

EXHIBIT D

BYLAWS
OF
PALM CHASE LAKES ASSOCIATION, INC.

Section 1. Identification of Association

These are the Bylaws of PALM CHASE LAKES ASSOCIATION, INC. ("Association"), as duly adopted by its Board of Directors ("Board"). The Association is a corporation not for profit, organized pursuant to Chapter 617, Florida Statutes, for the purpose of managing, operating, and administering the development known as Palm Chase Lakes Condominium.

1.1. The office of the Association shall be for the present at 1151 N.W. 24th Street, Pompano Beach, Florida 33064, and thereafter may be located at any place designated by the Board.

1.2. The fiscal year of the Association shall be the calendar year.

1.3. The seal of the corporation shall bear the name of the corporation, the word "Florida" and the words "Corporation Not For Profit."

Section 2. Definitions

2.1. All terms shall have the meanings set forth in the Condominium Act, Chapter 718, Florida Statutes, 1976, as amended through the date of recording the first Declaration of Condominium amongst the Public Records of Palm Beach County, Florida ("Act") and, for clarification, certain terms shall have the meanings ascribed to them in the Articles of Incorporation. All terms defined in the Articles shall be in initial capital letters each time that such term appears in these Bylaws.

2.2. Notwithstanding anything to the contrary, references to any of the Palm Chase Lakes Documents shall be deemed to include any amendment to such document as set forth therein.

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

3.1. The qualification of Members, the manner of their admission to Membership and 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 Association or at such other place in the County, or Broward County, Florida, at such time as determined by the Board and as designated in the notice of such meeting ("Annual Members' Meeting"), commencing with the year following the year in which the Articles are filed with the Secretary of State. 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 IX of the Articles) and transact any other business authorized to be transacted by the Members.

3.3. Special meetings of the Members or any Class Members, as the case may be, shall be held at any place within the State of Florida whenever called by the President or Vice President of the Association or by a majority of the Board. A special meeting must be called by such President or Vice President upon receipt of a written request from one-third (1/3) of the Members or any Class Members, as the case may be. Unless specifically stated otherwise herein, the provisions of these Bylaws pertaining to meetings of Members shall also be applicable to meetings of Class Members.

3.4. Except as otherwise provided herein, written notice of a meeting (whether the Annual Members' Meeting or a special meeting of the Members) shall be mailed to each Member at his last known address as it appears on the books of the Association. Proof of such mailing shall be given by affidavit of the person who mailed such notice and also by such other method as may be required by the Act. The notice shall state the time and place of such meeting and the purposes for which the meeting is called. Unless a Member waives in writing the right to receive notice of the Annual Members' Meeting, written notice shall be mailed to each Member in the manner required by the Act, not less than fourteen (14) days nor more than forty (40) days prior to the date of the Annual Members' Meeting. Notice of the Annual Members' Meeting shall be posted at a conspicuous place on the Condominium Property of each Palm Chase Lakes Condominium at least fourteen (14) days prior to the meeting. Written notice of a special meeting of the Members shall be mailed not less than fourteen (14) days nor more than forty (40) days prior to the date of a special meeting. If a meeting of the Members, either a special meeting or an Annual Members' Meeting, is one which, by express provision of the Act or Palm Chase Lakes Documents (provided the express provision of the Palm Chase Lakes Documents are in accordance with the requirements of the Act) there is permitted or required a greater or lesser amount of time for the mailing or posting of notice than is required or permitted by the provisions of this Paragraph 3.4, then such express provision shall govern.

3.5. The Members or any Class Members, as the case may be, may waive notice of special meetings; and, at the discretion of the Board, act by written agreement in lieu of a meeting. Written notice of the matter or matters to be considered by written agreement in lieu of a meeting shall be given to the Members or any Class Members, as the case may be, at the addresses and within the time periods set forth in Section 3.4 hereof or duly waived in accordance with such Section. The notice shall set forth a time period during which time a response must be made by a Member or Proxy (as hereinafter defined). The decision of a majority of a quorum of the Voting Interests (as evidenced by written response to be solicited in the notice) shall be binding on the Members or any Class Members, as the case may be, provided a quorum of the Members or any Class Members, as the case may be, submits a response. However, if the question is one upon which, by express provisions of the Act or the Palm Chase Lakes Documents (provided the express provisions of the Palm Chase Lakes Documents are in accordance with the requirements of the Act), requires a vote of other than a majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.6. A quorum of the Members shall consist of persons entitled to cast votes on behalf of one-third (1/3) of the entire Membership. A quorum of any Class Members shall consist of persons entitled to cast votes on behalf of one-third (1/3) of such Class Members. When a quorum is present at any meeting and a question which raises the jurisdiction of such meeting is presented, the holders of a majority of the Voting Interests present in person or represented by written Proxy shall be required to decide the question. However, if the question is one which, by express provision of the Act or the Palm Chase Lakes Documents requires a vote other than the majority vote of a quorum, then such express provision shall govern and control the required vote on the decision of such question.

3.7. If any meeting of the Members or any Class Members, as the case may be, cannot be properly held 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 meeting being adjourned, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

3.8. Minutes of all meetings shall be kept in a businesslike manner and available for inspection by the Members and Directors at all reasonable times. The Association shall retain minutes for at least seven (7) years subsequent to the date of the meeting the minutes report.

3.9. If, as and when one (1) or more Palm Chase Lakes Condominium(s), other than the Condominium, are submitted to condominium ownership, Class Members shall be created for Owners in each Palm Chase Lakes Condominium. All classes of Members shall vote in the manner stated in Article IV of the Articles. Voting rights of Members shall be as stated in the Declaration and the Articles. Such votes may be cast in person or by proxy. "Proxy" is defined to mean an instrument in writing, signed by a Member, appointing a person to whom the Member delegates the Member's right to cast a vote or votes in the Member's place and stead. Proxies shall be valid only for the particular meeting designated therein and any lawful adjournments thereof; provided, however, that no Proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given, provided, this express provision is not inconsistent with the requirements of the Act, in which case the Act shall govern and control. A Proxy must be filed with the Secretary of the Association before the appointed time of the meeting in order to be effective. Any Proxy may be revoked prior to the time a vote is cast by virtue of such Proxy.

3.10. Upon demand of any Member at any time prior to a vote upon any matter at a meeting of the Members, or any Class Members, any Member may demand voting on such matter shall be by secret ballot. The chairman of the meeting shall call for nominations for inspectors of election to collect and tally written ballots upon the completion of balloting upon the subject matter.

Section 4. Board of Directors; Directors' Meetings

4.1. The form of administration of the Association shall be by a Board of not less than three (3) Directors and no more than seven (7) Directors. At each Annual Members' Meeting held subsequent to the year in which the Developer's Resignation Event occurs, the number of Directors shall be determined by the Board from time to time. Directors need not be Members of the Association.

4.2. The provisions of the Articles setting forth the selection, designation, election and removal of Directors, including but not limited to, the division of the Board into Class Directors are hereby incorporated herein by reference. Voting for Class Directors, if applicable, shall be noncumulative (there shall be appurtenant to each Dwelling Unit as many votes for Directors as there are Directors for the Class Directors to be elected; provided, however, no Member or Owner may cast more than one (1) vote for each Dwelling Unit owned by him for any one (1) person nominated as a Class Director). Directors elected by the Members in accordance with Article IX of the Articles shall be elected by a plurality of votes cast by the Members present in person or by Proxy and entitled to vote at a properly held Annual Members' Meeting or special meeting of the Members.

4.3. Subject to Section 4.5 below and the rights of Developer as set forth in the Articles and as set forth in Section 4.5(c) below, vacancies on the Board shall be filled by person(s) elected by the affirmative vote of a majority of the remaining Directors (or by the remaining Class Directors in which the vacancy occurs, if applicable). Such person shall be a Director and have all the rights, privileges, duties and obligations as a Director elected at the Annual Members' Meeting. A Director elected by the Board to fill a vacancy shall hold office only until the next election of Directors by the Members.

4.4. The term of each Director's service, except as provided in Section 4.3 of these Bylaws, shall extend until the next Annual Members' Meeting and thereafter, 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 provided in the Articles, may be removed from office with or without cause upon the affirmative vote or the agreement in writing of the Purchaser Members acting

on behalf of a majority of Voting Interests held by Purchaser Members at a special meeting of the Purchaser Members. A meeting ("Removal Meeting") of Purchaser Members to so remove a Director elected by them ("Purchaser Director") shall be held, subject to the notice provisions of Section 3.4 hereof, upon the written request of Purchaser Members holding ten percent (10%) of the Voting Interests held by Purchaser Members; provided, however, that before any Purchaser Director is removed from office, he shall be notified in writing at least two (2) days prior to the meeting at which the motion to remove him will be made, and such Purchaser Director shall be given an opportunity to be heard at such meeting, should he be present, prior to the vote on his removal. If the proposed removal is by an agreement in writing, such written agreement to remove a Purchaser Director must be served on the Association by certified mail and, within seventy-two (72) hours after receipt thereof, a meeting of the Board shall be called where the Board shall either certify or determine not to certify such written agreement. If the Board certifies the written agreement, such Purchaser Director shall be removed effective immediately. If the Board determines not to certify the written agreement or if the vote at a Removal Meeting is disputed, the Board shall, within seventy-two (72) hours after the applicable meeting, file a petition for binding arbitration pursuant to Section 718.112(2)(1) of the Act. Within seventy-two (72) hours after the removal of a Purchaser Director shall become effective, the Purchaser Director shall deliver to the Board any and all records of the Association in his possession.

(b) Purchaser Members shall elect, at a special meeting or at the Annual Members' Meeting, persons to fill vacancies on the Board among Directors elected by Purchaser Members pursuant to Section 4.5(a) above.

(c) A Director on the First Board or designated by Developer as provided in the Articles may be removed only by Developer in its sole discretion and without any need for a meeting or vote. Developer shall have the unqualified right to name successors to fill any vacancies occurring for any reason on the Board among Directors on the First Board or designated by it, and Developer shall notify the Board as to any such removal or vacancy and the name of the successor Director and of the commencement date for the term of such successor Director.

4.6. The organizational meeting of the newly elected Board shall be held within ten (10) days of its 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, providing that a quorum shall be present at such organizational meeting.

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 the Vice President of the Association. Special meetings must be called by the Secretary at the written request of one-third (1/3) of the Directors. The provisions of these Bylaws pertaining to meetings of the Board as a whole shall also be applicable to meetings of Class 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 specified for such meeting. Except in an emergency, notice of a Board meeting shall be posted conspicuously on the Condominium Property of each Palm Chase Lakes Condominium at least forty-eight (48) hours in advance for the attention of Members. Notice of any meeting where 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. Any Director may waive notice of the meeting before, during or after a meeting and such waiver shall be deemed equivalent to the receipt of notice by such Director.

4.9. For matters to be considered by the Board as a whole, as set forth in Article IX, Paragraph L of the Articles, a quorum of the Board 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 provided elsewhere herein or in any of the Palm Chase Lakes Documents. For matters to be considered by Class Directors, as set forth in Article IX, Paragraph L of the Articles, a quorum of the Board shall consist of a majority of the Directors of the affected Class Directors and such matters approved by a majority of the Class Directors present at a meeting at which a quorum is present shall constitute the official acts of the Board, except as specifically provided elsewhere herein or in any of the Palm Chase Lakes Documents. A Director who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken, unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest. If at any meetings of the Board there shall be less than a quorum present, the majority of those present entitled to vote may adjourn the meeting from time to time until a quorum is present. At any properly held 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, the notice provisions for the adjournment shall, subject to the Act, be as determined by the Board.

4.10. The presiding officer at Board meetings shall be the President. In the absence of the President, the Directors present shall designate any one of their number to preside.

4.11. Directors shall not receive any compensation for their services.

4.12. The Board shall have the power to appoint executive committees of the Board consisting of not less than two (2) Directors. Executive committees shall have and exercise such powers of the Board as may be delegated to such executive committee by the Board.

4.13. 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 the meeting, the Member shall not be entitled to participate in the meeting, but shall only be entitled to act as an observer. In the event a Member not serving as a Director or not otherwise invited by the Directors to participate in the meeting attempts to become more than a mere observer at the meeting or conducts himself in a manner detrimental to the carrying on of the meeting, then any Director may expel said Member from the meeting by any reasonable means which may be necessary to accomplish said Member's expulsion. Also, any Director shall have the right to exclude from any meeting of the Board any person who is not able to provide sufficient proof that he is a Member or a duly authorized representative, agent or Proxy holder of a Member, unless said person has been specifically invited by any of the Directors to participate in or to observe such meeting.

Section 5. Fining Procedure for Enforcement of the Palm Chase Lakes Documents

5.1. A nonexclusive optional procedure for Board enforcement of the Palm Chase Lakes Documents, including the rules and regulations, shall be as follows:

5.1.1. First Offense (1st Notice)

When the Association becomes aware of noncompliance of a rule or regulation by an Owner, occupant, guest or tenant, it shall send a certified letter to the Owner advising him of the rule which he has been accused of violating and warning that strict compliance with the rules and regulations

will be required. Each day on which a violation occurs shall be deemed to be a separate offense.

5.1.2. Second Offense (2nd Notice)

If the Association receives a second report that a violation has been repeated or has been continued beyond the time specified within the first notice, the Board, after verifying the violation, may authorize a fine to be levied upon the Owner. The fine for a second offense may be up to Twenty Dollars (\$20). Notice of a second violation shall be sent to the Owner by certified mail.

5.1.3. Third Offense (3rd Notice)

If the Association receives a third report that a violation has been repeated or has continued beyond the time specified within the second notice, the Owner may be assessed up to a Fifty Dollar (\$50) fine following verification of the violation by the Board.

5.1.4. Fourth Offense

For repeated offenses or in any case where the Board deems it appropriate, the Board may seek injunctive relief through court action.

5.2. Exemptions and Hearings

5.2.1.

(a) Any Owner may appear before the Association to seek an exemption from or variance in the applicability of any given rule or regulation as it relates to said person on grounds of undue hardship or other special circumstances.

(b) Where the Association levies fines, such fines shall be levied pursuant to the procedures set forth in the Rules and Regulations.

5.2.2. An Owner who fails to timely pay any Assessment may, at the discretion of the Board, be charged a late charge of Ten Dollars (\$10) by the Association for such late Assessment. Owners shall be responsible to pay all court costs and attorneys' fees incurred in connection with the collection of late Assessments whether or not an action at law to collect said Assessment and foreclose the Association's lien has been commenced.

5.3. (a) The existence of the Association's right to fine as herein provided shall not preclude nor limit its right to seek any other enforcement method or remedy provided: (i) pursuant to the Palm Chase Lakes Documents; (ii) at law; or (iii) in equity.

(b) The amount of the fines as set forth herein may be increased by the Board in its sole discretion; provided, however, any such increase shall conform to the applicable requirements of the Act as to the maximum dollar amount of such fines as such maximum dollar amount may be increased by amendment of the Act from time to time.

5.4. A fee in an amount determined by the Board in compliance with the provisions of the Act, which will initially be Fifty Dollars (\$50), may be charged by the Board for the approving or disapproving of proposed purchasers and lessees of Dwelling Units.

Section 6. Officers of the Association

6.1. Executive officers of the Association shall be the President, who shall be a Director, one or more Vice Presidents, a Treasurer, a Secretary and, if the Board so determines, an Assistant Secretary and an Assistant

Treasurer, all of whom shall be elected annually by the Board. Any officer may be removed from office without cause by vote of the Directors at any meeting of the Board. The Board shall, from time to time, elect and designate the powers and duties of such other officers and assistant officers as the Board shall find to be required to manage the affairs of the Association.

6.2. The President, who shall be a Director, shall be the chief executive officer of the 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 committees from among the Members at such times as he may, in his discretion, determine appropriate to assist in conducting the affairs of the Association. He shall preside at all meetings of the Board.

6.3. The Vice President(s) shall generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board. In the event there shall be more than one Vice President elected by the Board, then they shall be designated "First," "Second," etc. and shall be called upon in such order to exercise the powers and perform the duties of the President if he is absent or incapacitated.

6.4. The Secretary shall cause the minutes of all meetings of the Board and of the Members to be kept, which minutes shall be recorded in a businesslike manner and shall be available for inspection by Members and Directors at all reasonable times. He shall have custody of the seal of the Association and shall affix the same to instruments requiring a seal when duly signed. He shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of Secretary of the Association as may be required by the Board or the President. The Assistant Secretary, if any, shall assist the Secretary and shall perform the duties of the Secretary when the Secretary is absent.

6.5. The Treasurer shall have custody of all the property of the 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 Association in accordance with good accounting practices; and he shall perform all the duties incident to the office of Treasurer. The Assistant Treasurer, if any, shall assist the Treasurer and shall perform the duties of the Treasurer whenever the Treasurer is absent.

6.6. Officers shall not receive compensation for their services. The compensation, if any, of all other employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director or an officer as an employee of the Association nor preclude the contracting with a Director or an officer for the management of all or any portion of Palm Chase Lakes.

Section 7. Accounting Records; Fiscal Management

7.1. Accounting Records

(a) The Association shall maintain the official records of the Association in accordance with Section 718.111(12) of the Act, which records shall be open to inspection by Members and owners of first mortgages on Dwelling Units or their authorized representatives at reasonable times. Authorization of a representative of a Member must be in writing, signed by the Member giving the authorization and dated within sixty (60) days before the date of the inspection. The official records shall include accounting records for the Association and separate accounting records for each condominium it operates, maintained according to good accounting practices, and such accounting records shall be maintained for a period of not less than seven (7) years. Accounting records so maintained by the Association shall include, but are not limited to: (i) accurate, itemized and detailed records of all receipts and expenditures; (ii) a current account, and a quarterly

statement of the account for each Dwelling Unit or as reported at such interval as may be amended from time to time by the Florida Legislature, such interval not to be more frequent than quarterly, designating the name of the Owner thereof, the due date and amount of each Assessment, the amount paid upon the account, and the balance due; and (iii) an account indicating the Common Expenses, Recreation Expenses and Association Area Expenses allocated under the budget of the Association ("Budget") and the expenses of each kind actually incurred during the course of the fiscal year.

(b) A report of the actual receipts and expenditures of the Association for the previous twelve (12) months shall be prepared annually by an accountant or Certified Public Accountant and a copy of such report shall be furnished in accordance with the Act to each Member not later than the first day of April of the year following the year for which the report is made. The report will include account classifications designated in the Act, if applicable, and accounts otherwise included at the Board's discretion. The report shall be deemed to be furnished to the Member upon its delivery or mailing to the Member at the last known address shown on the books and records of the Association.

7.2. Budget

(a) The Board shall adopt the Budget for the Common Expenses of each Palm Chase Lakes Condominium, Recreation Expenses and Association Area Expenses of the Association for each forthcoming fiscal year ("Budget Year") at a special meeting of the Board ("Budget Meeting") called for that purpose during the month of November prior to the applicable Budget Year. Prior to the Budget Meeting a proposed Budget for each Palm Chase Lakes Condominium shall be prepared by or on behalf of the Board, which Budget(s) shall include, but not be limited to, the following items of expense applicable to each Palm Chase Lakes Condominium:

- (i) Administration of the Association
- (ii) Utilities
- (iii) Management Fees
- (iv) Maintenance
- (v) Rent for recreational and other commonly used facilities
- (vi) Taxes upon Association property
- (vii) Taxes upon leased areas
- (viii) Insurance
- (ix) Security provisions
- (x) Other expenses
- (xi) Operating capital
- (xii) Reserves for Capital Expenditures and Deferred Maintenance
- (xiii) Fees payable to the Division of Florida Land Sales, Condominiums and Mobile Homes

(b) The Budget for each Palm Chase Lakes Condominium constitutes an estimate of the expenses to be incurred by the Association for and on behalf of such Palm Chase Lakes Condominium. The procedure for the allocation of the expenses attributable to each Palm Chase Lakes Condominium, which are the Common Expenses of such Palm Chase Lakes Condominium, shall be as follows:

(i) Expenses of the Association which are applicable to more than one (1) Palm Chase Lakes Condominium (such as administrative expenses) shall be allocated by the Board amongst the several Palm Chase Lakes Condominiums to which such expenses are applicable by multiplying the amount of such expenses by a fraction with respect to each Palm Chase Lakes Condominium, the numerator of which is the number of Dwelling Units within the particular Palm Chase Lakes Condominium to which such expenses are being allocated and the denominator of which is the total number of Dwelling Units in the various Palm Chase Lakes Condominiums to which such expenses are applicable; provided, however, that if such method of allocation is inequitable due to the fact that a grossly disproportionate amount of such expenses are attributable to a particular Palm Chase Lakes Condominium, then

the Board may allocate such expenses in a manner deemed by it to be fair and equitable.

(ii) Expenses of the Association which are applicable to one (1) Palm Chase Lakes Condominium (such as, but not limited to, utilities and maintenance for the Common Elements of a particular Palm Chase Lakes Condominium) shall be allocated by the Board as a Common Expense solely of such Palm Chase Lakes Condominium.

(c) The Board shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of the Condominium Property, the Association Areas and the Recreation Area. The Budget for each Palm Chase Lakes Condominium shall include, on an annual basis, the establishment of reserve accounts for capital expenditures and deferred maintenance of the Condominium Property, the Association Areas and the Recreation Area. The reserve accounts shall include, but not be limited to, roof replacement, driveway resurfacing and building exterior repainting. The amount to be reserved shall be computed by means of a formula which is based upon estimated life and estimated replacement cost of each reserve item. Notwithstanding any other provisions to the contrary contained herein, in the event a majority of the Members or Class Members, as applicable, present at a meeting at which a quorum of the Members or Class Members is present elect to have less than a full reserve or no reserve for deferred maintenance and replacement, then the applicable Budget shall be based on such lesser reserves or no reserves, as the case may be.

(d) Copies of the applicable proposed Budget and notice of the exact time and place of the Budget Meeting shall be mailed to each Member or Class Member at the Member's last known address, as reflected on the books and records of the Association, not less than fourteen (14) days prior to said Budget Meeting, and the Budget Meeting shall be open to the Members. Failure to timely adopt a Budget for each Palm Chase Lakes Condominium shall not alter or abrogate the obligation to pay Common Expenses.

(e) In administering the finances of the Association, the following procedures shall govern: (i) the fiscal year shall be the calendar year; (ii) any income received by the Association in any calendar year may be used by the Association to pay expenses incurred by the Association in the same calendar year; (iii) there shall be apportioned between calendar years on a pro rata basis any expenses which are prepaid in any one (1) calendar year for Common Expenses, Recreation Expenses and Association Area Expenses which cover more than such calendar year; (iv) Assessments shall be made not less frequently than quarterly in amounts no less than are required to provide funds in advance for payment of all of the anticipated current expenses and for all unpaid expenses previously incurred; and (v) expenses incurred in a calendar year shall be charged against income for the same calendar year regardless of when the bill for such expenses is received. Notwithstanding the foregoing, Assessments shall be of sufficient magnitude to insure an adequacy and availability of cash to meet all budgeted expenses and anticipated cash needs in any calendar year as such expenses are incurred in accordance with the cash basis method of accounting. The cash basis method of accounting shall conform to generally accepted accounting standards and principles.

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

(g) The Board may also include in the proposed Budget a sum of money as an assessment for the making of betterments to the Condominium Property.

the Association Areas and the Recreation Area and for anticipated expenses by the Association which are not anticipated to be incurred on a regular or annual basis. This sum of money so fixed may then be levied upon the Members by the Board as a Special Assessment and shall be considered an "Excluded Expense" under Section 7.3(a) hereof.

7.3. Adoption of Budget

Until the provisions of Section 718.112(2)(f) of the Act relative to the Members' approval of a Budget requiring Assessments against the Members in excess of 115% of such Assessments for the Members in the preceding year are declared invalid by the courts, or until amended by the Florida Legislature, the following shall be applicable (however, if such amendment merely substitutes another amount for 115%, then such new amount shall be substituted for 115% each time it is used in this Section 7.3):

(a) Should the Budget adopted by the Board at the Budget Meeting require Assessments against Members of an amount which is not greater than 115% of such Assessments for the prior year, the Budget shall be deemed approved by all Members. If, however, the Assessments required to meet the Budget exceed 115% of such assessments for the Membership for the preceding year ("Excess Assessment"), then the provisions of Subsections 7.3(b) and (c) hereof shall be applicable. There shall be excluded in the computation of the Excess Assessment certain expenses ("Excluded Expenses") as follows:

(1) Reserves for repair or replacement of any portion of the Condominium Property, the Recreation Area or the Association Areas;

(2) Expenses of the Association which are not anticipated to be incurred on a regular or annual basis; and

(3) Assessments for betterments to the Condominium Property, the Recreation Area or the Association Areas.

(b) Should the Excess Assessment be adopted by the Board, then upon delivery to the Board, within twenty (20) days after the Budget Meeting, of a written application requesting a special meeting signed by ten percent (10%) of the Voting Interests of the Dwelling Units, the Board shall call a special meeting to be held upon not less than ten (10) days' written notice to each Member, but to be held within thirty (30) days of the delivery of such application to the Board. At said special meeting, the Members shall consider and enact a Budget of Common Expenses. The adoption of the revisions to the Budget of Common Expenses shall require approval of not less than a majority of Voting Interests appurtenant to all Dwelling Units in that Palm Chase Lakes Condominium. The Board may propose revisions to the Members at a meeting of Members or in writing, and, if a revised Budget of Common Expenses is enacted at said special meeting, then the revised Budget shall be, as to the Common Expenses, incorporated into the final Budget. If no written application is delivered as provided herein and a quorum is not obtained or a substitute budget is not adopted by the Members, then the Budget originally adopted by the Board shall be the final Budget and shall go into effect as scheduled.

(c) Until the Majority Election Meeting, the Board shall not impose an Assessment pursuant to a Budget for Common Expenses for each Palm Chase Lakes Condominium which is greater than one hundred fifteen percent (115%) of the prior fiscal year's Assessment without approval of a majority of the Voting Interests of Members to be so assessed.

(d) If, as and when one (1) or more Palm Chase Lakes Condominiums are created pursuant to the Act, then the Budget shall allocate Assessments for Common Expenses to each Palm Chase Lakes Condominium. In each case in which the Assessments for Common Expenses for the affected Palm Chase Lakes Condominium [less expenses for matters similar to those matters set forth in Paragraphs 7.3(a)(1), 7.3(a)(2) and 7.3(a)(3) above] exceed one hundred fifteen percent (115%) of such Assessments for the prior year, the affected

Members shall have the right to revise the Budget as same applies to them in the same manner as set forth in Paragraph 7.3(b) above.

7.4. Allocation of Common Expenses

(a) The portion of the expenses to be allocated to the operation and management of the Association and each Palm Chase Lakes Condominium shall be set forth in the Budget and shall constitute the Common Expenses. The Common Expenses shall be apportioned to each Owner based upon his share of Common Expenses, as provided in the Declaration of each Palm Chase Lakes Condominium.

(b) Notwithstanding the allocation to each Dwelling Unit of its Annual Assessment, an Owner shall also be liable for any Special Assessments levied by the Board against his Dwelling Unit as provided in the Palm Chase Lakes Documents. The funds collected pursuant to a Special Assessment shall be used only for the specific purpose or purposes set forth in such notice, or returned to the Owners; provided, however, that upon completion of such specific purpose or purposes any excess funds shall be considered "Common Surplus" (as that term is defined in the Declaration). The Association shall collect Annual and Special Assessments from an Owner in the manner set forth in the Palm Chase Lakes Documents.

(c) To the extent that the Association at any time has either a Common Surplus or Common Expense in regard to the operation of Palm Chase Lakes Condominiums which cannot be attributed to one or more particular Palm Chase Lakes Condominiums, then such Common Surplus or Common Expense shall be prorated equally based on the number of Dwelling Units within each Palm Chase Lakes Condominium and thereafter be deemed a Common Expense or Common Surplus of each Palm Chase Lakes Condominium as set forth in its Declaration.

(d) If, as and when one (1) or more Palm Chase Lakes Condominiums are created pursuant to the Act, the expenses attributable to each Palm Chase Lakes Condominium shall be allocated and apportioned to each Palm Chase Lakes Condominium in the manner set forth in Paragraphs 7.4(a) and 7.4(b) above.

7.5 Depository

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board in which the monies of the Association shall be deposited. Withdrawal of monies from such account shall be only by checks signed by such persons as are authorized by the Board. Notwithstanding the foregoing, the President and/or the Treasurer of the Association shall be authorized to sign checks on behalf of the Association, unless otherwise specified by the Board.

Section 8. Rules and Regulations

The Board may adopt rules and regulations or amend or rescind existing rules and regulations for the operation and use of each Palm Chase Lakes Condominium and the Association Property at any meeting of the Board; provided such rules and regulations are not inconsistent with the Palm Chase Lakes Documents. Copies of any rules and regulations promulgated, amended or rescinded shall be mailed to all Owners at the last known address as shown on the books and records of the Association and shall not take effect until forty-eight (48) hours after such mailing.

Section 9. Parliamentary Rules

The then latest edition of Robert's Rules of Order shall govern the conduct of meetings of this Association when not in conflict with the Articles, these Bylaws, the Declaration or the Act. In the event of a conflict, the provisions of the Palm Chase Lakes Documents and the Act shall govern.

Section 10. Amendments of the Bylaws

10.1. These Bylaws may be amended by the affirmative vote of not less than a majority of the votes of Members entitled to vote thereon, represented in person or by Proxy at a properly held Annual Members' Meeting or special meeting of the Membership and the approval of a majority of the Board at a regular or special meeting of the Board. A copy of the proposed amendment shall be sent to each Member along with notice of the Annual Members' Meeting or special meeting. An amendment may be approved at the same meeting of the Board and/or Members at which such amendment is proposed.

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

10.3. No modification or amendment to these Bylaws shall be adopted which would affect or impair the priority of any holder, insurer or guarantor of a first mortgage on any Dwelling Unit in Palm Chase Lakes, the validity of such mortgage or any of the rights of Developer.

Section 11. Voluntary Arbitration of Disputes

Pursuant to Section 718.112(2)(1) of the Act, internal disputes arising from the operation of a Palm Chase Lakes Condominium among Members, Developer, the Association, and their agents and assigns may be resolved by voluntary binding arbitration. Such internal disputes may be arbitrated by the Division of Florida Land Sales, Condominiums and Mobile Homes of the Department of Business Regulation in accordance with Section 718.1255 of the Act.

Section 12. Fidelity Bonding

Pursuant to Section 718.112(2)(j) of the Act, all persons who control or disburse funds of the Association require fidelity bonding in the principal sum of not less than Ten Thousand Dollars (\$10,000) for each such person.

PALM CHASE LAKES ASSOCIATION, INC.

By: _____

Attest: _____

(SEAL)