

BY-LAWS

INDIAN LAKE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Indian Lake Homeowners Association, Inc., hereinafter referred to as the "Association" (ILHOA). The principal office of the corporation shall be located at 1200 Crosswinds Landing, Fort Walton Beach, Florida, 32547, but meetings of Members and Directors may be held at such places within the State of Florida, County of Okaloosa, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Indian Lake Homeowners Association, Inc. (ILHOA), a Florida Corporation not for profit, its successors, agents, and assigns.

Section 2. "Owner" or "Member" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real Property hereinbefore described as Indian Lake Phase I and such additional property as may hereafter be brought within the jurisdiction of the Association and subjected by the Declarant to this Declaration as recorded and subsequently amended.

Section 4. "Common Area" shall mean all real Property (including the improvements hereto) owned by the Association for the common use and enjoyment of all the Owners. At the time of incorporation, the Association does not own any real Property and the development does not contain any common area.

Section 5. "Lot" shall mean and refer to any numbered parcel of land which is shown upon any subdivision plat or map of Indian Lake Phase I as recorded in Okaloosa County Public Records.

Section 6. "Declarant" shall mean and refer to Indian Lake Developers, J.V., its successors, and assigns if such successors or assigns should acquire an undeveloped parcel for the purpose of annexation and development or all the remaining undeveloped Lots from the Declarant. The Joint Venture Partners of Indian Lake Developers are:

Crosswinds Development Corp.
1200 Crosswinds Landing
Ft. Walton Beach, FL 32547
Telephone: 904-862-3600
Fax: 904-863-9445

Walton Properties & Construction, Inc.
701 NW Anchors
Ft. Walton Beach, FL 32547
Telephone: 904-244-3330
Fax: 904-244-3216

Indian Lakes BBG Development, Inc.
1270 N. Eglin Parkway (P. O. Box 857)
Shalimar, FL 32579
Telephone: 904-651-8673
Fax: 904-651-8644

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the Properties recorded in the Public Records, Okaloosa County, Florida.

Section 8. "Architectural Control Committee (ACC)" shall mean and refer to a group of at least three (3) persons who have been selected by the Declarant or assigns to enforce the Architectural Standards and Covenants imposed upon the properties.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings: The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association. Subsequent regular annual meetings of the Members shall be held in the same month each year thereafter on the day and at the hour designated by the Board of Directors.

Section 2. Special Meetings: Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon written request of the Members who are entitled to cast one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings: Except as otherwise provided in the Declaration, written notice of each meeting of the Members shall be given by the Secretary, or such person authorized to call the meeting, by mailing a copy of such notice at least fifteen (15) days before such meeting to each Member entitled to vote and addressed to the Member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum: The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, sixty percent (60%) or more of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting without notice other than announcement at the meeting. A subsequent meeting shall be called within sixty (60) days of the preceding meeting with 1/2 the quorum at the preceding meeting.

Section 5. Proxies: At all meetings of Members each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association prior to the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Number: The affairs of this Association shall be managed by a Board of not less than three (3) Directors or more than seven (7) Directors who need to be Members of the Association.

Section 2. Term of Office: At the first annual meeting the Members shall elect one (1) Director for a term of one (1) year, one (1) Director for a term of two (2) years, one (1) Director for a term of three (3) years, and one (1) Alternate Director; and at each annual meeting thereafter the Members shall elect one (1) Director for a term of three (3) years and one (1) Alternate Director. The Alternate Director shall be available to fill any directors position if vacated prior to the next annual meeting.

Section 3. Removal: Any Director may be removed from the Board, without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, the successor shall be the Alternate Director and shall serve for the unexpired term of his predecessor.

Section 4. Compensation: No Director shall receive compensation for any service he may render to the Association. However, a Director may be reimbursed for his actual expenses incurred in the performance of his duties and may receive a discount or waiver of association assessments.

Section 5. Action Taken Without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same affect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. 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 and two (2) or more Members of the Association appointed by the current Board of Directors. The Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to the annual meeting to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall consider appropriate, but not less than the number of vacancies that are to be filled. Such nomination may be made from among Members or non-members of the Association.

Section 2. Election: Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Meetings: Regular meetings of the Board of Directors shall be held without notice at such place and hour as may be fixed by resolution of the Board. Should a regular 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 2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum: A majority of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers: The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Properties and the personal conduct of the Members and their guests thereon and to establish penalties for the infractions thereof;

(b) suspend the voting rights and right to use the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for an infraction of published rules and regulations;

(c) 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 By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a Director to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary and to prescribe their duties.

Section 2. Duties: It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its 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 (1/4) of the Class A Members who are entitled to vote;

(b) supervise all officers, agents, and employees of this Association and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) prepare a budget and set the amount of the annual assessment against each Lot in advance of each annual assessment period;

(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) foreclose the lien against any Lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) 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) procure and maintain adequate liability and hazard insurance on Common Area and Property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded if deemed appropriate;

(g) cause the Common Area to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers: The election of officers shall take place at a meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner 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, having 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, and unless otherwise 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 replaces.

Section 7. Duties: The duties of the officers are as follows:

(a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments; and shall co-sign all checks and promissory notes.

(b) Vice-President: The Vice-President shall act in the place of the President in the event of his absence, inability, or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceeding 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; and shall perform such other duties as required by the Board.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies 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; keep books of accounts; cause an annual audit of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting and deliver a copy of each to the Members.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. An Active Director shall serve as the Chairman of the Architectural Control Committee. In addition, the Board of Directors may appoint other committees as deemed appropriate.

ARTICLE X

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be available for inspection by any Member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

ASSESSMENTS AND FINES

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments and monetary fines not to exceed \$20.00 per day or \$2,500.00 per occurrence which are secured by a continuing lien upon the Property against which the assessment is made. If an assessment or fine is not paid within thirty (30) days after the date of notice, it shall be delinquent and bear interest from the date of delinquency at the rate of twelve percent (12%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Indian Lake Homeowners Association, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that while there is a Class B membership the Federal Housing Administration or the Veterans Administration shall have the right to veto an amendment for a period of ninety (90) days after receiving notice of such amendment.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal 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 fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Indian Lake Homeowner's Association, Inc. have hereunto set our hands this 29th day of August, 1995.

[Signature]
WITNESS

[Signature]
ROBERT A. FISHER

[Signature]
WITNESS

[Signature]
FELIX A. BEUKENKAMP

[Signature]
WITNESS

[Signature]
GEORGE R. SMITH

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Indian Lake Homeowners Association, a Florida Corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board thereof, held on the 29th day of August, 1995.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 29th day of August, 1995.

[Signature]
Secretary

STATE OF FLORIDA
COUNTY OF OKALOOSA

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared ROBERT A. FISHER, FELIX A. BEUKENKAMP AND GEORGE R. SMITH known to me to be the persons described in and who have executed and adopted the foregoing By-Laws of INDIAN LAKE HOMEOWNERS ASSOCIATION, INC. and the acknowledge before me that they executed the same.

WITNESS my hand and official seal in the County and State aforesaid this 29th day of August, 1995.

[Signature]
NOTARY PUBLIC My Commission Expires: March 30, 1999

