# ISLAND COHOUSING COMMUNITY ASSOCIATION, INC

## BY-LAWS

Including changes resulting from 10.21.18 General Meeting

## ARTICLE I - NAME

The name of the organization shall be "Island Cohousing Community Association, Inc." and shall be referred to in this document as the "Community". It shall be operated as a not-for-profit corporation in accordance with Massachusetts law.

### DEFINITIONS

For the purposes of this By-Laws:

a. Annual Assessment - shall mean funds levied annually for Common Expenses.
b. Articles - shall mean the Articles of Organization filed with the Secretary of the Commonwealth pursuant to Chapter 180 of Massachusetts General Laws incorporating Island Cohousing Community Association Inc. on _____ __, 2000, as amended from time to time.
c. By-Laws - shall mean the By-Laws of the Community, as amended from time to time.
d. Common Area - shall mean all real property and related improvements that are intended for the mutual benefit or use of all Members of the Community and shall consist of all Property that is not a part of any House Lot. The Common Areas, as depicted in Exhibit A, shall be inclusive of but not limited the Shared System, common house, roads, pond, garden, underground utilities, forest and agricultural lands, and any other or future shared facilities or improvements.
e. Common Expenses - shall mean expenses for the management, maintenance, repair, operation of Common Areas and enforcement of the Declaration and these By-Laws.
f. Community - shall mean Island Cohousing Community Association Inc., a Massachusetts non-profit corporation formed by its Members as the organization of homeowners in Island Cohousing.
g. Community Policies - shall mean policies that may be established from time to time by the Community, in accordance with Declaration.
h. Covenants, Conditions and Restrictions (CC&R) or Declaration - shall mean the instrument setting forth land use restrictions, design controls, construction requirements and the like established by the Community recorded with the Dukes County Registry of Deeds, as the same may be amended from time to time.
i. Decision of the Community - shall mean consensus or vote of the Community as provided herein.
j. Design Review Committee - shall consist of no less than three (3) and no more than five (5) Members selected by the Community, who shall develop rules and procedures to assist in the review of proposed House Lot and Common Area improvements, and shall administer the provisions of the Declaration.
k. Design Objectives - shall mean guidelines that may be established from time to time by the Community and enforced by the Design Review Committee.

l. Greywater – shall mean any putrescible wastewater discharged from domestic activities including but not limited to washing machines, sinks, showers, bath tubs, dishwashers, or other source except toilets, urinals and any drains equipped with garbage grinders.
m. House Lot(s) - shall consist of the 16 separate House Lots on the Property.
~~n.~~ Member(s) - shall mean any adult individual who holds legal ownership and/or a beneficial ownership including a tenancy interest in a House Lot.
o. Member Household(s) - shall mean all of the Member or Members of a single household owning and/ or occupying a House Lot who shall act as the governing board of the Community.
p. Property - shall mean all real property and improvements comprising Island Cohousing that are subject to the Declaration, including all Common Area and all House Lots.
q. Shared System – shall mean a on-site graywater-only sewage disposal system serving all of the House Lots and Common Areas of the Community complying with Title 5 and regulations of the West Tisbury Board of Health, shown on a plan entitled "Graywater System Easement Plan, Head of the Pond Road, West Tisbury, Massachusetts" dated January 8, 1999, scale 1" = 50', prepared by Schofield Barbini & Hoehn, Post Office Box 339, Vineyard Haven, Massachusetts (the "Plan"), recorded with Dukes County Registry of Deeds herewith, being the same as the Shared System described in the Grant of Title 5 Covenant and Easement and Nitrogen Loading Restriction also recorded herewith.
r. Special Assessments - shall mean funds levied from time to time for the purpose of paying non-recurring capital expenses of the Community.
s. Title 5 – shall mean Title 5 of the State Environmental Code 310 CMR 15.000, as amended from time to time.

## ARTICLE II - PURPOSE, POWERS AND DUTIES

2.1. Purpose and Powers of the Community. The Community has been organized for the purposes and shall have the powers set forth in its Articles duly filed with the Massachusetts Secretary of State pursuant to the General Laws, Chapter 180. The By-Laws may be amended or restated by the Member Households, from time to time, as provided in the General Laws, Chapter 180.

The Community's purpose is to function as a homeowners association for the development, management, maintenance and care of Island Cohousing, a community of approximately 16 private households and shared common facilities and property owned by the Community which, through the balance of individual autonomy and group opportunities, enhances the social and economic quality of life of the residents based upon the Guiding Principles set forth in Exhibit B. Notwithstanding the foregoing, the business and purposes of the Community shall not be limited to its initial principal business activity and, unless the Community otherwise determines, the Community shall have authority to engage in any other lawful business, trade, purpose or activity permitted by the General Laws, Chapter 180, and it shall possess and may exercise all of the powers and privileges granted by the General Laws, Chapter 180 or together with any powers incidental thereto, so far as such powers or privileges are necessary or convenient to the conduct, promotion or attainment of the purposes or activities of the Community, including without limitation the following powers:

(a) to conduct its operations in any state, territory or possession of the United States or in any foreign country or jurisdiction;

(b) to purchase, receive, take, lease or otherwise acquire, own, hold, improve, maintain, use or otherwise deal in and with, sell, convey, lease, exchange, transfer or otherwise dispose of, mortgage, pledge, encumber or create a security interest in all or any of its real or personal property, or any interest therein, wherever situated;

(c) to borrow or lend money or obtain or extend credit and other financial accommodations, to invest and reinvest its funds in any type of security or obligation of or interest in any public, private or governmental entity, and to give and receive interests in real and personal property as security for the payment of funds so borrowed, loaned or invested;

(d) to make contracts, including contracts of insurance, incur liabilities and give guaranties, including without limitation, guaranties of obligations of other persons who are interested in the Community or in whom the Community has an interest;

(e) to employ employees, agents and other persons, to fix the compensation and define the duties and obligations of such personnel, to establish and carry out retirement, incentive and benefit plans for such personnel, and to indemnify such personnel to the extent permitted by these By-Laws and the General Laws, Chapter 180;

(f) to make donations irrespective of benefit to the Community for the public welfare or for community, charitable, religious, educational, scientific, civic or similar purposes;

(g) to institute, prosecute, and defend any legal action or arbitration proceeding involving the Community, and to pay, adjust, compromise, settle, or refer to arbitration any claim by or against the Community or any of its assets.

(h) to collect assessments from Member Households as necessary to defray the Community's operating expenses, impose liens, foreclose on House Lots; and

(i) to exercise any other rights or powers of a homeowners association under Massachusetts law.

## ARTICLE III - OFFICE

3.1 Location. The principal address of the Community shall be P.O. Box 4376, Vineyard Haven, Massachusetts 02568-4376. The principle office of the Community shall be located in the Town of West Tisbury, Massachusetts at such location as the Member Households may determine from time to time.

## ARTICLE IV - MEMBERSHIP

4.1 Membership. Members cannot act except in their capacity as members of a Member Household. A Member Household may have one or more Member.

## ARTICLE V - MEMBER HOUSEHOLDS

5.1 Member Households. The Member Households shall manage the business of the corporation. Member Households may increase their size by including additional individuals at any time. Member Households shall be represented and participate in the activities and the

governance of the Community as set forth herein. Each Member shall cause his or her Member Household to pay their assessments, attend meetings and participate on committees, and participate in community chores and projects.

5.2 Powers and Duties of the Member Households. The business and affairs of the Community shall be managed under the direction of the Member Households, who shall have and may exercise on behalf of the Community all of its rights, powers, duties and responsibilities under Section 2.1 or as provided by law, including without limitation the right and authority for:

(a) Operation, care, upkeep and maintenance of the Common Area;
(b) Appointment of committees to facilitate and manage the affairs of the Community;
(c) Election of Officers from the Member Households;
(d) Allocation of income and expenses determination of the Annual and Special Assessments required for the Community;
(e) Collection of Annual and Special Assessments from the Member Households;
(f) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Area;
(g) Adoption and amendments of the Declaration, and Community Policies and Design Objectives covering the details of the operation and use of the Community;
(h) Opening of bank accounts on behalf of the Community and designating required signatories;
(i) Leasing, managing and otherwise dealing with the Common Area;
(j) Owning, conveying, encumbering, leasing and otherwise dealing with House Lots conveyed to it or purchased by it as the result of enforcement of the lien for assessments exercise of the right to first-refusal contained in the Declaration, or otherwise;
(k) Obtaining of insurance for the Community, including the House Lots, pursuant to the provisions hereof;
(l) Making of repairs, additions and improvements to, or alternations of, the Community, and repairs to and restoration of the Community in accordance with the other provisions hereof;
(m) Enforcement of obligations of Member Households under these By-Laws; Declaration, Community Policies and Design Objectives of the Community including; in the case of persistent violation, the power to require such Member Household to post a bond to secure adherence to the covenants or policies;
(n) Granting or relocating easements;
(o) Anything and everything else necessary and proper for the sound management of the Community;
(p) Connecting House Lots and Common Areas in the Community to the Shared System or connecting such facilities to a public sewer line when and if said line is in place and connection is authorized;
(q) Managing, operating, inspecting, maintaining and repairing the Shared System, preventing the discharge of any wastewater other than Greywater to the Shared System and restoring the surfaces of roads, ways and the surface of the Property which may be disturbed in connection with the maintenance, repair and replacement of the Shared System;
(r) Upgrading, expanding or replacing the Shared System to the extent required to comply with Title 5 and regulations of the West Tisbury Board of Health.
(s) Maintaining insurance policies necessary for the Shared System;
(t) Collecting and reporting monitoring and other data in accordance with, and otherwise ensuring compliance with, local and state approvals for the Shared System.

(u) Preparing from time to time, at least annually, an operating and capital expense budget in order to determine the amount of Common Expenses payable by Member Households to meet the expenses of the Shared System;
(v) Assessing each Member Household from time to time as Common Expenses, such Member Household's proportionate share of the total expenses incurred by the Community for the management, operation, inspection, maintenance, upgrade, expansion and repair of the Shared System and a reserve for the replacement of said Shared System in accordance with a maintenance and replacement plan and budget complying with Title 5. The initial Operating Costs and Replacement Plan for the Shared System is attached as Exhibit C;
(w) Assessing each Member Household, from time to time, such Special Assessments as the Community shall in its discretion determine are necessary to pay extraordinary expenses related to the Shared System;
(x) Granting to the West Tisbury Board of Health and the Department of Environmental Protection a covenant and easement with respect to the Shared System in the form required to comply with Title 5;
(y) Adopting reasonable rules and regulations governing the use by Member Households of the Shared System;
(z) Making contracts and other agreements and opening bank accounts and escrow accounts in the name of the Community which the Community deems convenient to the performance of its duties hereunder;
(aa) Enforcing compliance with, and administering the provisions of, the Declaration regarding the Shared System;
(bb) Upon reasonable request, rendering certificates suitable for recording indicating whether or not Common Expenses and Special Assessments due have been paid, which certificates may be relied upon by all persons as to the facts stated therein; and
(cc) Exercising any other powers that may be necessary or desirable for carrying out the purposes of the Declaration regarding the Shared System.

5.3. Consensus Policy/Voting.

Only Resident Owners (those with legal ownership) of a COHO house who reside full time or on a regular part time basis have the right to vote under Section 5. A Regular Part Time Owner is an owner who normally resides in his/her house for a cumulative period of at least two (2) months during a calendar year. Any absentee Owner or a resident who has no legal ownership interest in a COHO house will only be entitled to vote if approved by the Community under the voting and quorum provisions of Section 5.

The Community, including committees, shall endeavor to make all decisions by consensus pursuant to the Consensus Policy attached hereto as Exhibit D. If a consensus (unanimity or non-objection of the attending Member Households providing there is a quorum as set forth in Section 5.4 (c)) of the Community cannot be achieved during two consecutive facilitated meetings of the Member Households separated by a minimum of 24 hours and if requested by any member participant of the meeting, all actions, approvals or consents to be taken or given by the Member Households as to any such matter shall thereafter require the affirmative vote of a majority of the Member Households in attendance at a meeting at which a quorum is present or the written consent of a majority of the Member Households. Proxies shall be allowed, but cannot block consensus or fill a quorum. Each Member Household shall be afforded one vote on all matters to be decided by vote of the Member Households, regardless of the number of Members in such Member Household. Any Member residing within the Member Household may cast at any meeting or in any consent in lieu of meeting the vote of a Member Household. Members within a Member Household shall jointly decide how to exercise their vote. If the

Members within a Member Household cannot decide how the Member Household's vote is to be cast at the time a vote is to be taken, the Member Household shall abstain from such vote. Any purported vote of a Member Household that is contested by any Member of a Member Household shall be of no force or effect. Unless otherwise required by the General Laws, Chapter 180 or these By-Laws, all actions, approvals and consents to be taken or given by the Member Households under the General Laws, Chapter 180, these By-Laws or otherwise shall require the affirmative vote or written consent of the Member Households as provided herein. Fractions shall be rounded to the nearest whole number.

5.4. Meetings of Member Households.

(a) Regular Meetings. Regular meetings of Member Households shall be held on the third Sunday of each month or on such other days as may be determined by decision of the Member Households at any regular or special meeting. No notice of regular meetings will be delivered to Member Households.

(b) Special Meetings. Special Meetings of Member Households may be called for any proper purpose at any time by a majority of the Member Households. The Member Households calling the Special Meeting shall determine the date, time and place of each meeting of Member Households, and written notice thereof shall be given to each Member Household not less than three days or more than 60 days prior to the date of the Special Meeting. The business of each meeting of Member Households shall be limited to the purposes described in the notice. A written waiver of notice, executed before or after a Special Meeting by a Member on behalf of their Member Household or its authorized attorney and delivered to the Community shall be deemed equivalent to notice of the Special Meeting.

(c) Quorum. One more than half of the eligible voting member households ~~in attendance~~ (not including proxies) shall constitute a quorum for the transaction of any business at a meeting of Member Households. Members may participate in a meeting by means of conference telephone or similar communications equipment that permits all Members present to hear each other. If less than a quorum of the Member Households is present, the facilitator may adjourn the meeting to a later date, time and place, and the meeting may be held as adjourned without further notice. When an adjourned meeting is reconvened, any business may be transacted that might have been transacted at the original meeting.

(d) Facilitator. Facilitator appointed by the Member Households (or another member designated by the Facilitation Committee) shall preside at all meetings of the Community. The Facilitator shall recommend the order of business and the procedures to be followed at each meeting of the Community.

(e) Recorder. The Recording Officer appointed by the Member Households (or another member designated by the Facilitation Committee) shall take minutes at all meetings of the Community. The Recording Officer (or designated minute taker) shall distribute and keep organized minutes and agendas for each meeting of the Community.

5.5. Action Without a Meeting. Any action required or permitted to be taken by the Community may be taken without a meeting if written consents to such action shall be signed by all Members of the number of Member Households required to approve the action being taken, as noted in Sections 5.3 and 5.4 (c). Such written consents shall be delivered to the Community and unless otherwise specified shall be effective on the date when the first consent is so

delivered. The Presiding Officer shall give prompt notice to all Member Households who did not consent to any action taken by written consent of Member Households without a meeting.

5.6. Limitation of Liability of Members. Except for the obligation to pay Annual or Special Assessments or as otherwise provided in the General Laws, Chapter 180, no Member or officer of the Community shall be obligated personally for any debt, obligation or liability of the Community or of any other Member, whether arising in contract, tort or otherwise, solely by reason of being a Member or officer of the Community. Except as otherwise provided in the General Laws, Chapter 180, by law or expressly in these By-Laws, no Member or officer shall have any fiduciary or other duty to another Member with respect to the business and affairs of the Community, and no Member shall be liable to the Community or any other Member for acting in good faith reliance upon the provisions of these By-Laws. The failure of the Community to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under these By-Laws or the General Laws, Chapter 180 shall not be grounds for making its Members responsible for the liabilities of the Community.

5.7 Authority. Any writing signed by the Presiding Officer and Financial Officer shall be binding upon the Community and any person living within the Community shall be entitled to rely upon the same. Unless specifically authorized by the Community, no Member shall be an agent of the Community or have any right, power or authority to act for or to bind the Community or to undertake or assume any obligation or responsibility of the Community or of any other Member. (see also Section 6.6 below)

5.8 Transfer/ Admission of New Members. Member Households cannot be transferred other than in connection with the sale or lease of a house in the Community. The Member Households and Members of the Community shall be listed on Schedule A and said schedule shall be amended from time to time to reflect the withdrawal or admission of Members or the transfer of Members Households pursuant to these By-Laws. Member Households shall be notified of changes in Schedule A, which shall constitute the recorded list of the Member Households for all purposes of these By-Laws.

5.9. Right to Withdraw/ Transfer. Subject to the terms and conditions hereof, a Member shall be deemed to have withdrawn from the Community upon ceasing to be a resident of a Member Household. Any outstanding assessments due from any Member Household upon transfer of a House Lot shall be paid according to the terms of the Declaration. All assessments shall be non-refundable.

5.10. Records and Audits - The Member Households shall keep detailed records of the actions of the Member Households, minutes of the meetings of the Member Households. The Community shall as soon as reasonably possible after the close of the fiscal year submit to the Member Households a report of the operations of the Community for such year, which shall include financial statements. The Financial Officer shall keep and maintain the financial records and books of accounting of the Community as well as a separate account for each House Lot, which among other things shall contain the amount of each Annual Assessment and Special Assessment against each House Lot, the date when due, the amounts paid thereon and the balance remaining unpaid. Copes of the Declaration, these By-Laws and any rules and regulations, as the same may be amended from time to time, shall be maintained at the office of the Community and shall be available for inspection by Members, their authorized agents and any institutional mortgages during reasonable business hours. (See also Section 6.4 and 6.5 below)

5.11. Checks, Notes, Drafts, and Other Instruments. Check, notes, drafts and other instruments for the payment of money drawn or endorsed in the name of the Community shall be signed by the Financial Officer or by any other person or persons to who such power may be designated by the Community. (See also Section 6.4 below)

5.12. Committees. The Community may appoint Members to committees, each having not fewer than two (2) Members. Each committee shall appoint a chairperson from amongst its members who will facilitate the affairs of the committee. Members of all such committees shall serve during the pleasure of the Community. In the event that any member of a committee shall cease to be a Member of the Community for any reason, such Member shall forthwith cease to a member of such committee. Any committee shall possess and may exercise any powers expressly delegated to such committee by the Community, other than those powers the delegation of which is expressly forbidden by law. All action taken by a committee shall be subject to revision or alteration by the MembersEach committee shall fix its own rules of procedure, shall meet as provided by such rules or by resolution of the Community, and shall keep records of its actions and proceedings, which records shall be made available for examination by the Members. The greater of two (2) members or a majority of the members of a committee shall constitute a quorum and in every case where a quorum is present, the consensus of the members of such committee present at any meeting shall be necessary for the adoption of any resolution by such committee, or, if consensus cannot be reached, by a majority vote of the members in attendance.

5.13. Design Review Committee. The Community hereby establishes an Design Review Committee as a permanent committee of the Community, which shall administer and perform the architectural and landscape review and control functions of the Community set forth in the Declaration. The Design Review Committee will consist of no less than three (3) and no more than five (5) members appointed the by Community

5.14. Facilitation Committee. The Community hereby establishes a Facilitation Committee as a permanent committee of the Community, which shall administer and perform the planning of meetings, facilitation of meetings, recording of minutes of meetings, and recommendations to the Community about governance issues. The Facilitation Committee shall be made up of all members who have volunteered to serve on the committee and have been trained to facilitate meetings.

5.15. Administration Committee. The Community hereby establishes an Administration Committee as a permanent committee of the Community, which shall administer and perform the administration and financial matters of the Community. The Administration Committee will consist of no less than three (3) and no more than five (5) members appointed by the Community

## ARTICLE VI -OFFICERS

6.1. Officers. The officers of the Community shall be the Presiding Officer, the Financial Officer and the Recording Officer. The Member Households may select additional officers as they deem appropriate. The Presiding Officer, Financial Officer and Recording Officer shall be Members, as shall other officers of the Community as may be designated.

6.2. Selection and Removal of Officers. The officers shall be chosen at a Regular Meeting of the Member Households and shall hold office at the discretion thereof or until their successors

are chosen. Any officer may be removed, either with or without cause, at a Regular or Special Meeting of the Member Households called for that purposeand his or her replacement chosen as herein provided.

6.3. Presiding Officer. The Presiding Officer shall be the chief executive officer of the Community. He or she (or another member designated by the Facilitation Committee) shall preside at all meetings of the Member Households of the Community. Subject to the direction and authorization of the Member Households, he or she shall have all of the general powers and duties that are incidental to the office of president of a non-profit corporation under the laws of Massachusetts.

6.4. Financial Officer. The Financial Officer shall have the responsibility for carrying out the Community's instructions regarding the Community's funds and securities, and such other funds and securities as are entrusted to the Community, and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of required financial data. He or she shall be responsible for the deposit of all monies and other valuable effects in the name of the Community in such depositories as may from time to time may be designated by the Member Households, and he or she shall perform all duties incidental to the office of Treasurer of a non-profit corporation organized under the laws of Massachusetts. No payment voucher shall be paid unless and until approved by the Financial officer, or in his or her absence the Presiding Officer. If there is disagreement about payment of vouchers they may be paid by resolution of the Administration Committee.

6.5. Recording Office. The Recording Officer shall keep the minutes of all meetings of the Member Households (or this duty may be performed by any member of the Facilitation Committee designated by the Facilitation Committee). In addition, the Recording Officer shall have charge of such books and papers as the Member Households may direct; and shall perform all the duties incidental to the office of the Clerk of a non-profit corporation under the laws of Massachusetts and as described elsewhere in the By-Laws of the Community.

6.6. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Community shall be executed by such officer or officers of the Community or by such other person(s) as may be authorized by the Member Households, and in the absence of designation, by the Presiding Officer and/or Financial Officer.

6.7. Compensation of Officers. No officer shall receive any compensation from the Community for acting as such, except for reimbursement of necessary and duly incurred expenses.

6.8. Resignation. Any officer may resign at any time by giving written notice to the Member Households, the Presiding officer or the Recording Officer. Any such resignation shall take effect on the date of the receipt of such notice or any later time specified therein.

6.9. No Personal Liability. The Presiding Officer, Financial Officer or Recording Officer shall not be held liable or accountable out of his or her personal assets or be deprived of compensation, if any, by reason of (a) any action taken, suffered or omitted in good faith, in the reasonable belief that his or her action was in the best interests of the Community; (b) allowing one or more of the other officers or committee members to have possession of the Community's books or property; (c) honest errors of judgment or mistakes of fact or law: (d) for any other reason excepting other conduct as would exempt him or her from indemnification under 6.11 below.

6.10. Officers May Deal With the Community. No officer shall be disqualified by his or her office, or status, from contracting or dealing, directly or indirectly, with the Community as vendor, purchaser or otherwise because of his or her, interest in any corporation, firm, trust, partnership or other organization connected with such contracting or dealing, nor shall any such dealing, contract or arrangement entered into with the Community in which any Officer has an interest, be avoided nor shall any Officer so dealing or contracting or being so interested be liable to account for any profit realized by any such dealing, contract or arrangement by reason of such officer's holding office or of the fiduciary relation hereby established, or by reason of such officer's status, provided that the officer shall act in good faith and shall disclose the nature of his or her interest before the dealing, contract or arrangement is entered into. (See also Article VII)

6.11. Indemnification. The Community shall, to the extent legally permissible, indemnify each officer and Member against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees, reasonably incurred by him or her in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which he or she may be involved or with which he or she may be threatened, while in office, or thereafter, by reason of his or her being or having been such an officer or Member, except with respect to any matter as to which he or she shall have been adjudicated in any proceeding to have acted in bad faith or with willful misconduct or reckless disregard of his or her duties. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any officer or Member may be entitled herein or by contract or otherwise under law. As used in this Section, the term "officer" includes his or her respective heirs, executors and administrators. Nothing in this Section shall, however, be deemed to limit in any respect the powers granted to any officer in these By-Laws. In furtherance hereof the Community shall maintain so called Officers And Directors Liability Insurance in such amounts as the Member Households shall determine. The Community shall have the power to obtain and maintain policies of casualty and physical damage insurance for the benefit and protection of the Community's Common Areas. The provisions of this Article may be amended or repealed in accordance with Section 12.5. However, no amendment or repeal of such provisions that adversely affects the rights of an officer under this Article with respect to his/her acts or omissions at any time prior to such amendment or repeal shall apply to said officer without his/her consent.

## ARTICLE VII - CONFLICTS OF INTEREST

8.1 Transactions with Interested Persons. Unless entered into in bad faith, no contract or transaction between the Community and one or more of its Members, or between the Community and any other corporation, partnership, association or other organization in which one or more of its Members have a financial interest or are directors, partners, or officers; or any individual related by blood or marriage to any Member, shall be voidable solely for this reason or solely because said Member was present or participated in the authorization of such contract or transaction if:

(a) the material facts as to the relationship or interest of said Member and as to the contract or transaction were disclosed or known to the Community and the contract or transaction was authorized by the disinterested Member Households; and

(b) the contract or transaction was not patently unfair to the Community as of the time it was authorized, approved or ratified by the disinterested Member Household; and

Member interested in such contract or transaction, because of such interest, shall be considered to be in breach of these By-Laws or liable to the Community, any Member, or any other person or organization for any loss or expense incurred by reason of such contract or transaction or shall be accountable for any gain or profit realized from such contract or transaction.

## ARTICLE VIII - ASSESSMENTS

8.1 Assessments. The Community shall have the power and authority to make and collect assessments, both on a regular annual and recurring basis ("Annual Assessments") and on a special or non-recurring basis ("Special Assessments"), for the purpose of providing and maintaining the Common Area. Member Household's shall be assessed proportionally for Common Expenses based on number of bedrooms in such Member Household's house, as defined by the Town of West Tisbury Zoning Ordinance or the Community may assess, in addition, based on number of occupants in households.
The Community shall determine the Annual Assessment needed to enable the Community to conduct its operations and achieve its goals, and the amount shall be announced to the Member Households by notice mailed to each Member Household at such Member Households address shown on Schedule A. Annual Assessments shall be established as of July 1st of each calendar year for the ensuing twelve months, which assessments shall be levied against each Member Household for the purposes set forth in the Declaration. Assessments will be payable in advance on the 1st of each month, on which date the unpaid amount shall accrue interest at 1.5% per month and become a lien on the property of the delinquent Member Household(s). If the Community determines that Annual Assessments are not sufficient to pay actual Common Expenses, or in the event of an emergency, the Annual Assessments may be increased mid-year to meet such needs.

"Special Assessments" may be levied from time to time against Member Households for the purpose of paying non-recurring capital expenses such as the acquisition of property; the cost of construction of capital improvements to the Common Area; the cost of reconstruction or unexpected repair or replacement of a capital improvement. All Special Assessments shall be assessed at rates to be determined by the Community. All such Special Assessments shall be payable on the payment date determined by the Community and on which date the unpaid amount of such assessment shall accrue interest at 1.5% per month and become a lien on the property of the delinquent Member Household(s). In the event that the Community makes any Special Assessment, the amount thereof and the date for payment shall be announced to the Member Household by notice sent by mailed to each Member Household at such Member Household's address shown on Schedule A.

The Community may bring an action to foreclose a lien for unpaid Annual or Special Assessments or other charges against any one or more of the House Lots in the manner in which deeds of trust on real property are foreclosed, and/or a suit on the personal obligation of the Member Household, or by any other available process. Any such charge, lien or personal debt on account of the Shared System may be enforced or collected by the Community by, without limitation, denial of such House Lot's access to the Shared System. All costs and expenses incurred by the Community in enforcing or collecting any such amounts, including reasonable attorney's fees, shall be paid by the Member Household responsible for the assessment. If any assessment or other charge is not paid in full thirty (30) days after its due date, the Community may, in addition to other rights herein reserved, accelerate the payment of its reasonable estimate of Common Expenses for the 12-month period following the default, and such sum shall serve as security for the payment of future assessments. All such interest and

costs of collection shall constitute a further lien or charge on said House Lot and a personal debt of the Member Household(s).

Notwithstanding the above provision, any such charge or lien shall be junior to each mortgage to a mortgage lending institution chartered or licensed under state or federal law outstanding upon such House Lot as of the date of such assessment, but foreclosure of any such mortgage shall not impair the power of the Community, subsequent to foreclosure, to make further assessments upon such House Lot. The purchaser of a House Lot at a judicial or foreclosure sale or a mortgagee who accepts a deed in lieu of foreclosure shall be liable to the fullest extent permitted by law for assessments due and payable at the time of said judicial or foreclosure sale or acceptance of a deed in lieu of foreclosure.

Any such lien imposed as provided herein shall be limited to those individual House Lots as to which any Annual or Special Assessments or other charge in respect of the Shared System or otherwise have not been paid.

## ARTICLE IX - TRANSFERS OF INTERESTS

9.1. Admission of Member Household; Effect of Transfer.

(a) Transfer of a Member Household shall automatically follow legal ownership and/or beneficial ownership which may also include a tenancy interest of a House Lot and cannot be otherwise transferred.

(b) Upon the transferee becoming a Member Household, the Member Household transferring its interest shall be relieved of liability with respect to the transferred interest arising or accruing under these By-Laws on or after the effective date of the transfer, unless the transferor affirmatively assumes such liability; provided, however, that the transferor shall not be relieved of any liability arising or occurring prior to the effective date of the transfer unless the transferee affirmatively assumes such liabilities.

(c) Any person who acquires in any manner an interest or any part thereof in the Community, whether or not such person has accepted and assumed in writing the terms and provisions of these By-Laws or been admitted as a Member Household, shall be deemed by the acquisition of such interests to have agreed to be subject to and bound by all of the provisions of these By-Laws with respect to such interest, including without limitation, the provisions hereof with respect to any subsequent transfer of such interest.

## ARTICLE X - DISSOLUTION, LIQUIDATION AND TERMINATION

10.1. Dissolution. Subject to the rights of the mortgagees, the Community shall dissolve and its affairs shall be wound up upon the first to occur of the following:

(a) the written unanimous consent of the Member Households;

(b) the entry of a decree of judicial dissolution under the General Laws, Chapter 180; or

(c) the consolidation or merger of the Community in which it is not the resulting or surviving entity.

10.2. Liquidation. Upon dissolution of the Community, the Member Households may appoint one or more Officers as liquidating trustee. The liquidating trustees shall proceed diligently to liquidate the Community and wind up its affairs and shall dispose of the assets of the Community. Until final distribution, the liquidating trustees may continue to operate the business and properties of the Community with all of the power and authority of the Member Households. As promptly as possible after dissolution and again after final liquidation, the liquidating trustees shall cause an accounting by the accounting firm then serving the Community of the Community's assets, liabilities, operations and liquidating distributions to be given to the Member Households.

## ARTICLE XI - SALE OF HOUSE LOTS

11.1. No Severance of Ownership. No Member shall execute any deed, mortgage, or other instruments conveying or mortgaging title to his or her House Lot without including therein the undivided interest of a Household Member's interest in the Common Area; it being the intention hereof to prevent any severance of such combined ownership.

11.2. Payment of Assessments. No Member shall convey, mortgage, pledge, hypothecate, sell, or lease his or her House Lot unless and until he or she shall have paid in full to the Community all unpaid assessments or other charges assessed by the Community against such House Lot and until he or she shall have satisfied all unpaid liens against House Lot.

## ARTICLE XII - GENERAL PROVISIONS

12.1. Offset. Whenever the Community is obligated to make a distribution or payment to any Member Household, any amounts that Member Household owes the Community may be deducted from said distribution or payment.

12.2. Notices. Except as expressly set forth to the contrary in these By-Laws, all notices, requests, or consents required or permitted to be given under these By-Laws must be in writing and shall be deemed to have been properly given if sent by registered or certified mail, postage prepaid, by commercial overnight courier, by facsimile or if hand delivered to Member Households at their addresses on Schedule A, or such other address as a Member Household may specify by notice to the Community at the address of the principal office of the Community specified in Section 3.1. Whenever any notice is required to be given by law, the Certificate or these By-Laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

12.3. Amendment or Modification. Except as specifically provided herein, these By-Laws may be amended or modified from time to time by Decision of the Community.

12.4. Governing Law; Severability. These By-Laws are governed by and shall be construed in accordance with the laws of the Commonwealth of Massachusetts, exclusive of its conflict-of-laws principles. In the event of a conflict between the provisions of these By-Laws and provisions of the General Laws, Chapter 180, the applicable provision of Chapter 180 shall control. If any provision of these By-Laws or the application thereof to any person or circumstance is held invalid or unenforceable to any extent, the remainder of these By-Laws and the application of that provision shall be enforced to the fullest extent permitted by law.

12.5. Dispute Resolution. Any dispute, controversy or claim arising out of or in connection with these By-Laws shall be resolved by face-to-face negotiations between the parties involved, such negotiations to be conducted in the spirit of the Community's Guiding Principles set forth in Exhibit B. If the dispute cannot be resolved by face-to-face negotiation the parties shall submit to mediation proceedings to occur at a mutually acceptable time and place, with a mutually acceptable mediator and mutually acceptable procedures. In the event that the dispute, controversy or claim cannot be settled by negotiations or mediation, either party may demand, by written notice to the other party, that the dispute be submitted to arbitration. The arbitration shall be conducted according to the provisions of this Section. If the parties to the dispute mutually agree upon one or more individuals to arbitrate the dispute, such individuals shall arbitrate the dispute. If the parties mutually agree upon the rules for conducting the arbitration, such rules shall govern the arbitration. If, however, the parties cannot agree upon the identity of the arbitrators and/or the rules for conducting the arbitration within seven (7) days after the notice demanding arbitration, either party may request the American Arbitration Association (the "AAA") to appoint, on an expedited basis, one arbitrator who shall have substantial experience as an arbitrator, be experienced in the subject matter of the dispute and be able to commence the arbitration proceedings (with at least an initial hearing), according to the requirements of this Section and other complimentary rules of the American Arbitration Association, within fourteen (14) days after the appointment.

The arbitration proceedings shall be completed within thirty (30) days after the initial hearing and the arbitrator's decision shall be provided to the parties within seven (7) days thereafter. The decision of the arbitrator shall be final and binding provided such decision is set forth in writing by the arbitrator which recites the decision and all findings and orders relative to the implementation thereof including, without limitation, the amount and/or nature of any awards and the allocation of responsibility among the parties to pay the AAA fees and the fees of the attorneys and other professionals incurred by the parties, in accordance with this Section. A court of competent jurisdiction located in the Commonwealth of Massachusetts may enforce the arbitrator's decision. The parties hereby expressly submit to the jurisdiction of all federal and state courts located in the Commonwealth of Massachusetts in connection with any action brought to enforce or otherwise relating to these By-Laws.

Except where clearly inconsistent with the subject matter of the dispute, the parties agree to continue performing their respective obligations under these By-Laws while the dispute is being resolved. Prior to receipt of the arbitrator's decision, each of the parties shall pay their own expenses in connection with the mediation and/or arbitration and shall share the costs of any mediator and/or arbitrator. The arbitrator may order that either of the parties that is entitled to an award on the merits of the dispute shall have its costs (including AAA fees and attorney and other professional fees), paid by the other party; provided, however, that the arbitrator shall have discretion to apportion the responsibility for the costs of the parties in the event that the arbitrator's decision is not solely in favor of one of the parties.

Notwithstanding the foregoing requirement to arbitrate any dispute, in the event either of the parties determines it necessary to seek injunctive relief against another, the party seeking the injunction may seek such injunction without complying with the prerequisite of mediation and arbitration. The parties hereto agree that any arbitrator(s) utilized hereunder shall have the authority to issue injunctive orders for specific enforcement.

12.6 Third-Party Beneficiaries. The provisions of these By-Laws are not intended to be for the benefit of any creditor or other person to whom any debts or obligations are owed by, or who may have any claim against, the Community or any of its Members. Notwithstanding any contrary provision of these By-Laws, no such creditor or person shall obtain any rights under

these By-Laws or shall, by reason of these By-Laws, be permitted to make any claim against the Community or any Member.

12.7 Interpretation. For the purposes of these By-Laws, terms not defined in these By-Laws shall be defined as provided in the General Laws, Chapter 180; and all nouns, pronouns, and verbs used in these By-Laws shall be construed as masculine, feminine, neuter, singular, or plural, whichever shall be applicable. Titles or captions of Articles and Sections contained in these By-Laws are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of these By-Laws or the intent of any provision hereof.

12.8 Fiscal Year. The fiscal year of the Community shall end on June 30 each year. The Member Households may change such fiscal year as they, in their discretion, determine is appropriate.

Duly adopted by consensus by the Island Cohousing Community Association, Inc. this _____ day of _____, _____.

_____
Recording Officer