

BYLAWS
OF
PORTO BELLAGIO CONDOMINIUM ASSOCIATION, INC.
a corporation not for profit
under the Laws of the State of Florida

I.

Identity

Section 1. These are the Bylaws of PORTO BELLAGIO CONDOMINIUM ASSOCIATION, INC., called Association by these Bylaws, a corporation not for profit under the Laws of the State of Florida, the Articles of Incorporation of which were filed in the office of the Secretary of State on May 28, 2004. The Association has been organized for the purpose of administering PORTO BELLAGIO, A CONDOMINIUM, pursuant to Chapter 718, Florida Statutes, called the Condominium Act in these Bylaws, which condominium is located upon the lands described in the Declaration of Condominium.

Section 2. The office of the Association shall be at 17100 North Bay Road, Sunny Isles, Florida 33160.

Section 3. The Association shall operate upon the calendar year beginning on the 1st day of January and ending on the 31st day of December of each year. The Board of Directors is expressly authorized to change from a calendar year basis to a fiscal year basis whenever deemed expedient and for the best interests of the Association.

Section 4. The seal of the Association shall bear the name of the Association, the word "Florida," and the words "Corporation not for profit" and the year of incorporation, an impression of which is as follows:

II.

Definitions

Section 1. All words, phrases, names and terms used in these Bylaws, the Declaration of Condominium, the Articles of Incorporation of the Condominium Association, and Exhibit "A" attached to said Declaration shall have the same meaning and be used and defined the same as they are in the Condominium Act unless the context of said instruments otherwise requires.

Exhibit "C" – Declaration of Condominium

1

III.

The Association

Section 1. Members. The owners of the condominium parcels shall be the members of the Association.

a. Any legal entity capable of ownership of real property under the laws of Florida shall be eligible for membership.

b. Any legal entity, upon acquiring title to a condominium parcel, shall thereby become a member of the Association; and upon conveyance or transfer of said ownership, said owner's membership in the Association shall automatically cease.

Section 2. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the Association, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 3. Annual Meetings. The annual meeting of the Association shall be held on such date and at such time and place as may be set by the Board of Directors from time to time, provided, there shall be an annual meeting every calendar year and no later than thirteen (13) months from the previous annual meeting. At the annual meeting, the members shall elect directors and may transact such business of the Association as may properly come before them.

Section 4. Special Meetings. Special meetings of the members may be called by the President and shall be called by the President or Secretary at the request in writing of the Board of Directors or at the request in writing to the board of ten (10) percent of the voting interest if the meeting is for purposes recalling a member of the board pursuant to Article IV (section 1) (b) or for the purpose of the adoption of a budget by unit owners pursuant to Article VI. Such requests shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, which notice shall incorporate an identification of agenda items and state the purpose 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 books of the Association, and if no such address appears, at his last known place of address, at least fourteen (14) days for an annual meeting and ten days (10) for a special meeting, prior to such meeting. For annual meetings the post office certificate of mailing shall be retained as proof of such mailing and the notice shall be posted in a conspicuous place at least fourteen (14) continuous days preceding the meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served. With regard to the election of directors, the notice requirements of Section 718.112(2)(d), Florida Statutes, shall be followed.

Section 6. Minutes. Minutes of all meetings shall be kept in a businesslike manner and available for inspection by unit owners and Board members at all reasonable times.

Section 7. Majority of Owners. As used in these Bylaws, a "majority of owners" shall consist of that number that shall exceed fifty percent (50%) thereof.

Section 8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of members representing more than twenty percent (20%) of voting interests shall constitute a quorum.

Section 9. 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 adjourn the meeting to a time not later than ten (10) days from the time the original meeting was called, and hold the meeting adjourned, with additional notice, provided that a quorum can be obtained for such meeting.

Section 10. Voting. Except as provided in Section 718.112 (2) Florida Statutes, voting may be by general or limited proxy. At every meeting of the members, the owner or owners of each unit, shall have the right to cast one vote as set forth in the Declaration. The vote of the majority of those present, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute, or of the Declaration of Condominium, or of the Articles of Incorporation, or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. If a unit is owned by more than one person, the person entitled to cast the vote for the unit shall be designated by a certificate signed

by all of the record owners of the unit according to the roster of unit owners and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the corporation and filed with the Secretary of the Association. Those certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned. A certificate designating the person entitled to cast the vote for a unit may be revoked by an owner of a share of the unit. If a certificate designating the person entitled to cast the vote for a unit is not on file, the vote of the owners shall not be considered in determining whether a quorum is present nor for any other purpose, except if the unit is owned jointly by husband and wife. If the unit is owned jointly by husband and wife, the following provisions are applicable:

- a. They may, but are not required, to designate a voting member;
- b. If they do not designate a voting member, and if both are present at a meeting and are unable to concur on a decision upon any subject requiring a vote, they shall lose the right to vote on the subject at that meeting;
- c. When they do not designate a voting member, and only one is present at a meeting, the person present may cast the unit's vote.

Section 11. Proxies. A member may appoint any other member, any owner of any condominium parcel, the developer, or the manager as a proxy. Any proxy must be filed with the secretary before the appointed time of each meeting.

Section 12. Order of Business. The order of business at all annual or special meetings of the members shall be as follows:

- a. Collection of ballots not yet cast (Annual Meeting only)
- b. Roll call.
- c. Proof of notice of meeting or waiver of notice
- d. Reading of the minutes of preceding meeting.

- e. Reports of officers.
- f. Reports of committees.
- g. Election of officers (if election is to be held).
- h. Unfinished business.
- i. New business.

IV.

Administration

Section 1.

a. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors. The number of directors which shall constitute the Board shall be not less than three (3) nor more than nine (9). The Board of Directors may from time to time increase or decrease the number of persons to serve on the Board, provided there is always an odd number of members and there is never less than three (3) nor more than nine (9) members. Any increase or decrease in the number of members shall be effectuated prior to the notice of the next annual meeting, and such change in numbers shall be effective as of the date of the regular election at such annual meeting. The Directors shall be elected at the annual meeting of the owners by a plurality vote and each Director shall serve for a term of one year or until his successor shall be elected and duly qualified, except that the initial Directors shall serve until their resignation or relinquishment of control of the Association by the Developer pursuant to Article V of the Articles of Incorporation. The Developer reserves the right, in its sole discretion, to remove and replace any of its initial Directors or its replacement of initial Directors. The election of directors shall comply with the requirements of Section 718.112(2)(d)3, Florida Statutes.

b. Removal. Directors may be removed, with or without cause, by an affirmative vote or agreement in writing of a majority of all voting interests. The vacancy so created shall be filled by the members of the Association.

c. Vacancies. Except as to vacancies provided by removal of Directors by members, vacancies in the Board of Directors occurring between annual meetings of members shall be filled by the remaining Directors.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by the Declaration, the Articles of Incorporation of the Condominium Association, the Condominium Act, or these Bylaws directed to be exercised and done by the members or officers. The powers of the Board shall include, but not be limited to, the following:

a. All powers and duties of the Condominium as set forth in the Condominium Act and in the Articles of Incorporation of the Association.

b. To prepare and adopt an annual operating budget, which budget shall be sufficient in amount to pay for all necessary expenses and expenditures to be shared in common by the respective owners of units, and including a reasonable reserve for repairs, upkeep and replacement of the common elements and for contingencies.

c. To prepare a detailed report of the acts for the previous year, and present same at the annual meeting of members.

d. To determine who shall act as legal counsel for the Association whenever necessary.

e. To determine the depository for the funds of the Association.

f. To acquire the necessary personnel needed for the maintenance, care, and upkeep of the common elements, and set the salaries of said personnel.

g. Assess and collect all assessments pursuant to the Condominium Act.

h. Establishment of reserves or making assessments for betterments to the condominium property.

i. Within 90 days after the end of the fiscal year, the Association Board of Directors shall prepare and complete or cause to be prepared and completed by a third party, a financial report for the preceding fiscal year. Within twenty one (21) days after the financial report is completed or received by the Association from the third party, the Association shall mail to each unit owner at the address last furnished to the Association by the

unit owner, or hand delivered to each unit owner, a copy of the financial report or a notice that a copy of the financial report will be mailed or hand delivered to the unit owner, without charge, upon request of a written request from the unit owner. The financial report shall be prepared based upon rules established by the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business and Professional Regulation, State of Florida, and pursuant to Florida Statute 718.111(13).

Section 3. Management Agent. The Board of Directors may employ for the Association a management agent at a compensation established by the Board for the management and maintenance of the condominium property and authorize the management agent to assist the Association in carrying out its powers by performing such functions as the submission of proposals, collection of assessments, preparation of records, enforcement of rules and maintenance, repair and replacement of the common elements with funds as shall be made available by the Association for such purposes. The Association and its officers shall, however, retain at all times the powers and duties granted by the condominium documents and the Condominium Act, including but not limited to the making of assessments, promulgation of rules and execution of contracts on behalf of the Association.

Section 4. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid a director for services performed by him for the Association 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.

Section 5. Organization Meeting. The first meeting of the Board of Directors shall be held within ten days after the annual members' meeting, at such place as shall be fixed by the Board with notice as required in Section 8 hereof.

Section 6. Regular Meetings. Regular meetings of the 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 days prior to the day named for such meeting.

Section 7. 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 and Secretary, in like manner and on like notice, on the written request of at least two directors.

Section 8. Notice of Meetings to Unit Owners. Meetings of the Board of Directors shall be open to all unit owners and notices of meetings, which notice shall specifically incorporate an identification of agenda items, shall be posted conspicuously forty-eight (48) continuous hours preceding the meeting for the attention of unit owners, except in an emergency. However, written notice of any meeting at which non-emergency special assessments, or at which amendment to rules regarding unit use shall be proposed, discussed or approved, shall be mailed or delivered to the unit owners and posted conspicuously on the condominium property not less than fourteen (14) days prior to the meeting. Evidence of compliance with this fourteen (14) day notice shall be made by affidavit executed by the secretary and filed among the official records of the association. Notice of any meeting where regular 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 such assessments.

Section 9. Minutes. Minutes of all meetings of the Board of Directors and of the unit owners shall be kept in a businesslike manner and available for inspection by unit owners and Board members at all reasonable times.

Section 10. 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 adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted with further notice, provided a quorum is present.

Section 11. Fidelity Bonds. The Board of Directors shall require that all persons who control or disburse Association funds as defined in Section 718.111(11)(d), Florida Statutes as amended shall furnish adequate fidelity bonds, with the premiums for such bonds to be paid by the Association.

Section 12. Designation of Officers. The principal officers of the Association shall be President, Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer and an Assistant Secretary, and other such officers as in their judgment may be necessary.

Section 13. Election of Officers. The officers of the Association 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 14. 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 15. President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of the Association.

Section 16. Vice President. The vice president shall take the place of the president and perform his 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 17. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 18. Treasurer. The treasurer shall have responsibility for Association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

V.

Assessment and Collection of Common Expenses

Each unit owner shall share that percentage of the common expenses, and own that percentage of the common surplus, in direct relationship to the percentage of the common elements owned by said unit owner. Assessments for the common expenses, including those required under any Management Contract, including reasonable attorneys' fees and other costs of collecting any assessments, shall be secured by a lien against the condominium parcel against which it is made and such lien shall arise in favor of the Association and shall come into effect upon recordation of the Declaration of Condominium. Said lien shall date back to the date of the Declaration and shall be prior to the creation of any homestead status or any subsequent lien or encumbrance, except that said lien shall be subordinate and inferior to that of any institutional first mortgage. Assessments shall be made not less frequent than quarterly in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.

VI.

Annual Budget

Pursuant to Article IV, Section 2, paragraph (b) of these Bylaws, the Board of Directors shall have the power and duty of preparing and adopting an annual operating budget for the Association. The Board of Directors shall mail or hand deliver to each unit owner at the address last furnished to the Association, a meeting notice and copies of the proposed annual budget of common expenses not less than fourteen (14) days prior to the meeting of the unit owners or the Board of Administration at which the budget will be considered. Evidence of compliance with this fourteen day notice must be made by an Affidavit executed by an officer of the Association or the Manager or other person providing notice of the meeting and filed among the official records of the Association. If the Board adopts in any fiscal year an annual budget which requires assessments against unit owners which exceed one hundred fifteen percent (115%) of assessments for the preceding fiscal year, the Board shall conduct a special meeting of the unit owners to consider a substitute budget if the Board receives, within twenty-one (21) days after adoption of the annual budget, a written request for a special meeting from at least 10 percent of all voting interests. The special meeting shall be conducted within 60 days after adoption of the annual budget. At least fourteen (14) days prior to such special meeting, the Board shall hand deliver to each unit owner, or mail to each unit owner at the address last furnished to the Association, a notice of the meeting. An officer or manager of the Association or other person providing notice of such meeting shall execute an affidavit evidencing compliance with this notice requirement, and such affidavit shall be filed among the official records of the Association. Unit owners may consider and adopt a substitute budget at the special meeting. A substitute budget is adopted if approved by a majority of all voting interest. If there is a not a quorum at the special meeting or substitute budget is not adopted, the annual budget previously adopted by the Board shall take effect as scheduled. Any determination of whether assessments exceed 115% of assessments for the prior fiscal year shall exclude any authorized provision for reasonable reserves for repair or replacement of the condominium property, anticipated expenses of the Association which the Board does not expect to be incurred on a regular or annual basis, or assessments for betterments to the condominium property. If the Developer controls the Board,

assessments shall not exceed 115% of assessments for the prior fiscal year unless approved by a majority of all voting interests.

The proposed annual budget of common expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in Section 718.504(21), Florida Statutes. If the Association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided in Section 718.113(1), Florida Statutes, the budget on a schedule attached thereto shall show amounts budgeted therefore. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but not be limited to, roof replacement, building painting, and pavement resurfacing regardless of the amount of the deferred maintenance expense or replacement cost, and any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000.00. The amount to be reserved shall be computed by means of a formula which is based upon the estimated remaining useful life and estimated replacement cost of each reserve item. The Association may adjust replacement reserve assessments annually to take into account any extension of the useful life or reserve item caused by deferred maintenance. These provisions shall not apply to budgets in which the members of the Association have, by a vote of the majority of those present at a duly called meeting of the Association, determined for a fiscal year to provide no reserve or reserves less adequate than required by this Section.

VII.

Arbitration of Internal Disputes

Internal disputes arising from the operation of the Condominium among the unit owners, this Association, and their agents and assigns, or any of them, shall be submitted for non-binding arbitration in the manner provided by Section 718.1255, Florida Statutes.

VIII.

Amendment of Bylaws

The Bylaws of the Association may be modified, amended or revoked, unless specifically prohibited elsewhere herein, at any regular or special meeting of the members of the Association by not less than sixty-seven percent of the votes of the entire membership of the Association, provided that not less than fourteen (14) days' notice of said meeting has been given to the members of the Association, which notice contained a full statement of the proposed modification, change or revocation.

IX

Certificate of Compliance

A Certificate of Compliance from a licensed electrical contractor or electrician may be accepted by the Association's Board of Directors as evidence of compliance of the condominium units to the applicable fire and life safety code.

The foregoing was adopted as the Bylaws of PORTO BELLAGIO 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 on August 5, 2004.

PORTO BELLAGIO CONDOMINIUM
ASSOCIATION, INC.

By: Barbara Bianco
Name: BARBARA BIANCO
Its: PRESIDENT