

EXHIBIT NO. 5BYLAWS OF
SPYGLASS AT ADMIRAL'S COVE
CONDOMINIUM ASSOCIATION, INC.

(A Florida Corporation Not For Profit)

Section 1. Identification of Condominium Association.

These are the Bylaws of SPYGLASS AT ADMIRAL'S COVE CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Condominium Association", as duly adopted by its Board of Directors. The Condominium Association is a corporation not for profit organized pursuant to and under Chapter 617 of the Florida Statutes for the purposes of being the "Association," as said term is defined in the Florida Condominium Act, Florida Statutes, Chapter 718, as the same may be from time to time amended ("Condominium Act"), for Spyglass at Admiral's Cove, a Condominium (the "Condominium"), which Condominium is situate in the Town of Jupiter, Palm Beach County, Florida, and which Condominium shall be created by the recordation of a certain Declaration of Condominium of Spyglass at Admiral's Cove, a Condominium ("Declaration of Condominium"), and as such, the Condominium Association has the power and authority to operate the Condominium and to exercise all of the rights and duties delegated to the Condominium Association by the Condominium Act and the Declaration of Condominium.

1.1 The office of the Condominium Association shall for the present be at 200 Admiral's Cove Boulevard, Jupiter, Florida 33477, and thereafter may be located at any place in Palm Beach County, Florida, designated by the Board of Directors.

1.2 The fiscal year of the Condominium Association shall be from January 1 through December 31, unless the Board of Directors shall determine otherwise.

1.3 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 "1987" (year of incorporation).

Section 2. Definitions.

2.1 When used in these Bylaws, the following terms (unless the context clearly requires otherwise) shall have the same meanings respectively ascribed to them in the Declaration of Condominium:

Approved Mortgage
Assessments
Common Expenses
Condominium Documents
Condominium Management Agreement
Condominium Parcel
Condominium Property
Developer

2.2 "Articles" means the Articles of Incorporation of the Condominium Association.

2.3 "Board" means the Board of Directors of the Condominium Association.

2.4 "Director" means a member of the Board.

2.5 "Members" means each and every member of the Condominium Association.

2.6 "Membership" means all of the Members.

2.7 "Address Register" means the register of addresses to be maintained by the Secretary of the Condominium Association pursuant to Article XXVI B of the Declaration of Condominium.

Section 3. Membership, Members' Meetings, Voting and Proxies.

3.1 The qualification of Members, the manner of their admission of membership in the Condominium Association and the manner of the termination of such membership shall be as set forth in Article IV of the Articles.

3.2 The Members shall meet annually at the office of the Condominium Association or at such other place in Palm Beach County, Florida, as determined by the Board and as designated in the notice of such meeting at 7:30 o'clock P.M. Eastern Standard Time on the first Wednesday in the month of March of each year ("Annual Members Meeting") commencing with the year 1989; provided, however, that if that day is a legal or religious holiday, then the meeting shall be held at the same hour on the next succeeding Monday which is not a legal or religious holiday. The purpose of the Annual Members Meeting shall be to hear reports of the officers, elect members of the Board (subject to the provisions of Article VIII of the Articles), and to transact any other business authorized to be transacted by the Members.

3.3 Special meetings of the Members shall be held at any place within Palm Beach County, Florida, whenever called by the President, or in his absence, the Vice President, or a majority of the Board. A special meeting must be called by the President or Vice President of the Condominium Association upon receipt of a written request from one-third (1/3) of the Membership.

3.4 A written notice of all meetings of Members (whether the Annual Members Meeting or a special meeting of the Members) shall be sent by mail to all Members not less than fourteen (14) days nor more than thirty (30) days prior to the date of such meeting. The notice shall state the time and place of such meeting and the object for which the meeting is called and shall be signed by an officer of the Condominium Association. An officer of the Condominium Association shall provide an affidavit, to be included in the official records of the Condominium Association, affirming that written notice of the meeting was mailed to each Member at the Member's address

as it appears in the Address Register. Notice of all meetings of Members shall also be posted in a conspicuous place on the Condominium Property at least fourteen (14) days prior to any such meeting. Any provision herein to the contrary notwithstanding, notice of any meeting may be waived by any Member before, during or after such meeting, which waiver shall be in writing.

3.5 The Membership may, at the discretion of the Board or as otherwise permitted by any Florida rule or statute which specifically provides for Membership action, act by written agreement in lieu of a meeting provided that written notice of the matter or matters to be determined by such Members is given to the Membership at the addresses and within the time periods set forth in Section 3.4 hereof or is duly waived in accordance with such Section. Any determination as to the matter or matters to be determined pursuant to such notice by the number of persons that would be able to determine the subject matter at a meeting shall be binding on the Membership. Any such notice shall set forth a time period during which time a response may be made thereto.

3.6 A quorum of the Membership shall consist of persons entitled to cast a majority of the votes of the entire Membership. A Member may join in the action of a meeting by signing and concurring in the minutes thereof, but such concurrence may not be used for the purpose of creating a quorum. When a quorum is present at any meeting and a question is presented, the holders of a majority of the voting rights present in person or represented by written proxy shall be required to decide the question. However, if such question is one which by express provisions of the Condominium Act or the Condominium Documents requires a vote other than such majority vote, then such express provision shall govern and control the required vote on the decision of such question.

3.7 If any meeting of the Membership cannot be organized because a quorum is not in attendance, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present. In the case of the adjournment of a meeting, notice to the Members of such adjournment shall, subject to the Condominium Act, be in the manner determined by the Board.

3.8 Minutes of all meetings shall be kept in a businesslike manner from the inception of the Condominium Association, shall constitute the official records of the Condominium Association and shall be available for inspection by the Members or their authorized representatives and Directors at all reasonable times. Failure to permit inspection of the minutes entitles any person listed in this Section 3.8, who prevails in an enforcement action, to recover reasonable attorneys' fees from the person in control of the records who, indirectly or directly, knowingly denies access to the records for inspection. The right to inspect the minutes include the right to make or obtain copies at the reasonable expense, if any, of the Member. The Condominium Association shall retain the minutes of the meetings for a period not less than seven (7) years.

3.9 Voting rights of Members shall be as stated in the Declaration of Condominium and the Articles. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument containing the appointment of a person who is substituted by a Member to vote for him and in his place and stead. Proxies shall be in writing, shall be valid only for the particular meeting designated therein and any lawful adjournments thereof if so stated, and shall contain at least the following information: (i) the name of the Member voting by proxy; (ii) the name of the person authorized to vote the proxy for the Member; (iii) the date the proxy was given; (iv) the date, time and place of the meeting for which the proxy is given; and (v) if a limited proxy, those items which the holder of the proxy may vote, and the manner in which the vote is cast. In no event shall a proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. If a proxy expressly provides therefor, any proxy holder may appoint in writing a substitute to act in his place. If such provision is not made, substitution is not authorized. A proxy must be filed with the Secretary of the Condominium Association before the appointed time of the meeting in order to be effective. Any proxy shall be revocable at any time with or without cause by the Member executing the proxy. No one person shall be permitted to hold more than five (5) proxies.

3.10 At any time prior to a vote upon any matter at a meeting of the Membership, any Member may raise the question of the use of a secret written ballot for the voting on any matter. Any vote to amend the Declaration of Condominium relating to a change in percentage of ownership in the Common Elements or sharing of the Common Expense shall be conducted by secret ballot. In the event of the use of such secret written ballot, the chairman of the meeting shall call for nominations and the election of inspectors of election to collect and tally such written ballots upon the completion of the balloting upon such matter.

3.11 Any approval by the Membership called for by the Declaration of Condominium, these Bylaws or the Condominium Act, including but not limited to the approvals required in Section 718.111 (8) of the Condominium Act, shall be made at a duly noticed meeting of the Membership and shall be subject to all requirements of the Declaration of Condominium, these Bylaws and the Condominium Act relating to Member decision making, except that the Members may take action by written agreement without meetings on matters for which the use of a written agreement is provided for in Section 3.5 hereof.

Section 4. Board of Directors; Directors' Meetings.

4.1 The form of administration of the Condominium Association shall be by a Board of Directors. The "First Board", as defined in Article VIII of the Articles, shall consist of three (3) Directors. The "Initial Elected Board" as defined in Article VIII of the Articles, and all subsequent Boards shall consist of five (5) Directors. At no time shall there be less than three (3) Directors or more than five (5) Directors on the Board.

4.2 The election and, if applicable, designation of Directors, shall be conducted in accordance with the Articles.

4.3 Subject to the Developer's rights set forth in Section 4.5(h) below, vacancies in the Board shall be filled by persons elected by the remaining Directors. Any such person shall be a Director and have all of the rights, privileges, duties and obligations of a Director elected at an Annual Members Meeting and shall serve for the term prescribed in Section 4.4 of these Bylaws. Notwithstanding the foregoing, the Board shall not fill a vacancy created by a recall by reappointing the Director who was recalled pursuant to Section 4.5 hereof.

4.4 The term of each Director's service shall extend until the next Annual Members' Meeting and/or until his successor is duly elected and qualified, or until he is removed in the manner elsewhere provided herein.

4.5 (a) A Director elected by the "Purchaser Members", as said term is defined in Article VIII of the Articles, may be recalled and removed from office with or without cause upon the affirmative vote or agreement of a majority of the Purchaser Members at a special meeting of the Purchaser Members. A special meeting to recall a Director elected by the Purchaser Members may be called as a result of a petition by ten percent (10%) of the Members. Notice of the meeting must be accompanied by a dated copy of a signature list of at least ten percent (10%) of the Members. The notice shall be given in accordance with the requirements of giving notice for Membership meetings pursuant to Section 3.4 hereof, and shall state that the purpose of the meeting is for a recall. However, before any such Director is removed from office, he shall be notified in writing that a motion to remove him will be made prior to the meeting at which said motion is to be made, and such Director shall be given an opportunity to be heard at such meeting should he be present prior to the vote on his removal. The special meeting for such recall shall be held not less than ten (10) days or more than sixty (60) days from the date the notice of the special meeting is given.

(b) During the special meeting to recall a Director elected by Purchaser Members, the Membership shall select and announce the name and address of a representative to receive pleadings, notices or other papers on behalf of the petitioning Members if the vote at the meeting is disputed and a petition for arbitration is filed. If a proposed recall is sought by written agreement, the agreement shall also designate a representative to receive pleadings, notices or other papers on behalf of the Members executing the agreement if the Board determines not to certify the written agreement to recall and files a petition for binding arbitration.

(c) The proposed recall of more than one (1) Director shall require a separate vote for each Director sought to be recalled or, where recall is attempted by written agreement, a separate agreement is required for each Director being recalled.

(d) If the recall of a Director or Directors elected by Purchaser Members is approved by a majority of the Membership by a vote at a special meeting, the recall shall be effective immediately and the recalled Director or Directors shall turn over to the Board any and all records of the Condominium Association in his or their respective possession within seventy-two (72) hours after the meeting.

(e) If the proposed recall of a Director or Directors elected by Purchaser Members is made through an agreement in writing by a majority of the Membership, the written agreement shall be served upon the Condominium Association by certified mail. The Board shall then call a meeting within seventy-two (72) hours after receipt of the written agreement and shall either certify the written agreement to recall a Director or Directors, in which case such Director or Directors shall be recalled effective immediately and shall turn over to the Board within seventy-two (72) hours, any and all records of the Condominium Association in his or their respective possession, or proceed as described in subsection 4.5(f) below.

(f) If the Board determines not to certify the written agreement to recall a Director or Directors, or if the vote for recall at a meeting is disputed, the Board shall, within seventy-two (72) hours, file a petition for binding arbitration with the Division of Florida Land Sales and Condominiums pursuant to Section 718.1255 of the Condominium Act. For purposes of this section, the Members who voted at the meeting or who executed the written agreement shall constitute one party under the petition for arbitration. If the arbitrator certifies the recall as to any Director or Directors, the recall shall be effective upon service 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 of Florida Land Sales and Condominiums may take action pursuant to Section 718.501 of the Condominium Act. Any Director or Directors so recalled shall deliver to the Board any and all records of the Condominium Association in his (their) possession within seventy-two (72) hours of the effective date of the recall.

(g) During the special meeting to recall a Director or Directors elected by Purchaser Members, the Membership shall select and announce the name and address of a representative to receive pleadings, notices, or other papers on behalf of the petitioning Members if the vote at the meeting is disputed and a petition for arbitration is filed. If a proposed recall is sought by written agreement, the agreement shall also designate a representative to receive pleadings, notices or other papers on behalf of the Members executing the agreement if the Board determines not to certify the written agreement to recall and files a petition for binding arbitration.

(h) A Director designated by the Developer, as provided in the Articles, may be removed only by the Developer in its sole and absolute discretion and without any need for a meeting or vote. The Developer shall have the unqualified right to name a successor for any Director designated and thereafter removed by it or for any vacancy on the

Board as to a Director designated by it, and the Developer shall notify the Board as to any such removal or vacancy and the name of the respective successor Director and of the commencement date for the term of such successor Director.

4.6 The organizational meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected. No further notice of the organizational meeting shall be necessary.

4.7 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 Directors. Special meetings of the Board may be called at the discretion of the President, or in his absence, the Vice President. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors.

4.8 Notice of the time and place of regular and special meetings of the Board, or adjournments thereof, shall be given to each Director personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium Property forty-eight (48) hours in advance for the attention of Members. Any Director may waive notice of a meeting before, during or after such meeting, and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9 (a) A quorum of the Board of Directors shall consist of the Directors entitled to cast a majority of the votes of the entire Board. Matters approved by a majority of the Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically otherwise provided in the Declaration of Condominium, Articles or elsewhere herein. If at any meetings of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted. In the case of the adjournment of a meeting, notice to the Directors of such adjournment shall, subject to the Condominium Act, be as determined by the Board.

(b) A Director may participate in a meeting through the use of telephone conference calls. When a telephone conference is used, a telephone speaker phone shall be utilized so that Directors and any Members present in an open meeting may hear any discussion. Directors utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

(c) A Director may join by written concurrence in any action taken at a meeting of the Board of Directors, but such concurrence may not be used for the purpose of creating a quorum.

4.10 The presiding officer at Board meetings shall be the President.

4.11 Directors shall not receive any compensation by virtue of their service as Directors.

4.12 Minutes of all meetings of the Board shall be kept in a businesslike manner and be available for inspection by Members or their authorized representatives and Directors at all reasonable times. The Condominium Association shall retain the minutes of the meetings for a period of not less than seven (7) years.

4.13 The Board shall have the power to appoint Executive Committees of the Board consisting of not less than three (3) Directors. An Executive Committee shall have and exercise such powers of the Board as may be delegated to such Executive Committee by the Board.

4.14 Meetings of the Board shall be open to all Members. Unless a Member serves as a Director or unless he has been specifically invited by the Directors to participate in a meeting, the Member shall not be entitled to participate in any meeting of the Board, but shall only be entitled to act as an observer. If a Member who is neither serving as a Director nor otherwise invited by the Directors to participate in a meeting attempts to become more than a mere observer at such meeting or conducts himself in a manner detrimental to the carrying on of such meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish such expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who does not provide sufficient proof that he is a Member, unless said person was specifically invited by the Directors to participate in such meeting.

Section 5. Powers and Duties of the Board of Directors.

5.1 All of the powers and duties of the Condominium Association, including those existing under the Condominium Act and the Condominium Documents, shall be exercised by the Board of Directors unless otherwise specifically delegated therein to the Members. Such powers and duties of the Board shall be exercised in accordance with the provisions of the Condominium Act and the Condominium Documents.

5.2 The Board of Directors shall have the power to fix and determine, from time to time, the sum or sums necessary and adequate to provide for the Common Expenses. Assessments sufficient to provide for the Common Expenses shall be mailed or delivered to each Member at his address as it appears in the Address Register in such frequency as determined by the Board of Directors, but in no event shall Assessments be sent less frequently than on a quarterly basis. The Board of Directors shall collect overdue Assessments in the manner provided in the Declaration of Condominium.

Section 6. Officers of the Condominium Association.

6.1 The officers of the Condominium Association shall be a President, who shall be a Director, a Vice President, a Treasurer, a Secretary, and such other officers as may be authorized by the Board, all of whom shall be elected annually by the Board. Any officer may be removed without cause from office by a vote of the Directors at any meeting of the Board.

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

6.3 In the absence or disability of the President, the Vice President shall exercise the powers and perform the duties of the President. The Vice President shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

6.4 The Secretary shall keep the minutes of all meetings of the Board and the Membership, which minutes shall be kept in a businesslike manner and shall be available for inspection by Members or their authorized representatives and Directors at all reasonable times. The Condominium Association shall retain the minutes of the meetings for a period of not less than seven (7) years. The Secretary shall have custody of the seal of the Condominium Association and shall affix the same to instruments requiring such seal when duly authorized and directed by the Board to do so. The Secretary shall also keep the records of the Condominium Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Condominium Association as may be required by the Board or the President.

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

6.6 Officers of the Condominium Association shall not receive any compensation by virtue of their service as officers.

6.7 All officers and directors of the Condominium Association who control or disburse funds of the Condominium Association shall be bonded. The cost of bonding shall be borne by the Condominium Association.

Section 7. Accounting Records; Fiscal Management.

7.1 (a) The Condominium Association shall maintain a copy of each of the following documents (only to the extent available) which shall constitute the official records of the Condominium Association:

(i) The plans, permits, warranties, and other items provided by Developer pursuant to Section 718.301(4) of the Condominium Act;

(ii) A photocopy of the recorded Declaration of Condominium and all amendments thereto;

(iii) A photocopy of the recorded Bylaws and all amendments thereto;

(iv) A certified copy of the Articles and all amendments thereto;

(v) A copy of the current rules of the Condominium Association;

(vi) A book or books containing the minutes of all meetings of the Members (whether the Annual Members' Meeting or a special meeting of the Members) and meetings of the Board. The minutes shall be recorded and maintained in accordance with Sections 3.8 and 4.12, respectively, hereof;

(vii) The Address Register;

(viii) All current insurance policies of the Condominium Association;

(ix) A copy of the Condominium Management Agreement;

(x) Bills of sale or transfer for all property owned by the Condominium Association;

(xi) Accounting records prepared and maintained in accordance with good accounting practices which shall include, without limitation, the following:

A. Accurate, itemized and detailed records of all receipts and expenditures;

B. A current account, and a monthly, bimonthly or quarterly statement of the account, for each Unit designating the name of the Member, the due date and amount of each assessment, the amount paid upon the account and balance due;

C. All audits, reviews, accounting statements and financial reports of the Condominium Association;

D. All contracts for work to be performed (including bids for work to be performed, which bids shall be maintained for a period of one (1) year);

(xii) Voting proxies (as defined in Section 3.9 hereof), which shall be maintained for one (1) year from the date of the meeting for which the proxy was given; and

(xiii) Ballots, sign-in sheets and other papers relating to elections.

(b) The official records of the Condominium Association shall be maintained in Palm Beach County, Florida.

(c) The official records shall be open to inspection by Members or their authorized representatives at reasonable times. Such authorization as a representative of a Member must be in writing and be signed by the Member giving such authorization and dated within sixty (60) days of the date

of any such inspection. Written reports of the accounting records shall be mailed to each Member at the Member's address not more than sixty (60) days following the end of the fiscal year as it appears in the Address Register.

7.2 (a) The Board of Directors shall adopt a budget of the Common Expenses of the Condominium Association for each forthcoming fiscal year (the "Budget") at a special meeting of the Board of Directors ("Budget Meeting") called for that purpose to be held during the last two weeks of December of each year commencing in 1989. Prior to the Budget Meeting, a proposed Budget shall be prepared by or on behalf of the Board, which Budget shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, the following items of expenses:

(i) Salary, payroll taxes and related benefits, and other Administration expenses of the Condominium Association;

(ii) Fees payable to the Division of Florida Land Sales and Condominiums, and for management and other professional services;

(iii) Expenses for refuse collection, lawn care, utilities, building maintenance and repair, and other expenses for maintenance;

(iv) Rent and other use costs of recreational and other commonly used facilities;

(v) Taxes upon the Common Elements, leased areas, property owned by the Condominium Association, and other commonly used property;

(vi) Insurance costs;

(vii) Cost for security and other professional fees;

(viii) Operating capital, materials and supplies;

(ix) Reserves for capital expenditures and deferred maintenance, and general reserves; and

(x) Other expenses.

Reserve accounts shall include, but not be limited to, roof replacement, building painting, pavement resurfacing, and such other reserves for the maintenance, repair and replacement of those portions of the Common Elements that must be replaced on a periodic basis. The amounts so reserved shall be computed by means of a formula based upon estimated life and estimated replacement cost of each reserve item. Such a reserve account in a particular Budget may, upon a majority vote of the Members present at a duly called meeting of the Condominium Association, be in an amount less than as otherwise herein provided.

Copies of the proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member at the Member's address as it appears in the Address Register

not less than fourteen (14) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Membership.

(b) Subject to the requirements of Article XV B of the Declaration of Condominium, the Board may also include in any such proposed Budget a sum of money as an Assessment for the making of improvements, additions or alterations to the Condominium Property either annually or from time to time as the Board of Directors shall determine the same to be necessary.

(c) The depository of the Condominium Association shall be such bank or banks as shall be designated from time to time by the Board. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board.

(d) An audit of the accounts of the Condominium Association shall be made annually by an auditor, accountant, or Certified Public Accountant designated by the Board and a copy of a report of such audit shall be furnished to each Member not later than one hundred (100) days following the year for which the report is made. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at his last known address shown on the Address Register.

7.3 Until the provisions of Section 718.112(2)(f) of the Condominium Act are declared invalid by the Courts, or until amended by the Legislature, the Board's actions at the Budget Meeting shall be subject to the following stipulations:

(a) Should the Budget adopted by the Board at the Budget Meeting require Assessments against the Membership of an amount equal to or less than one hundred fifteen percent (115%) of such Assessments for the prior year, the Budget shall be deemed approved by all Members. If the Assessments required to meet the Budget, however, exceed one hundred fifteen percent (115%) of such Assessments for the preceding year (an "Excess Assessment"), then the provisions of subsections 7.3(b), (c) and (d) hereof shall be applicable. There shall be excluded in the computation of the Excess Assessment the following expenses (the "Excluded Expenses"):

(i) Reasonable reserves in respect of repair or replacement of the Condominium Property;

(ii) Anticipated expenses by the Condominium Association which are not anticipated to be incurred on a regular or annual basis; and

(iii) Assessments for betterments to the Condominium Property.

(b) When Developer is in control: Should a Budget requiring an Excess Assessment be adopted by the Board before such time as the Purchaser Members, as defined in the Articles, are entitled to elect a majority of the Board as provided in the Articles, then a special meeting of the Members shall be called by the Board which shall be held within twenty (20) days after the Budget Meeting. At said special

meeting, the Excess Assessment shall be presented to the Members. If, at said special meeting of the Members, a majority of the Members shall approve the Excess Assessment, then the Budget adopted by the Board shall be the final Budget. If at said special meeting of the Members, a majority of the Members shall not approve the Excess Assessment, then the Board shall reduce such items of anticipated expenses in the Budget other than the Excluded Expenses in an amount necessary so that the Budget adopted by the Board of Directors will not require an Excess Assessment.

(c) After Developer control is over: Should a Budget requiring an Excess Assessment be adopted by the Board after such time as the Purchaser Members are entitled to elect a majority of the Board, then upon written application requesting a special meeting signed by ten percent (10%) or more of the Members and delivered to the Board within twenty (20) days after the Budget Meeting, the Board shall call a special meeting to be held upon not less than ten (10) days' written notice to each Member, but within thirty (30) days of the delivery of such application to the Board. At said special meeting, the Members may consider and enact a revision of the Budget. The enactment of a revision of the Budget shall require approval of not less than two-thirds (2/3) of the Membership. If such a revised Budget is enacted at said special meeting, then the revised Budget shall be the final Budget, or if a revised Budget is not enacted at such special meeting, then the Budget originally adopted by the Board shall be the final Budget. If a special meeting is called and either a quorum is not attained or a substitute budget is not accepted by the Membership, the budget adopted by the Board shall go into effect as scheduled. If no written application is delivered, as provided herein, then the Budget originally adopted by the Board shall be the final Budget.

(d) No Board of Directors shall be required to anticipate revenue from Assessments or expend funds to pay for Common Expenses not included in the Budget or which shall exceed budgeted items, and no Board of Directors shall be required to engage in deficit spending. Should there exist any deficiency which results from there being greater Common Expenses than income from Assessments, then such deficits shall be carried into the next succeeding year's Budget as a deficiency or shall be the subject of a special Assessment to be levied by the Board as otherwise provided in the Declaration of Condominium.

7.4 A copy of the Budget, as adopted, shall be maintained as part of the official records of the Condominium Association.

Section 8. Assessments.

8.1 Assessments, including any accelerated payment of common expenses levied by the Condominium Association against a Unit for a Member's nonpayment or late payment of assessments, shall be due and payable on the first day of each calendar quarter, unless the Board of Directors shall otherwise determine.

8.2 The Condominium Association may accelerate assessments owed by a Member to the Condominium Association for the remainder of the fiscal year in which the Member has not paid such assessments, once the Condominium Association commences enforcement proceedings against the Member pursuant to Section 718.115(4)(a) of the Condominium Act.

8.3 Interest charges for nonpayment of assessments are not a late fee, fine or other penalty where such charges are calculated over the actual period of deficiency.

Section 9. Penalties and Fines/Notice.

The Condominium Association must provide reasonable notice and an opportunity for a hearing before levying a fine against a Member, or its occupant, licensee or invitee, for failure to abide by any provision of the Declaration of Condominium, these Bylaws, or the Rules and Regulations, as follows:

(a) The Member against whom the fine is sought to be levied shall be afforded an opportunity for hearing after reasonable notice of not less than fourteen (14) days and said notice shall include:

(i) A statement of the date, time and place of the hearing;

(ii) A statement of the provisions of the Declaration of Condominium, these Bylaws or the Rules and Regulations, which have allegedly been violated; and

(iii) A short and plain statement of the matters asserted by the Condominium Association.

(b) The Member against whom the fine is sought to be levied shall have an opportunity to respond, to present evidence and to provide written and oral argument on all issues involved, and shall have an opportunity at the hearing to review, challenge and respond to any material considered by the Condominium Association.

Section 10. Transfer Fees.

The Board is empowered with the authority to approve or disapprove any sale, mortgage, lease, sublease, or other transfer of a Condominium Parcel and may charge such Member Fifty Dollars (\$50) to cover its costs. If a lease or sublease is being renewed with the same lessee or sublessee, however, the Board shall impose no charge.

Section 11. Security Deposits.

If a Member desires to lease his Unit pursuant to the terms of the Declaration of Condominium, the Board may request that the Member provide the Condominium Association with a security deposit in an amount not to exceed the equivalent of one month's rent which security deposit will be placed into an escrow account maintained by the Condominium Association. Such security deposit shall protect the Condominium Association against damages to the Common Elements.

Within fifteen (15) days after a tenant under any such lease vacates the Unit which is subject to such lease, the Condominium Association shall refund the full security deposit to such Member or give written notice to such Member of any claim made against the security deposit. Any dispute arising in connection with this Section 11 shall be handled in the same fashion as disputes concerning security deposits are handled pursuant to Section 83.49, Florida Statutes.

Section 12. Rules and Regulations.

The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operations of the Condominium Association and the use of Condominium Property at any meeting of the Board; provided, however, that such rules and regulations are not inconsistent with the Condominium Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Members at their last known address as shown on the Address Register and shall not take effect until forty-eight (48) hours after such mailing.

Section 13. Parliamentary Rules.

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of the Condominium Association, provided, however, if such Rules are in conflict with the Articles, these Bylaws, the Declaration of Condominium or the Condominium Act, then the Articles, these Bylaws, the Declaration of Condominium or Condominium Act, as the case may be, shall apply and govern.

Section 14. Voluntary Binding Arbitration.

Pursuant to Section 718.112(2)(1) of the Condominium Act, there shall be voluntary binding arbitration of internal disputes which arise from the operation of the Condominium Association among Developer, any of the Members, the Condominium Association and/or their agents or assigns, provided that the parties to the dispute agree upon resolving the dispute by such means. The arbitration shall be performed in accordance with rules and procedures promulgated by the Condominium Association and the Division of Florida Land Sales and Condominiums, and set forth in the Condominium Act, from time to time, and the result of such arbitration shall be binding upon all parties thereto.

Section 15. Amendment of the Bylaws.

15.1 Subject to the provisions of Section 15.2 hereof, these Bylaws may be amended by the affirmative vote of not less than a majority of the Members present at a regular or special meeting of the Membership and the affirmative approval of a majority of the Board at a regular or special meeting of the Board. An amendment may be approved at the same meeting of the Board and/or Membership at which such amendment is proposed and may be proposed by either the Board or the Membership.

15.2 An amendment may be proposed by either the Board or by the Membership, and after being proposed and approved by one of such bodies, it must be approved by the other as above set forth in order to become enacted as an amendment.

15.3 Anything contained in Section 15.1 of these Bylaws to the contrary notwithstanding, these Bylaws may be amended by the affirmative approval of a majority of the Board of Directors at any time prior to the Turnover Date, as such term is defined in Article VIII of the Articles.

15.4 No modification or amendment to the Bylaws shall be made by reference to its title or number only. Proposals to amend these Bylaws shall contain the full text of the Bylaw to be amended. Non-material errors or omissions in the amendment process shall not invalidate an otherwise properly promulgated amendment to these Bylaws.

15.5 No amendment to these Bylaws will be valid until such amendment is both recorded in the public records where the Articles are recorded and stamped on its first page with the recorded book and page number.

15.6 No modification or amendment to these Bylaws shall be adopted which would affect or impair the priority or validity of any Approved Mortgage or which would, in the judgment of Developer, abridge, amend or alter the rights of Developer in any manner without the prior written consent of Developer.

THE FOREGOING WERE DULY ADOPTED AS THE BYLAWS OF SPYGLASS AT ADMIRAL'S COVE CONDOMINIUM ASSOCIATION, INC., A FLORIDA CORPORATION NOT FOR PROFIT, AT THE FIRST MEETING OF THE BOARD OF DIRECTORS.

SPYGLASS AT ADMIRAL'S COVE
CONDOMINIUM ASSOCIATION, INC.

By: 
JACK MAKRANSKY, President

Attest: 
THOMAS FRANKEL, Secretary

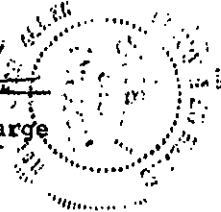
[Corporate Seal]

STATE OF FLORIDA :
 : SS.
COUNTY OF PALM BEACH :

BEFORE ME, the undersigned authority, personally appeared JACK MAKRANSKY and THOMAS FRANKEL, to me known to be the President and Secretary, respectively, of SPYGLASS AT ADMIRAL'S COVE CONDOMINIUM ASSOCIATION, INC., a Florida corporation not-for-profit, who, after being duly cautioned and sworn, deposed and said that they executed the foregoing Bylaws for the purposes therein expressed.

SWORN TO AND SUBSCRIBED before me this 20 day of October, 1988.

Paul J. Ak
NOTARY PUBLIC,
State of Florida at Large



My Commission Expires:

[Notarial Seal]

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. NOV 12, 1990
BONDED THRU GENERAL INS. UND.