

BY-LAWS OF THE ISLAND COMMUNITY ASSOCIATION

ARTICLE I

Adoption of By-laws

Section 1. Adoption. The Island Community Association (hereinafter sometimes referred to as "ICA") hereby adopts these by-laws.

Section 2. By-law Applicability. The provisions of these by-laws are applicable to the Island Subdivision, first and second filings and subsequent filings including undeveloped lots as more particularly shown on the master plan for The Island.

Section 3. Personal Application. All present or future owners, tenants, or their employees, or any other person that might use the facilities of The Island Community Association in any manner, are subject to the regulations set forth in these by-laws and to the rules and regulations established and promulgated by the association of lot owners pursuant to these by-laws and the Residential Design Guidelines Covenants and Restrictions.

Does this apply to new section?

ARTICLE II

Island Community Association

Section 1. Association of Owners. This Association shall be composed exclusively of record Lot Owners, with each Lot Owner entitled to one vote. In the event that a Lot has more than one owner, each co-owner shall be entitled to cast that fractional portion of said vote which corresponds to that owner's interest in the ownership of such Lot.

Section 2. Purpose and Powers of the Association. The Association shall have the powers and duties necessary for the administration of the affairs of the ICA and may do all such acts and things as are not by law or by these by-laws prohibited. The ICA, without limiting its right to perform any lawful activities, may:

(a) Exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Residential Design Guidelines Covenants and Restrictions (hereinafter referred to as "Statement");

(b) Fix, levy, collect and enforce payment, by any lawful means, all charges or assessments pursuant to the terms of the Statement and the by-laws; pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the Association including all licenses, taxes or governmental charges levied or imposed against the property of the ICA;

\* (e) Acquire, (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate to public use or otherwise dispose of immovable or movable property in connection with the affairs of the ICA;

(d) Borrow money, and with the assent of a two-thirds (2/3) majority of the voting power of all its Members in attendance at a meeting for which the members have been notified of that purpose, mortgage, pledge or assign any or all of its immovable or movable property as security for money borrowed or debts incurred.

Section 3: Obligations of Association  
In compliance with the obligations imposed upon the ICA by the Statement and these By-Laws, the said Association shall be responsible for the following as it applies to present or future common areas:

(a) Management and maintenance of the common area.

(b) Collection of assessments from the owners.

(c) Designation and dismissal of the personnel necessary for the maintenance of and

\* Owners mention vote?

operation of the ICA property, and common areas and facilities.

- (d) Bookkeeping with a detailed account, in chronological order, of the receipts and expenditures affecting the ICA and its administration and specifying the maintenance and repair expenses of the common areas and any other vouchers accrediting the entries made thereupon, which book shall be available for examination by all the owners at convenient hours on working days that shall be set and announced for general knowledge.
- (e) Establishment of reserves to provide for maintenance, improvements, replacements, working capital, bad debts, obsolescence and other appropriate purposes.
- (f) Enforcement of the privilege on a Lot for unpaid sums for its share of common expenses, together with legal interest thereon and reasonable attorney fees incurred incidental to collecting said sums. It shall be the policy of the ICA to make demand upon the owner for any unpaid portion of the said assessed common expenses and thereafter proceed by privilege and litigation if said amounts are not promptly paid.
- (g) Preparing and submitting at its regular annual meeting a budget for its consideration and approval, which must be furnished to each owner thirty (30) days prior to said meeting.
- (h) Maintaining fire and extended coverage and other peril insurance upon the premises in an amount no less than full replacement cost of those premises which are considered as common areas.
- (i) Maintaining comprehensive general liability insurance coverage, including medical payments insurance.

Section 4. Office. The office of the ICA shall be located at 23550 Myrtle Grove Road.

### ARTICLE III

#### Board of Directors

Section 1. Number and qualifications. The affairs of the ICA shall be governed by the Board of Directors ("Board") consisting of seven (7) persons, of which six (6) shall be Lot Owners and one (1) shall be designated by A. Wilbert's Sons, L.L.C.

Section 2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the ICA which shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep and maintenance of the common areas;
- (b) Determination of the amounts required for operation, maintenance, and other affairs of the ICA;
- (c) Collection of the assessments from the Lot Owners on a periodic basis;
- (d) Employment and dismissal of the personnel, as necessary for the efficient maintenance and operation of the ICA Property;
- (e) Adoption and amendment of rules and regulations covering the details of the operation of the ICA;
- (f) Opening of bank accounts on behalf of the ICA and designating the signatories required therefor;
- (g) Obtaining insurance for the ICA property, pursuant to the provisions of these By-Laws;
- (h) Making repairs, additions, and improvements to, or alterations of, the ICA Property, after damage or destruction by fire, or other casualty, or as a result of condemnation or eminent domain proceedings;

- (i) Adopting and amending budgets for revenues, expenditures and reserves and make assessments for common expenses from Lot Owners;
- (j) Acquiring, holding, encumbering and conveying in its own name any right, title or interest to movable property;
- (k) Granting servitudes, leases, licenses and concessions, through or over the common area;
- (l) Imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, by-laws and rules and regulations of the ICA;
- (m) Imposing reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates, or statements of unpaid assessments;
- (n) Providing for the indemnification of its officers and executive board and if advisable maintaining directors' and officers' liability insurance; and
- (o) Exercising any other power conferred by the Statement or by-laws.

Section 3. Election and Term of Office. At the first annual meeting of the Members of the ICA, the term of office of three (3) members of the Board shall be fixed at two years and the term of office of three (3) members of the Board shall be fixed at one year. At the expiration of the initial term of office of each respective member of the Board, his successors shall be designated to serve for a term of one year. The members of the Board shall hold office until their respective successors shall have been designated. The term of the member of the Board appointed by A. Wilbert's Sons, L.L.C. shall not be subject to this section or the following section.

Section 4. Removal of Elected Members of Board. At any meeting of the Members of the ICA, any one or more of the elected members of the Board may be removed with or without cause by a vote of the majority of Lot owners and a successor may then and there or thereafter be designated to fill the vacancy thus created. Any member of the Board whose removal has been proposed by the Lot Owners shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the elected Board caused by any reason other than the removal by a vote of the Members, shall be filled by vote of a majority of the remaining members of the Board at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy and each person so designated shall be a member of the Board for the remainder of the term of the director so removed and until a successor shall be designated.

Section 6. Organization Meeting. The first meeting of the members of the Board following the annual meeting of the membership of the ICA shall be held within thirty days thereafter, at such time and place as shall be fixed by the board at the meeting and no notice shall be necessary to the new members of the Board in order legally to constitute such meeting, if a majority of the whole Board shall be present.

Section 7. Regular Meeting. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board, by mail or fax, at least three business days prior to the day named for such meeting.

Section 8. Special Meetings. Special meetings of the Board may be called by the President on three business days' notice to each member of the Board, given by mail or fax, which notice shall state the time, place and purpose of the meeting.

Section 9. Quorum of Board. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business and the votes of a majority of the members of the Board present at a meeting at which a quorum is present shall constitute the decision of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting to a specific time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 10. Fidelity Bonds. The Board may obtain adequate fidelity bonds for all officers and employees of the ICA handling or responsible for association funds. The premiums on such bonds shall

constitute a common expense.

Section 11. Liability of the Board. The members of the Board shall not be liable to the Lot Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Lot Owners shall indemnify and hold harmless each member of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provision of the Statement or these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the ICA. It is also intended that the liability of any Lot Owner arising out of any contract made by the Board or out of the indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common expenses bears to the interest of all the Lot Owners in the common expenses. Every agreement made by the Board on behalf of the ICA shall provide that the members of the Board are acting only as agents for the Lot Owners and shall have no personal liability thereunder (except as Lot Owners), and that each Lot Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common expenses bears to the interest of all Lot Owners in the common expenses.

#### ARTICLE IV

##### Membership Meetings

Section 1. Annual Meetings. The Developer may call the first annual membership meeting prior to the sale of all of the Lots. At such meeting all the Lot Owners, shall elect a Board. Thereafter, the annual Membership Meetings shall be held on the third Wednesday of January of each succeeding year. At such meetings the Board of Directors shall be elected by the ICA Members.

Section 2. Place of Meetings. Membership Meetings shall be held at a place convenient to the owners as may be designated by the Board of Directors.

Section 3. Special Meetings. It shall be the duty of the President to call a special Membership Meeting if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by lot owners owning a total of at least 50% in percentage of ownership. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. The Secretary shall mail or deliver to each Member a notice of each annual or special meeting of the ICA, at least ten but not more than 30 days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held. The mailing of a notice of meeting in the manner provided in this section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any Membership Meeting cannot be held because a quorum consisting of a majority of ICA members has not attended, a majority in percentage of ownership of the Lot Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all membership meetings shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Report of Board of Directors;
- (f) Reports of Committees;
- (g) Designation of members of the Board of Directors (when so required);
- (h) Unfinished business; and

(i) New business.

Section 7.  Voting. The owner or owners of each Lot, or some person designated by such owner or owners to act as proxy on his or her behalf and who need not be an owner, shall be entitled to cast the votes appertaining to such Lot at all meetings of Lot Owners. The designation of any such proxy shall be made in writing to the Secretary of the ICA, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Each Lot owner shall be entitled to cast one vote for each lot owned by him at all meetings of the Lot Owners. If the Developer holds title to one or more lots, the Developer shall be entitled to one vote for each lot owned.

Section 8.  Majority of Owners. As used in these By-Laws, the term "Majority of members" shall mean those Members having more than 50% of the total authorized votes of the ICA Members.

Section 9.  Quorum. Except as otherwise provided in these By-Laws, the Quorum shall consist of a majority of ICA Members.

Section 10.  Majority Vote. The vote of a majority of Members at a meeting at which a quorum shall be present shall be binding upon all Lot Owners for all purposes.

#### ARTICLE V

##### Officers

Section 1.  Designation. The principal officers of the ICA shall be the President and the Secretary-Treasurer, both of whom shall be elected by the Board of Directors. The Board may appoint such other officers as in its judgment may be necessary. The President must be a member of the Board.

Section 2.  Election of Officers. Officers shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3.  Removal of officers. Upon the affirmative vote of majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

Section 4.  President. The President shall be the chief executive officer of the ICA. He shall preside at all meetings of the Lot Owners and of the Board. He shall have all of the general powers and duties which are incident to his office and shall perform all of the duties assigned by the Board.

Section 5.  Secretary-Treasurer. The Secretary shall keep the minutes of all meetings of the ICA and of the Board. He shall be in charge of such books and papers as the Board may direct, shall give notice, in conformity with these By-Laws, of any and all meetings, and shall also perform all other duties assigned him by the Board. The Treasurer shall have the responsibility for ICA funds and securities and shall be responsible for maintaining full and accurate financial records and books of accounts showing all receipts and disbursements, and for the preparation of all required financial statements. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board in such depositories as may from time to time be designated by the Board, and he shall, in general, perform all the duties assigned him by the Board.

Section 6.  Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the ICA shall be executed by the President and Secretary-Treasurer or by such other person or persons as may be designated by the Board.

Section 7.  Compensation of Officers. No officer shall receive any compensation from the ICA.

#### ARTICLE VI

##### Operation of the Property

Section 1.  Determination of Common Expenses. The ICA through its Board of Directors shall from time to time, and at least annually, prepare a budget for the Association, determine the amount required to meet the Common Expenses of the Association, and allocate and assess such Common Expenses against the Lot Owners according to each owner's percentage of ownership. Common Expenses shall include, but shall not be limited to, all charges for taxes (except real property taxes and other such taxes which are or may hereafter be assessed separately on property of the ICA); assessments; security; insurance, including fire and

other casualty and liability insurance; yard, janitorial, and other similar services; wages; accounting and legal fees; upkeep of the sidewalks, other passage ways, and all common areas of the ICA property appurtenant thereto or contained therein; and other necessary expenses of upkeep, maintenance, management and operation actually incurred on or for the common area; and the reserve established to provide for maintenance, repair, reinstatement, rebuilding and replacement, working capital, obsolescence, and other appropriate purposes. Payments of Common Expenses shall be made to the ICA and the ICA shall transmit said payments on behalf of each owner to the third person entitled to said payments.

Section 2. Taxes and Assessments. Each Lot owner shall be obligated to pay property taxes for his own lot.

Section 3. Payment of Common Expenses. All Lot Owners shall be obligated to pay the Common Expenses assessed by the ICA pursuant to the provisions of the Statement and these By-Laws at such time or times as the ICA shall determine.

Section 4. Collection of Assessments. The ICA shall assess Common Expenses against the owners from time to time and at least monthly and shall take prompt action to collect from an owner any Common Expenses which remain unpaid by him.

Section 5. Default in Payment of Common Expenses.

- (a) The Association shall have a lien on a Lot as provided by law and the Statement, for all unpaid sums assessed by the ICA for the Lot owner's share of Common Expenses, reasonable attorney's fees, and interest on the unpaid amount at the legal interest rate. The ICA shall have power to bid on the Lot at foreclosure sale, and to hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing the same. Reasonable attorney's fees and expenses in connection with the collection of the debt shall be paid by the owner against whom any action is brought.
- (b) Where the mortgagee of the mortgage of record or other purchaser of a Lot obtains title to the Lot as a result of foreclosure of the mortgage or by acceptance of a deed in lieu of foreclosure, such acquirer of title, his successor and assigns, shall not be liable for the share of the Common Expenses chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer, but such unpaid share of Common Expenses shall be deemed to be Common Expenses collectable from all of the Lot owners, including such acquirer, his successors and assigns.

Section 6. Statement of Common Expenses. The Board of Directors shall promptly provide any Lot Owner, who makes a request in writing, with a written statement of his unpaid Common Expenses.

Section 7. Abatement and Enjoining of Violations. The violation of any rule or regulation adopted by the board, or the breach of any By-Law contained herein, or the breach of any provision of the Statement, shall give the Board the right, in addition to any other rights set forth in these By-Laws:

- (a) to enter the Lot at which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning to the provisions thereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or
- (b) to enjoin, abate, or remedy such thing or condition by appropriate legal proceedings.

## ARTICLE VII

### Arbitration

In case any disagreement shall arise between the Lot owners in relation to these By-Laws, whether as to the construction or operation thereof or the respective rights and liabilities thereunder, such disagreement shall be referred to three arbitrators, one who shall be a member of the Board of Directors, and one to be appointed by each party; and the award in writing signed by any two of them shall be final; provided that such award shall be made within thirty (30) days after the reference to the said arbitrators. If either party shall refuse or neglect to appoint an arbitrator within fifteen (15) days after the other shall have

appointed an arbitrator and served written notice thereof upon the other requiring him to appoint an arbitrator, then the arbitrator so appointed by the first party shall have power to proceed to arbitrate and determine the matters of disagreement as if he were an arbitrator appointed by both parties for that purpose, and his award in writing signed by him shall be final; provided that such award shall be made within thirty (30) days after such refusal or neglect of the other party to appoint an arbitrator. The parties to the arbitration shall share the expense thereof.

## ARTICLE VIII

### Records

Section 1. Records and Audits. The Board of Directors shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Lot Owners, and financial records and books of account, including a chronological listing of receipts and expenditures, as well as a separate account for each Lot which shall indicate the name and address of the Lot Owner, the amount of each assessment for Common Expenses against such Lot, the date when due, the amounts paid thereof, and the balance remaining unpaid. In addition, an annual report of the receipts and expenditures of the ICA shall be rendered by the Board to all Lot Owners, and to all mortgagees of lots who have requested the same, promptly after the end of each fiscal year.

## ARTICLE IX

### Miscellaneous

Section 1. Notices. All notices to the Board of Directors shall be delivered or sent by certified mail to the office of the Board or to such other address as the Board may hereafter designate from time to time. All notices to any Lot Owner shall be delivered or sent by regular mail to such address as shall be designated by him in writing to the Board. All notices to mortgagees of Lots, shall be sent by certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect the balance of these By-Laws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

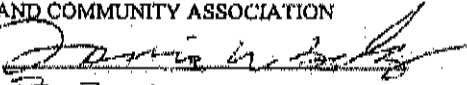
Section 5. Waiver. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

## ARTICLE X

### Amendments to By-Laws

Except as hereinafter otherwise provided, these By-Laws may be modified or amended by the vote of the Lot Owners representing at least sixty-six and two thirds (66.2/3 %) percent of the total votes of the ICA Lots at the annual meeting or a special meeting called for that purpose.

ISLAND COMMUNITY ASSOCIATION

BY:   
PRESIDENT

**AMENDMENT TO BY-LAWS OF THE ISLAND COMMUNITY ASSOCIATION TO  
ALLOW FOR EMAIL NOTICES OF MEETINGS TO BOARD MEMEBERS AND TO  
ALLOW SPECIAL MEETINGS VIA EMAIL OR OTHER MEDIUMS IN WRITING**

1. Article III, Section 7 entitled, "Board of Directors, Regular Meetings" shall be supplemented to state as follows (supplemental language in bold):

"Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the members of the Board, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each member of the Board, by mail, **electronic mail** or fax, at least three business days prior to the day named for such meeting."

2. Article III, Section 8 entitled, "Board of Directors, Special Meetings" shall be amended and replaced in its entirety with the following language:

"Special meetings of the Board may be called by the President on three business days' notice to each member of the Board, given by mail, electronic mail or fax, which notice shall state the time, place and purpose of the meetings. Special meetings may be held by "running email" or other written medium at any time, with or without the three business day delay after notice, upon the approval, consent or ratification in writing of a majority of Board members."