner of its decision. Failure of the Board to act within said twenty (20) day period shall be the equivalent of its consent and may be established by means of an Affidavit attached to the Deed conveying the Unit to be sold. Approval of the sale, transfer or lease shall be stated in a Certificate executed by the President and Secretary of the Association, which shall be recorded in the Public Records of Palm Beach County, Florida, at the expense of the purchaser, transferee or lessee and if there be any other expenses reasonably incurred by the Association in connection with such transaction, said expense shall also be borne and paid to the Association by the purchaser, transferee or lessee.

b. Lease. The Board must either approve or disapprove a lease within twenty (20) days after its receipt of a request for such approval, which request shall be accompanied by such information as the Board may reasonably require. If approved, a recordable Certificate of Approval shall be executed by the Association at the expense of the Lessee. If the Board fails to give the Unit Owner written notice of its approval of the proposed lease within the foregoing twenty (20) day period, its failure to give such notice shall be equivalent of its consent.

c. Gift, Devise or Inheritance; Other Transfers. If the Unit Owner giving notice has acquired his title by gift, devise, or inheritance or in any other manner not previously considered, then within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association must either approve or disapprove the continuance of the Unit Owner's ownership of his Unit. If approved, the approval will be stated in a certificate executed by the President and Secretary of the Association.

C. Approval of Corporate Owner or Purchaser. Inasmuch as the condominium may be used only for residential purposes and a corporation or LLC cannot occupy an apartment for such use, if the apartment Owner or purchaser of an apartment is a corporation, the approval of ownership by the corporation may be conditioned by requiring that all persons occupying the apartment be approved by the Board of Directors of the Association. Only one (1) family per corporation or LLC will be approved for occupancy.

D. Disapproval by Association. If the Board of Directors of the Association shall disapprove a transfer of ownership of a Unit, the matter will be disposed of in the following manner:

1. Sale, Gift, or Inheritance. If the proposed transaction is a sale and if the notice of sale given by the Unit Owner shall so demand, then within thirty (30) days after receipt of such notice and information, the Board of Directors of the Association will deliver or mail, by registered mail to the Unit Owner, an agreement to purchase the Unit concerned, by a purchaser approved by it, who will purchase and to whom the Unit Owner must sell the Unit upon the following terms:

a. At the option of the purchaser to be stated in the agreement, the price to be paid will be that stated in the disapproved contract to sell or will be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators will be two (2) appraisers appointed by the American Arbitration Association who will base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any Court of competent jurisdiction. The expense of the arbitration will be paid by the purchaser.

b. The purchase price will be paid in cash.

c. The sale will be closed within thirty (30) days after delivery of mailing of the agreement to purchase, or within ten (10) days after the determination of the sale price, if such is by arbitration, whichever is the later.

d. A certificate approving the purchaser will be executed by any officer of the Association.

e. If the Board of Directors of the Association shall fail to provide a purchaser, as required by this instrument, or if a purchaser furnished by it shall default in his agreement to purchase, then notwithstanding the disapproval, the proposed transaction will be deemed to have been approved and said Board will furnish a certificate of approval as elsewhere provided.

2. Lease. If the transaction is a lease and the lease is not approved, the lease shall not be made.

## ARTICLE XII

### LEGAL REQUIREMENTS

For the purpose of compliance with the requirements for Federally insured loans, for issuance of mortgages on condominium projects, the Unit Owners adopt and incorporate the following provisions:

A. Notwithstanding any provisions of this Declaration to the contrary, nothing in this Declaration of Condominium may be construed to:

1. By virtue of any right of first refusal, create an adverse impact on the right of the mortgagee or its assigns to a foreclosure take title to a condominium Unit pursuant to the remedies in the mortgage.

2. Accept a deed or assignment in lieu of foreclosure in the event of default by a mortgagor; or

3. Sell or lease a Unit acquired by the mortgagee or its assignee.

B. Termination and Amendment.

1. Any amendment to this Declaration which would have a material adverse impact upon the rights of any mortgagee must be approved by at least fifty-one percent (51%) of Owners who have Units subject to mortgages.

2. Any action to terminate the condominium after substantial destruction of condemnation will only occur if agreed to by at least fifty-one percent (51%) of Owners who hold mortgages on individual Units.

3. Any time approval of a mortgagee is required, submission of a request to that mortgagee, if not responded to within sixty (60) days after the mortgagee has received proper notice of the proposed amendment, provided the notice was delivered certified or registered mail with a return receipt requested, may be presumed to be assent by the mortgagee.