

EXHIBIT "C"

BYLAWS OF ISLEBROOK AT MEADOW WOODS
HOMEOWNERS' ASSOCIATION, INC.

OR Bk 5786 Pg 1638
Orange Co FL 1999-0286483

ARTICLE I - IDENTITY

Section 1. Name. The following Bylaws shall govern the operation of the ISLEBROOK AT MEADOW WOODS HOMEOWNERS' ASSOCIATION, INC. (the "Association").

Section 2. Principal Office. The principal office of the Association shall be 120 Fairway Woods Boulevard, Orlando, Florida 32824, but the Association may maintain offices, transact business and hold meetings of members and Directors at such places within the State of Florida as may be designated by the Board of Directors.

Section 3. Seal. The seal of the Association shall be in circular form bearing within its circumference the name of the Association, the words "a Florida Corporation not for profit", and the year of incorporation.

Section 4. Definitions. All references to "Declaration", as used herein, shall mean the Declaration of Covenants and Restrictions for Islebrook recorded or to be recorded in the Public Records of Orange County, Florida. All other words and phrases, as used herein, shall have the same definitions as attributed to them in the Declaration.

ARTICLE II - MEMBERSHIP AND VOTING PROVISIONS

Section 1. Membership. Membership in the Association shall be limited to Owners of the Lots. Transfer of Lot ownership, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership is to become automatically vested in the transferee upon the recordation in the Public Records of Orange County, Florida, of the deed or other instrument establishing the acquisition and designating the Lot affected thereby. If Lot ownership is vested in more than one (1) person, then all of the persons so owning said Lot shall be members eligible to hold office, attend meetings, etc., but, the vote of a Lot shall be cast by the "voting member". If Lot ownership is vested in a corporation or other legal entity, said corporation or other legal entity may designate an individual officer, employee or other representative of the corporation or other legal entity as its "voting member".

Section 2. Voting.

A. The Owner(s) of each Lot shall be entitled to one (1) vote for each Lot. If an Owner owns more than one (1) Lot, the Owner shall be entitled to one vote for each Lot owned. The vote of a Lot is not divisible.

B. A majority of the voting members' total votes cast shall decide any question, unless specific provisions in the Declaration, Articles of Incorporation or these Bylaws provide

otherwise, in which event, the voting percentage required in the said Declaration, Bylaws or Articles of Incorporation shall control.

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Section 3. Quorum. Unless otherwise provided by these Bylaws, the Declaration or the Articles of Incorporation, the presence in person or by either general or limited proxy of twenty-five percent (25%) of the total votes held by voting members shall constitute a quorum. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such member for the purpose of determining a quorum.

Section 4. Proxies. Votes may be cast in person or by limited proxy only. No votes may be cast by general proxy except to establish a quorum at a meeting of the members. All proxies shall be in writing and signed by the person entitled to vote and shall be filed with the Secretary of the Association not less than three (3) days prior to the meeting in which they are to be used and shall be valid only for the particular meeting designated therein, and any lawfully adjourned meetings thereof, the date for which shall not exceed ninety (90) days from the date of the meeting for which they were given. When a Lot is owned jointly by a husband and wife, and if they have not designated one (1) of them as a voting member, a proxy must be signed by both husband and wife when a third person is designated.

Section 5. Designation of Voting Member. If a Lot is owned by one (1) person, the right to vote shall be established by the recorded deed or other instrument establishing title to the Lot. If a Lot is owned by more than one (1) person, the person entitled to cast the vote for the Lot shall be designated in a Certificate, signed by all of the record owners of the Lot and filed with the Secretary of the Association. If a Lot is owned by a corporation, or other legal entity, the officer, employee or other representative thereof entitled to cast the vote of the corporation or other legal entity shall be designated in a Certificate for this purpose signed by the President, Vice President, or other authorized signatory and filed with the Secretary of the Association. The person designated in such Certificate who is entitled to cast the vote for a Lot shall be known as the "voting member". If such a Certificate is not on file with the Secretary of the Association for a Lot owned by more than one (1) person, by a corporation or other legal entity, the vote of the Lot concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Lot, unless the Lot is owned by a husband and wife. Such Certificates shall be valid until revoked, superseded by a subsequent Certificate, or a change in the ownership of the Lot takes place.

If a Lot is owned jointly by a husband and wife, the following three (3) provisions are applicable thereto:

- A. They may, but they shall not be 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 in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting.

C. When they do not designate a voting member and only one (1) is present at a meeting, the person present may cast the Lot vote just as though he or she owned the Lot individually and without establishing the concurrence of the absent person.

No cumulative voting is permitted.

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ARTICLE III - MEETING OF THE MEMBERSHIP

Section 1. Who May Attend. All Owners of Lots may attend any meeting of the members. In the event any Lot is owned by a corporation, any Director or officer of the corporation may attend any meeting of the members; any partner of a partnership owned Lot may attend any meeting of the members, however, the vote for any Lot shall be cast in accordance with the provisions of these Bylaws. All members may attend meetings notwithstanding that a proxy for said member's vote has been given to a third party.

Section 2. Notices. It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting, stating the time and place thereof to each Lot Owner of record. All notices shall be mailed to or served at the address of the Lot Owner as it appears on the books of the Association as hereinafter set forth. Notices of annual meetings shall be furnished to each member, and, except in the event of an emergency, notices of special meetings shall be furnished to each member at least ten (10) days prior to such meeting. Notice of a special meeting may be waived either before or after the meeting, in writing.

Section 3. Annual Meeting. The annual meeting for the purposes of electing Directors and transacting any other business authorized to be transacted by the members shall be held once in each calendar year at such time and on such date in each calendar year as the Board of Directors shall determine. At the annual meeting, the members shall elect by plurality vote a Board of Directors and shall transact such other business as may properly be brought before the meeting.

Section 4. Special Meeting. Special meetings of the members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of voting members representing ten percent (10%) of the members, and shall state the purpose or purposes of the proposed meeting. Business transacted at all special meetings shall be confined to the matters stated in the notice thereof.

Section 5. Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of members may be dispensed with if not less than two-thirds (2/3) of the total votes of the members who would have been entitled to vote upon the action if such meeting were held shall consent in writing to such action being taken; however, notice of such action shall be given to all members unless all members approve such action.

Section 6. Adjourned Meeting. If any meeting of members cannot be organized because a quorum of the total votes held by members is not present, either in person or by proxy, the meeting may be adjourned from time to time until a quorum is present.

Section 7. Recording. Any Owner may tape record or videotape meetings of the Board of Directors and meetings of the members. The Board of Directors of the Association may adopt reasonable rules governing the taping of meetings of the board and the membership.

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ARTICLE IV - DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by the Board of Directors who shall be members of the Association, except that Directors elected or appointed by the Developer need not be members of the Association.

Section 2. Term of Office. At the first annual meeting held by the Association, and at subsequent annual meetings thereafter, the members shall elect, in person or by written ballot delivered at the meeting, a minimum of three (3) Directors who shall each serve for a term of one (1) year, unless he/she shall earlier resign, or shall be removed, or otherwise be disqualified to serve.

Section 3. First Board of Directors.

A. The initial Board of Directors of the Association who shall hold office and serve until the first annual meeting of members, and until their successors have been elected and qualified, shall be:

Charles D. O'Hara
Colleen Bringman
Cindy L. Erskine

B. The meeting of a newly elected Board of Directors of the Association shall be held within ten (10) days after their election at such place and time as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the meeting shall be necessary, provided a quorum shall be present.

Section 4. Appointment of Directors by Developer.

A. As provided in the Declaration, until the Class B membership ceases to exist, the Developer shall have the right to appoint all of the Directors of the Association. Thereafter, the Developer shall have the right to appoint one (1) Director for so long as the Developer owns any Lot in Islebrook. The Developer may waive its right to appoint one or more Directors by written notice to the Association, and thereafter Directors shall be elected by the members.

B. While the Developer is entitled to representation on the Board, whether the Developer exercises that right or not, the Board shall have no authority to, and shall not, without the consent of the Developer which shall be exercised by its appointee on the Board or other person designated to so act by the Developer, and which may be withheld at Developer's sole discretion, undertake any action which shall:

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1. prohibit or restrict in any manner the sales and marketing program of the Developer;
2. make any special or individual assessment against or impose any fine upon the Developer's property or the Developer;
3. authorize or undertake any litigation against the Developer;
4. alter or amend the Declaration, any subsequent amendment thereto, the Articles or Bylaws;
5. restrict the Developer's right to use of, access to and enjoyment of any of the Common Property.

C. Notwithstanding anything contained herein to the contrary, the Developer shall have the right to appoint the maximum number of Directors in accordance with the privileges granted to the Developer in the Declaration. All Directors appointed by the Developer shall serve at the pleasure of the Developer, and the Developer shall have the absolute right at any time and in its sole discretion to remove any Director appointed by it and to replace such Director with another person to serve on the Board. Replacement of any Director appointed by the Developer shall be made by written instrument delivered to any officer or any other Director, which instrument shall specify the name of the person designated as successor Director. The removal of a Director and the designation of successor by the Developer shall become effective immediately upon delivery of such written instrument by the Developer.

Section 5. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the total votes held by members of the Association.

Section 6. Vacancies. If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors, though less than a quorum, shall choose a successor or successors who shall hold office for the balance of the unexpired term in respect to which such vacancy occurred. The election held for the purpose of filling said vacancy may be held at any regular or special meeting of the Board of Directors. If the Association fails to fill vacancies on the Board of Directors which are sufficient to constitute a quorum in accordance with the Bylaws, any Owner may apply to the circuit court that has jurisdiction over the community served by the Association for the appointment of a receiver to manage the affairs of the Association. At least 30 days before applying to the circuit

court, the Owner shall mail to the Association and post, in a conspicuous place on the property of the community served by the Association, a notice describing the intended action, giving the Association the opportunity to fill the vacancies. If during such time the Association fails to fill the vacancies, the Owner may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorney's fees. The receiver shall have all powers and duties of a duly constituted Board of Directors and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

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Section 7. Disqualification and Resignation. Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. Commencing with the first meeting of the newly elected Board of Directors following the first annual meeting of the members of the Association, more than three (3) consecutive absences from regular meetings of the Board of Directors, unless excused by resolution of the Board of Directors, shall automatically constitute a resignation effective when such resignation is accepted by the Board of Directors. Commencing with the Directors elected at such first annual meeting of the membership, the transfer of title to that Director's Lot shall automatically constitute a resignation, effective upon the recordation in the Public Records of Orange County, Florida, of the deed or other instrument establishing the transfer. No member shall continue to serve on the Board should he/she be more than thirty (30) days delinquent in the payment of an assessment, and said delinquency shall automatically constitute a resignation, effective when such resignation is accepted by the Board of Directors.

Section 8. Compensation. No Director shall receive compensation for any service rendered to the Association; however, any Director may be reimbursed for the actual expenses incurred in the performance of his/her duties.

Section 9. Notice of Board of Directors' Meetings. Notices of all meetings of the Board of Directors shall be posted in a conspicuous place on the Association property at least 48 hours in advance, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. For communities with more than 100 members, the Bylaws may provide for a reasonable alternative to posting or mailing of notice for each board meeting, including publication of notice or provision of a schedule of board meetings. Notice of any meeting in which assessments against parcels are to be established shall specifically contain a statement that assessments shall be considered and a statement of the nature of such assessment. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 10. Regular Meetings. A meeting of the Board of Directors of the Association occurs whenever a quorum of the board gathers to conduct Association business in Orange County, Florida. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by resolution of the Board and shall be open to all members of the

Association except for meetings between the board and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege.

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Section 11. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President and, in his/her absence, by the Vice President of the Association, or by any two (2) directors, after not less than three (3) days notice in writing to each director of the time and place of said meeting, except in the event of an emergency. All notices of special meetings shall state the purpose of the meeting.

Section 12. Directors' Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to members of the Board shall be required and any business may be transacted at such meeting.

Section 13. 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 such meetings 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 until a quorum shall be present. At each such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without further notice to the Board. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

Section 14. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 15. Voting. Directors may not vote by proxy or by secret ballot at board meetings, except that secret ballots may be used in the election of officers. This subsection also applies to the meetings of any committee or other similar body, including any body vested with the power to approve or disapprove architectural decisions with respect to a specific parcel of residential property owned by a member of the community.

Section 16. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the members may cast their ballots, for each vacancy, using as many votes as they are entitled to cast. The persons receiving the largest number of votes shall be elected. If an Association fails to fill vacancies on the Board of Directors sufficient to constitute a quorum in accordance with the Bylaws, any member may apply to the circuit court that has jurisdiction over the community served by the Association for the appointment of a receiver to manage the affairs of the association. At least 30 days before applying to the circuit court, the member shall mail to the Association, by certified or registered mail, and post, in a conspicuous place on the property of the community served by the Association, a notice describing the intended action, giving the Association 30 days to fill the vacancies. If during such time the association fails to fill a sufficient number of vacancies so that a quorum can be assembled, the member may proceed with the petition. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, attorney's fees, and all other expenses of the receivership. The receiver has all the powers and duties of a duly constituted Board of Directors and shall serve until the Association fills a sufficient number of vacancies on the board so that a quorum can be assembled.

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Section 17. Powers. The Board of Directors of the Association shall have the powers necessary for the administration of the affairs of the Association. The powers shall specifically include, but shall not be limited to, the following:

- A. To suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment for more than ninety (90) days after notice.
- B. To exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- C. To declare the office of member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;
- D. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- E. To further improve the Common Property, both real and personal property, subject to the provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and
- F. To further designate one (1) or more committees which, to the extent provided in the resolution designating said committee, shall have the powers of the Board of Directors in the management, affairs and business of the Association. The committee or committees shall have such name or names as may be determined from time to time by the Board of Directors, and said committee(s) shall keep regular Minutes of their proceedings and report the same to the Board of

Directors. The foregoing powers shall be exercised by the Board of Directors or its designee or employees, subject only to approval by Lot Owners when such is specifically required.

G. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the "Declaration". The Declaration is incorporated by this reference as if more fully set forth herein.

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H. To fix, levy, collect and enforce payment by any lawful means of all charges or assessments pursuant to the terms of the Declaration, and to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the Property or the Association.

I. With the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a duly called meeting at which a quorum is present, acquire (by gift, purchase or otherwise), improve, build upon, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real property in connection with the affairs of the Association.

J. To own, hold, operate and maintain the real and personal property of the Association.

K. With the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a duly called meeting at which a quorum is present, borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; provided, however, that the Association shall not need the approval of the members to borrow any amount less than \$25,000.00 or to secure said loan with property of the Association.

L. To participate in mergers and consolidations with other corporations not for profit organized for the same purposes so long as any such merger or consolidation does not broaden the duties and obligations of the Association required by the terms of the Declaration and provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members.

M. To have and to exercise all of the common law and statutory powers, rights and privileges which a corporation organized under the Corporation Not for Profit Law of the State of Florida may now or hereafter have or exercise, which are not in conflict with the terms of these Articles, the Declaration and the Bylaws.

Section 18. Duties. The Board of Directors shall have the following duties:

A. To cause to be kept a complete record of all of the Association's acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the

members, or at any special meeting when such statement is requested in writing by one-fourth (1/4th) of the Class A members who are entitled to vote. The records required to be kept shall include the following:

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1. A copy of the plans, permits, warranties, and other items provided by the Developer.
2. A copy of the bylaws of the Association and of each amendment to the bylaws.
3. A copy of the Articles of Incorporation of the Association, or other documents creating the Association, and of each amendment thereto.
4. A copy of the Declaration of Covenants and a copy of each Amendment thereto.
5. A copy of the current rules of the Association.
6. A book or books that contain the minutes of all meetings of the members and Board of Directors of the Association which shall be retained for a period of not less than seven (7) years. A vote or abstention from voting on each matter voted upon by each director present at a board meeting must be recorded in the minutes.
7. A current roster of all members and their mailing addresses, parcel identifications, and, if known, telephone numbers.
8. All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.
9. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the parcel owners have an obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of one (1) year. Developer may not contract with other contractors, subcontractors, management companies, or other entities that are affiliated with or subsidiary to a business owned or managed by the Developer to provide upkeep, maintenance, or repair services unless the charge for such services is at a rate that is competitive with rates charged by independent contractors in the community.
10. The Association shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The Association shall, within the time limits set forth in subsection (5), provide each member with a copy of the annual financial report or a written notice that a copy of the financial report is available upon request at no charge to the member. The financial report must consist of either:

a. Financial statements presented in conformity with generally accepted accounting principles; or

b. A financial report of actual receipts and expenditures, cash basis, which report must show:

- (i) The amount of receipts and expenditures by classification; and
- (ii) The beginning and ending cash balances of the Association.

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11. Accounting records of the Association shall be kept according to generally accepted accounting principles. All accounting records shall be maintained for a period of not less than 7 years. The accounting records shall include, but are not limited to:

a. Accurate, itemized, and detailed records of all receipts and expenditures.

b. A current account and a periodic statement of the account for each member of the Association, designating the name of the member, the due date and amount of each assessment, the amount paid upon the account, and the balance due.

b. All audits, reviews, accounting statements, and financial reports of the Association.

d. Any other records that identify, measure, record or communicate financial information.

e. All contracts for work to be performed.

B. To supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

C. As more fully provided in the Declaration; to:

1. fix the amount of the annual general assessment;
2. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
3. file and foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner.

D. To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

E. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate, for which the Association shall bear the cost;

F. To procure and maintain adequate liability and hazard insurance or other insurance as needed on property to be owned or maintained by the Association; and

G. To cause the Common Property to be maintained. Unless otherwise required by the Declaration, the Association shall not be responsible for the maintenance of any property not designated as Common Property in the Declaration.

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H. The official records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. This subsection may be complied with by having a copy of the official records available for inspection or copying in the community.

I. The failure of an Association to provide access to the records within ten (10) business days after receipt of a written request creates a rebuttable presumption that the Association willfully failed to comply with this subsection.

J. A member who is denied access to official records is entitled to the actual damages or minimum damages for the Association's willful failure to comply with this subsection. The minimum damages are to be \$50.00 per calendar day up to ten (10) days, the calculations to begin on the 11th business day after receipt of the written request.

K. The Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections, and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying. The Association shall maintain an adequate number of copies of the recorded governing documents, to ensure their availability to members and prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

ARTICLE V - OFFICERS

Section 1. Enumeration of Officers. The officers of the Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary, a Treasurer, and such other officers as the Board may from time to time by resolution create, who shall

be from among the members, except that officers elected or appointed by the Developer need not be members of the Association.

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Section 2. Election. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall earlier resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No other person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created by the Board of Directors.

Section 8. Duties. The duties of the officers are as follows:

A. President. The President shall be the chief executive officer of the Association; shall preside at all meetings of the members and of the Board of Directors; shall have executive powers and general supervision over the affairs of the Association and other officers; shall sign all written contracts to perform all of the duties incident to the office of President and which may be required by the Board of Directors.

B. Vice President. The Vice President shall act in the place and stead of the President in the event of his/her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

C. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and

of the members; keep appropriate current records showing the members of the Association together with their addresses; shall have charge of all of the Association's books, records and papers, except those kept by the Treasurer, and shall perform such other duties as required by the Board.

D. Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account, shall cause an annual review of the Association's books to be made by a certified public accountant at the completion of each taxable year; shall prepare an annual budget and a statement of income and expenditures to be presented to the members at the regular annual meeting, and deliver a copy of each to the members; and shall collect the assessments and promptly report to the Board of Directors the status of collections and of all delinquencies.

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ARTICLE VI - BOOKS AND RECORDS OF MEMBERSHIP

Section 1. Owner Register. The Association shall maintain a register of the name and mailing address of all Owners. In the event that the address of an Owner is different from the property address and the Association has not been provided with the different address, the property address shall be deemed to be same, and any notice sent to the said property address shall comply with the requirements of these Bylaws, the Declaration, and the Articles of Incorporation. If a Lot is owned by more than one (1) person, they shall provide the Association with one (1) mailing address for said Lot, and, in the event same is not provided to the Association, it shall be deemed to be the property address. Any change of address shall be effective only as to future notices, and shall not affect any notices previously provided to the members, even in the event that the meeting or other occurrence in the said notice has not occurred as of the time of giving of said address change.

ARTICLE VII - FINANCES AND ASSESSMENTS

Section 1. Depositories. At the time the Association is created, a separate operating account shall be established in the name of the Association at a bank, savings and loan association, or trust company located in Orange County, Florida, and the funds therein shall not be commingled with other funds, and shall be withdrawn only upon checks and demands for money signed by such officer or officers of the Association as may be designated by the Board of Directors. Obligations of the Association shall be signed by at least two (2) officers of the Association.

Section 2. Fidelity Bonds. The Treasurer and all officers who are authorized to sign checks, and all officers and employees of the Association, and any contractor handling or responsible for Association funds, shall be bonded in such amount as may be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association. The bond shall be in an amount

sufficient to equal the monies an individual handles or has control of via a signatory or a bank account or other depository account.

Section 3. Taxable Year. The taxable year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first taxable year shall begin on the date of incorporation.

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Section 4. Determination of Assessments.

A. The Board of Directors of the Association shall fix and determine from time to time the sum or sums necessary and adequate to pay for the expenses of the Association. Association expenses shall include those expenses set forth in the Declaration, including the costs of carrying out the powers and duties of the Association, and such other expenses as are determined by the Board. The Board is specifically empowered, on behalf of the Association, to make and collect assessments and to maintain and repair areas as provided in the Declaration. Funds for the payment of Association expenses shall be assessed against the Lot Owners on an equal basis as provided in the Declaration. Said assessments shall be payable in advance as determined by the Board of Directors, and shall be due when ordered by the Board. Special assessments, should such be required by the Board of Directors, shall be levied in the same manner as hereinbefore provided for regular assessments and shall be payable in the manner determined by the Board.

B. When the Board of Directors has determined the amount of any assessment, the Treasurer of the Association shall mail or present to each Owner a statement of said Owner's assessment. All assessments shall be payable to the Treasurer of the Association, and upon request said Treasurer shall give a receipt for each payment made to him.

C. The Board of Directors shall adopt an operating budget for each fiscal year pursuant to Article V of the Declaration.

Section 5. Application of Payments and Commingling of Funds.

A. All funds must be maintained separately in the Association's name. Reserve and operating funds of the Association may not be commingled, except that the Association may jointly invest reserve funds in investment grade securities; however, such jointly invested funds must be accounted for separately.

B. A manager, developer or business entity required to be licensed or registered under Florida law and an agent, employee, officer or director of the Association or developer in control of a homeowners' association may not commingle any Association funds with the funds of any other homeowners' association or community association.

Section 6. Acceleration of Assessment Installments Upon Default. If an Owner shall be in default in the payment of an installment upon any assessment, the Board of Directors may accelerate the remaining monthly installments for the fiscal year upon notice thereof to the Owner and,

thereupon, the unpaid balance of the assessment shall become due upon the date stated in the notice, but not less than ten (10) days after delivery of or mailing of such notice to the Owner.

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ARTICLE VIII - AMENDMENTS

Section 1. Amendments. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of sixty seven percent (67%) of the total votes held by members who are present in person or by proxy at such meeting.

Section 2. Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall prevail. If any unreconciled conflict should exist or hereafter arise with respect to the interpretation of these Bylaws, as between these Bylaws and the Declaration, the Declaration shall prevail. No amendment of these Bylaws shall change the rights and privileges of the Developer without the Developer's prior written approval.

ARTICLE IX - INDEMNIFICATION

Section 1. Indemnification. The Association shall indemnify any Director or officer made a party or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, brought to impose a liability or penalty on such person for an act alleged to have been committed by such person in his/her capacity as Director or officer of the Association, or in his/her capacity as Director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise which he/she serves at the request of the Association, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorneys' fees, actually and necessarily incurred as a result of such action, suit, or proceeding or any appeal thereof, if such person acted in good faith in the reasonable belief that such action was in the best interests of the Association, and in criminal actions or proceedings, without reasonable grounds for belief that such action was unlawful. The termination of any such action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or officer did not act in good faith in the reasonable belief that such action was in the best interests of the Association or that he/she had reasonable grounds for belief that such action was unlawful. Such person shall not be entitled to indemnification in relation to matters as to which such person has been adjudged to have been guilty of negligence or misconduct in the performance of his/her duty to the Association unless and only to the extent that the court, administrative agency, or investigative body before which such action, suit, or proceeding is held shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for such expenses which such tribunal shall deem proper.

Section 2. Determination of Amounts. The Board of Directors shall determine whether amounts for which a Director or officer seeks indemnification were properly incurred, and whether

such Director or officer acted in good faith and in a manner he/she reasonably believed to be in the best interests of the Association, and whether, with respect to any criminal action or proceeding, he/she had no reasonable ground for belief that such action was unlawful. Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding. In the event that all the Directors were parties to such action, suit or proceeding, such determination shall be made by the members of the Association by a majority vote of a quorum.

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Section 3. No Limitation. The foregoing rights of indemnification shall not be deemed to limit in any way the powers of the Association to indemnify under applicable law.

ARTICLE X - TRANSACTION IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

A. No contract or transaction between the Association and one (1) or more of its directors or officers, or between the Association and any other corporation, partnership, association, or other organization in which one (1) or more of its directors or officers are directors or officers, or have a financial interest, shall be invalid, void, voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof which authorized the contract or transaction, or solely because said officer's or director's votes are counted for such purpose. No director or officer of the Association shall incur liability by reason of the fact that said director or officer may be interested in any such contract or transaction.

B. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorized the contract or transaction.

ARTICLE XI - HUD AND VA APPROVAL

For so long as there is a Class B membership, the following actions will require the approval of either the Department of Housing and Urban Development or the Veterans Administration if any mortgage encumbering a Lot is guaranteed or insured by either such agency: (a) annexation of additional properties; (b) mergers and consolidations; (c) mortgaging or dedication of Common Property and (d) dissolution or amendment of these Articles. Such approval, however, shall not be required where the amendment is made to correct errors, omissions or conflicts or is required by any institutional lender so that such lender will make, insure or guarantee mortgage loans encumbering the lots, or is required by any governmental authority. Such approval shall be deemed given if either agency fails to deliver written notice of its disapproval of any amendment to Developer or to the Association within twenty (20) days after a request for such approval is delivered to the agency by certified mail, return receipt requested, or equivalent delivery, and such approval shall be conclusively evidenced by a certificate of Developer or the Association that the approval was given or deemed given.

ARTICLE XII - LIABILITY SURVIVES TERMINATION OF MEMBERSHIP

The termination of membership in the Association shall not relieve or release any such former Owner or member from any liability or obligations incurred under or in any way connected with the Association during the period of such ownership of a Lot and membership in the Association, or impair any rights or remedies which the Association may have against such former Owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto.

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ARTICLE XIII - LIMITATION OF LIABILITY

Notwithstanding the duty of the Association to maintain and repair areas as provided in the Declaration, the Association shall not be liable for injury or damage caused by a latent condition in the property, nor for injury or damage caused by the elements or by other persons.

ARTICLE XIV - ACQUISITION OF LOTS

Section 1. Acquisition on Foreclosure. At any foreclosure sale of a Lot, the Board of Directors may, with the authorization and approval by the affirmative vote of a majority of the total voting members' votes present at any regular or special meeting of the members wherein said matter is voted upon, acquire in the name of the Association, or its designee, a Lot being foreclosed. The term "foreclosure" as used in this section, shall mean and include any foreclosure of any lien, excluding the Association's lien for assessments. The power of the Board of Directors to acquire a Lot at any foreclosure sale shall never be interpreted as any requirement or obligation on the part of the said Board of Directors or of the Association to do so at any foreclosure sale, the provisions hereof being permissive in nature and for the purposes of setting forth the power in the Board of Directors to do so should the requisite approval of the voting members be obtained. The Board of Directors shall not be required to obtain the approval of Lot Owners at the foreclosure sale of the Lot due to the foreclosure of the Association's lien for assessments under the provisions of the Declaration, notwithstanding the sum the Board of Directors determines to bid at such foreclosure sale.

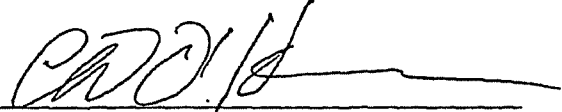
ARTICLE XV - PARLIAMENTARY RULES

Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Declaration, or these Bylaws.

ARTICLE XVI - PARAMOUNT RIGHTS OF DEVELOPER

All of the applicable terms and provisions of the Articles or these Bylaws shall be subject to the Declaration of Covenants and Restrictions as to the rights and powers of the Developer, which rights and powers shall be deemed paramount to the applicable provisions of the Articles or these Bylaws.

The foregoing Bylaws for the Association were adopted this 21st day of January, 1999, by the Initial Board of Directors of the Association.



CHARLES D. O'HARA



COLLEEN BRINGMAN



~~XXXXXXXXXXXX~~

CYNTHIA L. ERSKINE

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JOINDER AND CONSENT

Islebrook - Phase 1 is presently encumbered by a Mortgage to NationsBank, N.A., a national banking association (the "Mortgagee"), which Mortgage was recorded in Official Records Book 5671, at Page 2880, Public Records of Orange County, Florida (the "Mortgage").

Mortgagee hereby certifies that it is the holder of the Mortgage and hereby joins in and consents to this Declaration of Covenants and Restrictions for Islebrook - Phase 1 (the "Declaration"). The Mortgagee or its successors and/or assigns in interest by virtue of foreclosure of the Mortgage or the taking of a deed in lieu thereof shall not assume any responsibility or liability under this Declaration unless specifically assumed by an instrument in writing and recorded in the Public Records of Orange County, Florida.

IN WITNESS WHEREOF, the undersigned has caused these presents to be duly executed this 27 day of January, 1999.

OR Bk 5786 Pg 1657
Orange Co FL 1999-0286483
Recorded - Martha O. Haynie

Signed sealed and delivered
presence of:

NationsBank, N.A., a national banking
association
150 East Palmetto Park Road
Suite 104
Boca Raton, Florida 33432

[Signature]
Jane Rankin
Print or Type Name

By: [Signature]
Name: W. Glenn Ryals
Title: Sr. Vice President

[Signature]
M. S. CROWDER
Print or Type Name

Print or Type Name

[CORPORATE SEAL]

STATE OF FLORIDA)
COUNTY OF Palm Beach

The foregoing Joinder and Consent was acknowledged before me this 27 day of January, 1999 by W. Glenn Ryals, as Sr. VP of Nations Bank, N.A., a national banking association, on behalf of the association.

[NOTARIAL SEAL]

[Signature]
NOTARY PUBLIC

Personally Known ✓ OR Produced Identification _____

Type of Identification Produced _____

NOTARY PUBLIC
JANE C RANKIN
My Commission CC443820
Expires Mar. 07, 1999
Bonded by HAI
800-422-1555