

EXHIBIT 5
BYLAWS
OF
THE VILLAS AT HARBOR ISLES
CONDOMINIUM ASSOCIATION, INC.
A Corporation Not for Profit

Section 1. Identity.

1.1. These are the Bylaws of THE VILLAS AT HARBOR ISLES CONDOMINIUM ASSOCIATION, INC., a Florida corporation not for profit (the "Condominium Association"), the Articles of Incorporation (the "Articles") of which were filed in the office of the Secretary of State of Florida. The Condominium Association has been organized for the purposes described in the Articles.

1.2. The provisions of these Bylaws are applicable to the Condominium and are subject to the provisions of the Articles. A copy of the Articles and a copy of these Bylaws will be annexed, as Exhibits, to the Declaration of Condominium of the Condominium (the "Declaration," capitalized terms used but not otherwise defined herein will have the meaning set forth in the Declaration) which will be recorded in the Public Records of Broward County, Florida (the "County"). The terms and provisions of the Articles and Declaration shall control wherever the same may conflict herewith.

1.3. All members of the Condominium Association and their invitees, including, without limitation, all present or future Owners (as defined in the Declaration) and tenants of dwelling units in the Condominium ("Units") and other persons using the Condominium or any of the facilities thereof in any manner, are subject to these Bylaws, the Articles and the Declaration.

1.4. The office of the Condominium Association shall be at Suite 211 at Riviera Plaza, 1560 South Dixie Highway, Coral Gables, Florida 33146 or at such other place as may be established by resolution of the Board of Directors.

1.5. The fiscal year of the Condominium Association shall be the calendar year.

1.6. The seal of the Condominium Association shall bear the name of the Condominium Association, the word "Florida," the words "Corporation Not For Profit," and the year of incorporation.

Section 2. Membership, Voting, Quorum, Proxies.

2.1. The qualification of members of the Condominium Association (the "Members"), the manner of their admission to membership and termination of such membership, and voting by Members, shall be as set forth in Article IV of the Articles, the provisions of which are incorporated herein by reference.

2.2. A quorum at meetings of Members shall consist of Owners of at least one third (1/3) of the Units; and the joinder of a Member in the action of a meeting by signing and concurring in the minutes thereof shall not constitute the presence of such person for the purpose of determining a quorum.

2.3. The vote of the Owner(s) of a Unit owned by more than one natural person, as tenants in common, joint tenants (except a husband and wife as tenants by the entirety), a partnership, or any other association of natural persons, or by a corporation, a trust, or any other entity, shall be cast or otherwise exercised, at all meetings at which Members of the Condominium Association are entitled to vote or otherwise act, by one natural person designated in writing by the Owner(s) of such Unit as the "Primary Occupant" thereof. In each instance where title to a Unit is proposed to be conveyed or is otherwise to become vested in more than one natural person (except a husband and wife as tenants by the entirety), a partnership, or any association of natural persons, or a corporation, a trust, or any other entity, the prospective owner(s) shall, by written instrument acceptable to the Condominium Association, designate one natural person as the Primary Occupant. The instrument designating the Primary Occupant shall be filed with the Condominium Association, and the person so designated shall be and remain the Primary Occupant of the Unit until such designation has been revoked by written instrument executed by the Owner(s) of the Unit or by lawful conveyance of the Unit. The Primary Occupant of the Unit shall be the only person entitled to cast or exercise, in person or by proxy as allowed by applicable law, the vote of the Owner(s) of such Unit at any meeting of Members or in connection with any action concerning which Members of the Condominium Association shall be required or allowed to vote or otherwise act.

2.4. Evidence of the approval or disapproval of the Owner(s) of a Unit upon any matter, whether or not the subject of a Condominium Association meeting, shall be given to the Condominium Association by the same person who would cast the vote of such Owner if in an Condominium Association meeting.

2.5. Except where otherwise required under the provisions of the Articles, these Bylaws or the Declaration, or where the same may otherwise be required by law, the affirmative vote of the Owners entitled to cast a majority of the votes represented at any meeting of the Members duly called and at which a quorum is present, shall be binding upon the Members.

Section 3. Annual and Special Meetings of Membership.

3.1. The annual meeting of Members shall be held, at the office of the Condominium Association or such other place as may be specified in the notice of the meeting, at 2:00 P.M. on the second Tuesday of April of each year for the purpose of electing Directors

and transacting any other business authorized to be transacted by the Members; provided, however, that if that day is a legal holiday, the meeting shall be held at the same hour on the next succeeding regular business day.

3.2. Special meetings of the entire membership of the Condominium Association shall be held whenever called by the President or Vice President or by a majority of the Board of Directors, and must be called by such officers upon receipt of a written request from Owners of no less than one third (1/3) of the Units.

3.3. Notice of all meetings of Members shall be given (unless waived in writing) by the Secretary or, in the absence of the Secretary, another officer of the Condominium Association, to each Member. Each notice shall be written or printed and shall state the time and place of the meeting and shall identify the agenda items. Notice of a meeting of the Unit Owners, including an annual meeting, shall be given to each Member not less than fourteen (14) days prior to the date set for the meeting, and shall be mailed or delivered personally to each Member. Notwithstanding the foregoing, notice of an annual meeting or other meeting of the Unit Owners at which a Director is to be elected shall be given to each Member not less than sixty (60) days prior to the date set for such meeting, notice of such meeting shall be mailed or delivered personally to each Member. In addition, with respect to an annual meeting or other meeting of the Unit Owners at which a Director is to be elected, a second notice of such meeting, together with an agenda and a ballot which lists all candidates and any information sheets on candidates as provided in Section 4.2(b), shall be mailed or delivered personally to each Member, not more than thirty-four (34), nor less than fourteen (14), days prior to the scheduled election. If delivered personally, receipt of the notice shall be signed by the Member, indicating the date received. If mailed, such notice shall be deemed properly given when deposited in the United States Mail addressed to the Member at his post office address as it appears on the records of the Condominium Association, with postage thereon prepaid. An officer of the Condominium Association shall provide an affidavit to be included in the official records of the Condominium Association, affirming that notices of the Condominium Association meeting were mailed or hand delivered in accordance with the provisions of this Section 3.3 to each Unit Owner at the address last furnished to the Condominium Association. Any Member may, in writing signed by such Member, waive such notice, and such waiver, when filed in the records of the Condominium Association, whether before, at or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such Member. Each notice shall, in addition, be posted in a conspicuous place in the Condominium at least fourteen (14) continuous days prior to said meeting. All notices shall be posted in a specific location in the Condominium adopted by the Board of Directors after notice to the Members. Each notice of any meeting in which assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of any such assessments. If any meeting of Members cannot be held because a quorum is not present, or because a greater percentage of the membership required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, the Bylaws or the Declaration, the Members who are present, either in person or by proxy as allowed by applicable law, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance if greater than a quorum, is present.

3.4. At meetings of Members, the President shall preside or, in his absence, the Members present shall select a chairman of the meeting.

3.5. The order of business at annual meetings of Members, and, as far as practical, at other meetings of Members, shall be:

- (i) Any election ballots not yet cast shall be collected;
- (ii) Calling of the roll and certifying of proxies;
- (iii) Proof of notice of meeting or waiver of notice;
- (iv) Reading or waiver of reading of minutes of previous meeting of Members;
- (v) Reports of officers;
- (vi) Reports of committees;
- (vii) Appointments by Chairman of inspectors of election;
- (viii) Election of Directors;
- (ix) Unfinished business;
- (x) New business; and
- (xi) Adjournment.

Section 4. Board of Directors.

4.1. The first Board of Directors shall consist of three (3) persons who shall be the subscribers to the Articles. For so long as Developer (as defined in the Articles) is entitled to elect at least one member of the Board of Directors, succeeding Board of Directors shall consist of that number (but not less than three) of Directors determined by Developer. Each of the members of all succeeding Boards of Directors shall be Members of the Condominium Association, or shall be authorized representatives, officers or employees of a corporate Member of the Condominium Association except for those Directors who are appointed by Developer. When (but not before) Unit Owners other than Developer, own at least fifteen percent (15%) of the Units that will be operated ultimately by the Condominium Association, the Unit Owners, other than Developer, shall be entitled to elect, as a group and in the manner provided in Section 4.2 hereof, not less than one-third (1/3) of the members of the Board of Directors. The Unit Owners, other than Developer, shall be entitled to elect, as a group and in the manner provided in Section 4.2 hereof, a majority of the members of the Board of Directors upon the first to occur of (the "Turnover Date"):

- (i) Three years after 50 percent of the Units that will be operated ultimately by the Condominium Association have been conveyed to purchasers;

(ii) Three months after 90 percent of the Units that will be operated ultimately by the Condominium Association have been conveyed to purchasers;

(iii) When all of the Units that will be operated ultimately by the Condominium Association have been completed, some of them have been conveyed to purchasers, and none of the others are being offered for sale by Developer in the ordinary course of business;

(iv) When some of the Units that will be operated ultimately by the Condominium Association have been conveyed to purchasers and none of the others are being constructed or offered for sale by Developer in the ordinary course of business; or

(v) Seven years after recordation of the Declaration creating the Initial Phase.

Prior to the Turnover Date, Developer shall have the right to elect all members of the Board of Directors of the Condominium Association which Unit Owners, other than Developer, are not entitled to elect; and, in any event, Developer shall have the right to elect not less than one (1) member of the Board of Directors of the Condominium Association as long as Developer holds for sale in the ordinary course of business at least five percent (5%) of the Units that will be operated ultimately by the Condominium Association. Notwithstanding the foregoing, Developer shall be entitled at any time to waive in writing its rights hereunder, and thereafter to vote in elections for members of the Board of Directors of the Condominium Association in the same manner as any other Unit Owner of the Condominium Association. So long as Developer holds at least one Unit for sale in the ordinary course of business, none of the following actions may be taken without the approval in writing of the Developer: (i) assessment of the Developer as a Unit Owner for capital improvements and (ii) any action by the Association that would be detrimental to the sales of Units by the Developer; provided, however, an increase in assessments for Common Expenses without discrimination against the Developer shall not be deemed to be detrimental to the sales of Units.

4.2. Directors shall be elected in the following manner:

(a) Commencing with the election of the first Board to succeed the Board comprised of the subscribers of the Articles, Developer shall designate the number of the members of the Board and the identity of those members which it shall be entitled to designate in accordance with the Articles and these Bylaws, and upon such designation by Developer, by written instrument presented to the meeting at which such election is held, the persons so designated by Developer shall be deemed and considered for all purposes Directors of the Condominium Association, and shall thenceforth hold the offices and perform the duties of such Directors until their successors shall have been elected or designated, as the case may be, and qualified in accordance with the provisions of these Bylaws.

(b) All members of the Board whom Developer shall not be entitled to designate under these Bylaws shall be elected by written ballot or voting machine, by a plurality of the votes cast at the annual meeting of the Members, immediately following the designation of the members of the Board whom Developer shall be entitled to designate. Any Member or other

eligible person desiring to be a candidate for the Board shall give written notice to the Secretary not less than forty (40) days before a scheduled election. Upon request of a candidate, the Condominium Association shall include, at its own expense, an information sheet on the candidate no longer than 8½ inches by 11 inches, furnished by the candidate not less than thirty-five (35) days before the election, together with the second notice of a scheduled election as set forth in Section 3.3 hereof. Proxies shall in no event be used in electing members of the Board, except that Members other than Developer may vote by limited proxy to fill a vacancy created by recall of a Director previously elected by Members other than Developer. No Member shall permit any other person to vote his ballot, and any such ballots improperly cast shall be deemed invalid. A Member who needs assistance in casting his ballot may obtain such assistance.

(c) Vacancies on the Board may be filled, to expire on the date of the next annual meeting, by the remaining Directors; except that, should any vacancy in the Board of Directors be created in any directorship previously filled by a Person designated by Developer, such vacancy will be filled by Developer designating, by written instrument delivered to any officer of the Condominium Association, the successor Director, who will fill the vacated directorship for the unexpired term thereof.

(d) Commencing with the first annual meeting of Members at which Owners, other than Developer, are entitled to elect some or all of the Directors, the terms of office of not more than one more than half such Directors receiving the highest plurality of votes will be two years, and the terms of office of the remaining Director or Directors elected by the next highest plurality of votes will be one year; Developer will designate for two-year terms that number of Directors which, together with the Directors elected by other Owners, if any, totals one more than half of the Directors. The remaining Director or Directors designated by Developer, if any, will have terms of office of one year; the intention being that terms of office of Directors be staggered after the first annual meeting at which Owners elect Directors, with up to one more than half the Directors elected by Owners, other than Developer, to serve the initial two-year terms. Thereafter, as many Directors shall be elected, or designated by Developer as the case may be, for two-year terms, as there are regular terms of office of Directors expiring at such times. Directors shall hold office for the terms to which elected or designated, and thereafter until their successors are duly elected, or designated by Developer, and qualified, or until removed in the manner elsewhere herein provided or as provided by law.

(e) In the election of Directors, there shall be appurtenant to each Unit as many votes for Directors as there are Directors to be elected; provided, however, that no Member may cast more than one vote per Unit owned for any person nominated as a Director, it being the intent hereof that voting for Directors shall be non-cumulative.

(f) In the event that Developer selects any person to serve as a Director, Developer will have the absolute right at any time, in its sole discretion, to replace any such Director with another Person to serve as a Director. Replacement of any Director designated by Developer will be made by written instrument delivered to any officer of the Condominium Association, which instrument will specify the name of the Person designated as successor to the Director so removed. The removal of any Director and designation of his successor will be effective immediately upon delivery of such written instrument by Developer to any officer of the Condominium Association.

(g) Notwithstanding anything herein to the contrary, there will be no quorum requirement for any vote held to elect a Director; however, at least twenty percent (20%) of eligible voters must cast a ballot in order to have a valid election of a Director.

4.3. The organizational meeting of a newly-elected or designated Board shall be held within fifteen (15) days of its election or designation, at such time and place as fixed at the meeting at which it was elected.

4.4. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors. All meetings of the Board at which a quorum of the Directors is present will be open to all Members of the Condominium Association. Any Member may record or videotape such meetings. Any Member shall have the right to speak at meetings on all designated agenda items, subject to reasonable rules adopted by the Condominium Association regarding the frequency, duration and manner of Member statements. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, telegram or teletype (at least seven (7) days prior to the day named for such meeting, unless notice is waived). Notice of all meetings (including the organizational meeting described in Section 4.3 above), which shall identify the agenda items, shall also be posted in a conspicuous place in the Condominium at least forty-eight (48) continuous hours prior to said meeting, unless an emergency exists which prevents the giving of such notice, or unless a greater time is prescribed by law. However, written notice of any meeting at which non-emergency special assessments, or at which an amendment to rules regarding Unit use will be proposed, discussed or approved, shall be mailed or delivered to Members and posted conspicuously in the Condominium not less than fourteen (14) days prior to such meeting. The Secretary of the Condominium Association shall provide an affidavit to be included in the official records of the Condominium Association affirming that this fourteen (14) day notice requirement has been complied with. All notices shall be posted in a specific location in the Condominium adopted by the Board of Directors after notice to the Members. Notice of any meeting in which regular assessments against Members are to be considered for any reason shall specifically contain a statement that assessments will be considered, and the nature of any such assessments. Meetings of any committee of the Board to take final action on behalf of the Board or make recommendations to the Board regarding the Condominium Association Budget are subject to the provisions of this Section 4.4. Meetings of any committee of the Board that does not take final action on behalf of the Board or make recommendations to the Board regarding the Condominium Association Budget are not subject to the provisions of this Section 4.4.

4.5. Special meetings of the Board may be called by the President, and must be called by the Secretary at the written request of one-third of the Directors. Not less than three (3) days' notice of a special meeting will be given to each Director, personally or by mail, telephone, telegram or teletype which notice will state the time, place and purpose of the meeting.

4.6. Any Director may waive notice of a meeting before, at or after the meeting, and such waiver will be deemed equivalent to the giving of notice.

4.7. A quorum at meetings of the Board will consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes present at a meeting at which a quorum is present will constitute the acts of the Board

of Directors, except as may be specifically otherwise provided in the Articles, these Bylaws or the Declaration. If any meeting of the Board cannot be held because a quorum is not present, or because the greater percentage of the Directors required to constitute a quorum for particular purposes is not present, wherever the latter percentage of attendance may be required as set forth in the Articles, these Bylaws or the Declaration, such meeting will be rescheduled and notice thereof will be given as elsewhere set forth herein or in the Articles.

4.8. The presiding officer of meetings of the Board shall be the President of the Condominium Association. In the absence of the presiding officer, the Directors present will designate one of their number to preside.

4.9. All of the powers and duties of the Condominium Association shall be exercised by the Board, including those powers and duties existing under the laws of Florida, the Articles, these Bylaws and the Declaration. Such powers and duties will be exercised in accordance with the Articles, these Bylaws and the Declaration, and shall include, without limitation, the right, power and authority to:

(i) Make, levy and collect Assessments against Owners and Owners' Units to defray the costs of operating the Condominium Association, and to use the proceeds of Assessments in the exercise of the powers and duties of the Condominium Association;

(ii) maintain, repair, replace, operate and manage the Condominium whenever the same is required to be done and accomplished by the Condominium Association for the benefit of Members;

(iii) Repair and reconstruct improvements after casualty;

(iv) Make and amend rules and regulations governing the use of the property, real and personal, in the Condominium; provided, that such rules and regulations or amendments thereto will not conflict with the restrictions and limitations which may be placed upon the use of the such property under the terms of the Articles and Declaration;

(v) Approve or disapprove proposed purchasers and lessees of Units and to exercise or waive the Condominium Association's right of first refusal of each proposed sale or lease of a Unit, in the manner specified in the Declaration. The president or the vice-president of the Condominium Association are and shall be authorized on behalf of the Board to approve (but not disapprove) any proposed purchaser or lessee, or to waive (but not to exercise) the Condominium Association's right of refusal, and to execute, on behalf of the Condominium Association, appropriate documents to evidence the same;

(vi) Acquire, own, hold, operate, lease, encumber, convey, exchange, manage, and otherwise trade and deal with property, real and personal, including Units, of and in the Condominium, as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration;

(vii) Enter into contract(s) with any person, firm or entity for the operation, maintenance or repair of the Condominium; provided that, no such contract shall be in conflict with the powers and duties of the Condominium Association or the rights of Owners as provided in the Condominium Act, and the Articles or Bylaws of the Condominium Association;

(viii) Enforce by legal means the provisions of the Articles, these Bylaws, the Declaration and all rules and regulations governing use of property of and in the Condominium hereafter adopted;

(ix) Pay all taxes and assessments which are liens against any part of the Condominium other than Units and the appurtenances thereto, and to assess the same against the Members and their respective Units subject to such liens;

(x) Carry insurance for the protection of the Members and the Condominium Association against casualty and liability;

(xi) Pay all costs of power, water, sewer and other utility services rendered to the Condominiums and not billed to the Owners of the separate Units;

(xii) Employ personnel for reasonable compensation to perform the services required for proper administration of the purposes of the Condominium Association;

(xiii) Grant permits, licenses and easements over the Condominium Property for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Condominium; and

(xiv) Convey a portion of the Common Elements to a condemning authority for the purpose of providing utility easements, right-of-way expansion or other public purposes, whether negotiated or as a result of eminent domain proceedings.

4.10. The first Board of Directors of the Condominium Association will be comprised of the three (3) subscribers to the Articles, who will serve until their successors are designated by Developer or elected at a meeting of the Members following recordation of the Declaration. Should any member of the first Board be unable to serve for any reason, Developer will have the right to select and designate a successor to act and serve for the unexpired term of the Director who is unable to serve.

4.11. Directors may be removed from office in the manner provided for the removal of directors in Chapter 718, Florida Statutes. As stated in Section 718.112(2)(j), Florida Statutes, any member of the Board of Directors may be recalled and removed from office with or without cause by the vote or agreement in writing of Owners entitled to cast a majority of the votes in the Condominium Association. A special meeting of all Unit Owners to recall one or more members of the Board of Directors may be called by Unit Owners entitled to cast ten percent (10%) of the votes giving notice of the meeting as required herein for a meeting of Unit Owners, and the notice shall state the purpose of the meeting.

(a) If the recall is approved by Unit Owners entitled to cast a majority of the votes at such a special meeting, the recall shall be effective as provided herein. The Board shall duly notice and hold a Board meeting within five (5) full business days of the adjournment of the Unit Owner meeting to recall one or more Board members. At the meeting, the Board shall either certify the recall, in which case such member or members shall be recalled effective immediately and shall turn over to the Board within five (5) full business days any and all records and property of the Condominium Association in their possession, or proceed as described in paragraph (c) below.

(b) If the proposed recall is by an agreement in writing by Unit Owners representing a majority of the votes in the Condominium Association, the agreement in writing shall be served on the Condominium Association by certified mail or by personal service in the manner authorized by Chapter 48, Florida Statutes and the Florida Rules of Civil Procedure. The Board shall call a meeting of the Board of Directors within five (5) full business days after receipt of the agreement in writing and shall either certify the written agreement to recall a member or members of the Board, in which case such member or members shall be recalled effective immediately and shall turn over to the Board of Directors within five (5) full business days any and all records of the Condominium Association in their possession, or proceed as described in the following paragraph (c).

(c) If the Board determines not to certify the written agreement to recall a member or members of the Board, or does not certify the recall by a vote at a meeting, the Board shall, within 5 full business days after the meeting, file with the Division of Florida Land Sales, Condominiums, and Mobile Homes of the Department of Business and Professional Regulation (the "Division") a petition for binding arbitration pursuant to the procedures of Section 718.1255, Florida Statutes. For the purposes of this Section 4.11(c), the Unit Owners who voted at the meeting or who executed the agreement in writing shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any member or members of the Board, the recall shall be effective upon mailing of the final order of arbitration upon the Condominium Association. If the Condominium Association fails to comply with the order of the arbitrator, the Division may take action pursuant to Section 718.501, Florida Statutes. Any member or members so recalled shall deliver to the Board of Directors any and all records of the Condominium Association in their possession within five (5) full business days of the effective date of the recall.

Section 5. Additional Provisions - Meetings of Members and Directors.

5.1. Notwithstanding anything contained in these Bylaws to the contrary, any meeting of Members or the Board may be held at any place, within or without the State of Florida, designated in the notice of any such meeting, or notice of which is waived.

5.2. Any meeting of the Board of Directors of the Condominium Association shall be open to all Unit Owners.

Section 6. Officers.

6.1. The Board will elect a President, Secretary, Treasurer, and as many Vice Presidents, Assistant Secretaries and Assistant Treasurers as the Board deems advisable from time to time. The President will be elected from the membership of the Board, but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice President will not be held by the same person, nor will the office of President and Secretary or Assistant Secretary be held by the same person. The Board may from time to time elect such other officers, and designate their powers and duties, as the Board may deem necessary to manage properly the affairs of the Condominium Association. Officers may be removed from office by the Board.

6.2. The President shall be the chief executive officer of the Condominium Association. He will have all of the powers and duties which are usually vested in the office of President of a corporation not for profit, including but not limited to the power to appoint committees from among the Members from time to time, as he may in his discretion determine appropriate, to assist in the conduct of the affairs of the Condominium Association. He will have such additional powers as the Board may designate. The President, when in attendance, will preside at all meetings of Members.

6.3. The Vice President will, in the absence or disability of the President, exercise the powers and perform the duties of President. He will also generally assist the President and exercise such other powers and perform such other duties as are prescribed by the Board.

6.4. The Secretary, when in attendance, will keep the minutes of all proceedings of the Board and the Members. He will attend to the giving and serving of all notices to the Members and the Board, and such other notices as may be required by law. He will have custody of the seal of the Condominium Association and affix the same to instruments requiring a seal when duly signed. He will keep the records of the Condominium Association, except those of the Treasurer, and will perform all other duties incident to the office of Secretary of a corporation not for profit and as may be required by the Board and the President.

6.5. The Treasurer will have custody of all of the property of the Condominium Association, including funds, securities and evidences of indebtedness. He will keep the Assessment rolls and accounts of the Members; he will keep the books of the Condominium Association in accordance with good accounting practices; and he will perform all other duties incident to the office of Treasurer.

6.6. The compensation of all officers and employees of the Condominium Association will be fixed by the Board. The Directors will serve on the Board without compensation; provided, however, this provision shall not preclude the Board from employing a Director as an employee of the Condominium Association, nor preclude contracting with a Director for the management of the Condominium.

Section 7. Fiscal Management.

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

7.1. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Unit. Such account shall designate the name and mailing address of the Owner(s) and mortgagee(s) of each Unit, the amount of each assessment against the Owner(s) of each Unit, the amount of each assessment and due date thereof, and all amounts paid, and the balance due upon each assessment.

7.2. The Board shall adopt, for, and in advance of, each calendar year, a budget for the Condominium showing the estimated costs of performing all of the functions of the Condominium Association for the year. Each budget shall show the total estimated expenses of the Condominium Association for that year and shall contain an itemized breakdown of the Common Expenses (as defined in the Declaration), which shall include, without limitation, the costs of operating and maintaining the Common Elements (as defined in the Declaration), taxes on Condominium Association property, wages and salaries of Condominium Association employees, management, legal and accounting fees, office supplies, public utility services not metered or charged separately to Units, premiums for insurance carried by the Condominium Association and any reserve accounts and/or funds required to be maintained pursuant to Section 718.112(2)(f)(2) of the Condominium Act. Each budget shall also show the proportionate share of the total estimated expenses to be assessed against and collected from the Owner(s) of each Unit and the due date(s) and amounts of installments thereof. Copies of the proposed budget and proposed assessments shall be transmitted to each Member on or before January 1 of the year for which the budget is made. If any budget is subsequently amended, a copy shall be furnished to each affected Member. Failure to deliver a copy of any budget or amended budget to a Member shall not affect the liability of any Member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of the budget and assessments levied pursuant thereto. Nothing herein contained shall be construed as a limitation upon an additional assessment in the event that any budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

7.3. A copy of the proposed annual budget of the Condominium Association shall be mailed or hand delivered to each Unit Owner at the address last furnished to the Condominium Association not less than fourteen (14) days prior to the meeting of the Board at which the budget will be considered, together with a notice of the time and place of that meeting. Evidence of compliance with this fourteen-day notice must be made by an affidavit executed by an officer of the Condominium Association or the Manager or other person providing notice of the meeting and filed among the official records of the Condominium Association. Such meeting of the Board shall be open to all Unit Owners. If a budget is adopted by the Board which requires assessment of the Unit Owners in any budget year exceeding 115% of such assessments for the preceding budget year, upon written application from Owners of not less than ten percent (10%) of the Units, a special meeting of the Unit Owners shall be held upon not less than fourteen (14) days written notice to each Unit Owner, at which special meeting Unit Owners may consider only and enact only a revision of the budget. Any such revision of the budget shall require the affirmative vote of Owners entitled to cast no less than two-thirds (2/3) of the votes in the Condominium Association. If a meeting of the Unit Owners has been called

and a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board shall go into effect as scheduled.

7.4. In determining whether assessments exceed 115% of similar assessments in the prior budget year, there shall be excluded in the computation, reasonable reserves made by the Board in respect of repair and replacement of the Condominium or the Condominium Association property, or in respect of anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis; and there shall be excluded from such computation, assessments for betterments to the Condominium property; provided, that, as long as Developer is in control of the Board of Directors, the Board shall not impose an assessment for a budget year greater than 115% of the prior budget year's assessment without approval of Owners entitled to cast a majority of the votes in the Condominium Association.

7.5. Upon adoption of the budget, the Board shall cause a written copy thereof to be delivered to each Unit Owner. Assessments shall be made against Unit Owners pursuant to procedures established by the Board, and in accordance with the terms of the Declaration and the Articles. Such assessments are to be due and payable on a monthly basis. Provided, however, that the lien or lien rights of the Condominium Association shall not be impaired by failure to comply with procedures established pursuant to these Bylaws.

7.6. All sums collected by the Condominium Association from all assessments against all Units in the Condominium shall be segregated into operating funds and reserve funds. Operating funds may be commingled in a single fund, or divided into more than one fund, as determined from time to time by the Board of Directors. Reserve funds shall be maintained separately from operating funds, unless such funds are combined for investment purposes.

7.7. The depository of the Condominium Association shall be such bank or banks as shall be designated from time to time by the Board, in which all monies of the Condominium Association shall be deposited. Withdrawal of monies from such bank(s) shall be only by checks signed by such persons as are designated by the Board.

7.8. Not later than April 1 of each year, the Board shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months, or a complete set of financial statements for the preceding fiscal year prepared in accordance with generally accepted accounting principles. The report shall show the amounts of receipts by accounts and receipt classifications and shall show the amounts and expense classifications, including, if applicable, but not limited to, those set forth in Section 718.111(13), Florida Statutes.

7.9. Fidelity bonds will be required by the Board from all officers, directors, employees and/or agents of the Condominium Association who control or disburse funds of the Condominium Association. The amount of such bonds shall be determined by the Directors, but shall be at least the maximum amount that will be in the custody of the Condominium Association or its management agent at any one time. The premiums on such bonds shall be paid by the Condominium Association. The Condominium Association will require the fidelity bonding of all officers or directors of the Condominium Association who control or disburse

funds of the Condominium Association in the principal sum of not less than \$50,000 for each such officer or director. The Condominium Association shall bear the cost of bonding.

7.10. The Condominium Association shall make available for inspection, upon request and during normal business hours, to Unit Owners and to any Institutional First Mortgagee (as defined in the Declaration) holding a mortgage on one or more Units, current copies of the Declaration of Condominium, these Bylaws, all other rules and regulations concerning the Condominium, and all books, records and financial statements maintained by the Condominium Association. In addition, any Institutional First Mortgagee holding a mortgage on one or more Units shall be entitled, upon written request, to receive from the Condominium Association a copy of its financial statements for the immediately preceding fiscal year.

Section 8. Parliamentary Rules.

Roberts' Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles, these Bylaws or the laws of Florida.

Section 9. Amendments to Bylaws.

Amendments to these Bylaws shall be proposed and adopted in the following manner:

9.1. Amendments to these Bylaws may be proposed by the Board, acting upon the vote of a majority of the Directors, or by Members entitled to cast a majority of the votes, whether meeting as Members or by instrument in writing agreed to by them.

9.2. Upon any amendment or amendments to these Bylaws being proposed by the Board or Members, such proposed amendment or amendments shall be transmitted to the President of the Condominium Association, or acting chief executive officer in the absence of the President, who shall thereupon call a special meeting of the Members for a date not sooner than fourteen (14) days or later than sixty (60) days from receipt by such officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give each Member written notice of such meeting in the same form and in the same manner as notice of the call of a special meeting of the Members is required as herein set forth; provided, that proposed amendments to the Bylaws may be considered and voted upon at annual meetings of the Members.

9.3. In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of Developer, so long as the Developer holds at least one Unit for sale in the ordinary course of business, and Owners of not less than seventy-five percent (75%) of the Units which are represented in person or by proxy as allowed by applicable law at any meeting at which a quorum is present and a copy of such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of the Condominium Association, and a copy thereof with identification on the first page thereof of the book and page of the public records where the Declaration of the Condominium is recorded, shall be recorded in the Public Records of the County within fifteen (15) days from the date on which any amendment or amendments have been affirmatively approved by the Members.

9.4. At any meeting held to consider such amendment or amendments to these Bylaws, the written vote of any Member shall be recognized if such Member is not present at such meeting in person or by proxy as allowed by applicable law, provided such written vote is delivered to the Secretary at or prior to such meeting.

9.5. Notwithstanding the foregoing provisions of this Section 9, no amendment to these Bylaws which shall abridge, amend or alter the right of Developer to designate members of each Board of Directors of the Condominium Association, as provided in Section 4 hereof, may be adopted or become effective without the prior written consent of Developer.

Section 10. Mandatory Nonbinding Arbitration.

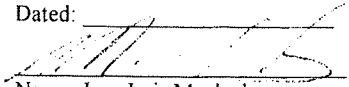
To the extent permissible under the Act, the parties to a dispute arising from the operation of the Condominium shall, prior to the institution of court litigation, petition the Division of Florida Land Sales, Condominiums and Mobile Homes for nonbinding arbitration. The arbitration shall be conducted according to rules promulgated by the division and in accordance with Section 718.1255, Florida Statutes.

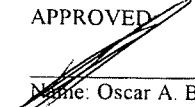
Section 11. Miscellaneous Provisions.

11.1 Written Inquiries. When a Unit Owner files a written inquiry by certified mail to the Board, the Board shall respond in writing to the Unit Owner within thirty (30) days of receipt of the inquiry. The Board's response shall either give a substantive response to the inquirer, notify the inquirer that a legal opinion has been requested, or notify the inquirer that advice has been requested from the Division of Florida Land Sales, Condominiums and Mobile Homes. If the Board requests advice from the Division of Florida Land Sales, Condominiums and Mobile Homes, the Board shall, within ten (10) days of its receipt of the advice, provide in writing a substantive response to the inquirer. If a legal opinion is requested, the Board shall, within sixty (60) days after the receipt of the inquiry, provide in writing a substantive response to the inquirer. Notwithstanding the foregoing, the Association is only obligated to respond to one written inquiry per Unit in any given 30-day period. Any additional written inquiry or inquiries will be responded to in the subsequent 30-day period, or periods, as applicable.

11.2 Certificates of Compliance. A certificate of compliance from a licensed electrical contractor or electrician may be accepted by the Board as evidence of compliance of the Units with applicable fire and life safety codes.

The foregoing were adopted as the Bylaws of THE VILLAS AT HARBOR ISLES CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the State of Florida, at the first meeting of the Board of Directors as of ____ day of _____, 200__.

Dated: _____

Name: Jose Luis Machado
Secretary

APPROVED

Name: Oscar A. Barbara
President