

BYLAWS OF
AVALONIA NEIGHBORHOOD ASSOCIATION, INC.

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BYLAWS OF
AVALONIA NEIGHBORHOOD ASSOCIATION, INC.

Article I

Name, Principal Office, and Definitions

Section 1. Name. The name of the Neighborhood Association shall be AVALONIA NEIGHBORHOOD ASSOCIATION, INC. (the "Neighborhood Association").

Section 2. Principal Office. The principal office of the Neighborhood Association in the State of Florida shall be located in Brevard County. The Neighborhood Association may have such other offices, either within or outside the State of Florida, as the Board of Directors may determine or as the affairs of the Neighborhood Association may require.

Section 3. Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration of Covenants, Conditions, Easements, Reservations and Restrictions for Avalonia Neighborhood, recorded or to be recorded in the Public Records of Brevard County, Florida, as supplemented, restated, renewed, extended or amended, from time to time (the "Neighborhood Declaration"), unless the context shall otherwise require.

Section 4. Corporate Seal. The seal of the corporation shall bear the name of the Neighborhood Association, the word "Florida", and the year of incorporation.

Article II

Neighborhood Association:
Membership, Meeting, Quorum, Voting, Proxies

Section 1. Membership. The Neighborhood Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Neighborhood Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference. Meetings of the members of the Neighborhood Association shall be of the members of the Neighborhood Association and the members shall cast their votes as provided in the Neighborhood Declaration on those matters requiring a vote of the membership of the Neighborhood Association. Notwithstanding the foregoing, as to all matters pertaining to the Community Association related to voting by the Neighborhood Association, the Voting Member of the Neighborhood Association as defined in the Neighborhood Declaration shall be responsible for casting all votes of the membership of the Neighborhood Association on all matters requiring the vote of the membership of the Neighborhood Association, unless otherwise expressly specified in the Community Declaration or the Bylaws of the Community Association. Such Voting Member shall be entitled to exercise such votes as he in his discretion, deems appropriate.

Section 2. Place of Meetings. Meetings of the members of the Neighborhood Association shall be held at the principal office of the Neighborhood Association or at such other suitable place convenient to the members as may be designated by the Board of Directors either within the Neighborhood Area or as convenient thereto as possible and practical.

Section 3. Annual Meetings. Annual meetings of the members of the Neighborhood Association shall be set by the Board of Directors from time to time, provided the first meeting of the members of the Neighborhood Association occurs no earlier than one year after the Neighborhood Association is incorporated. The election of directors, if one is required to be held, shall be held at, or in conjunction with, the annual meeting.

Section 4. Special Meetings. The President may call special meetings of the members of the Neighborhood Association. In addition, it shall be the duty of the President to call a special meeting of the members of the Neighborhood Association if so directed by resolution of a majority of a quorum of the Board of Directors. In addition, after the Class "B" Control Period has terminated, it shall be the duty of the President to call a special meeting of the members of the Neighborhood Association if a petition is signed by members representing at least ten percent (10%) of the total votes of the Neighborhood Association requesting a special meeting. The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. Written or printed notice stating the time and place of any meeting of the members of the Neighborhood Association shall be published in such a manner as is reasonably calculated to provide such notice to each member at least fourteen (14) days in advance of any meeting, but in no event shall such publication provide less notice than that required by Section 720.306, Florida Statutes, as may be amended or renumbered from time to time. When required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Neighborhood Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the members of the Neighborhood Association shall be deemed the equivalent of proper notice. Any members may, in writing, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member shall be deemed a waiver by such member of notice of the time, date and place thereof and of the business transacted thereat (if notice of same is required by statute or by these Bylaws), unless such member specifically objects to lack of proper notice at the time the meeting is called to order, or in the case where the business transacted thereat is required to be contained in the notice, such member specifically objects to proper notice before such business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Neighborhood Association cannot be held because a quorum is not present, a majority of the members who are

present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to members in the manner prescribed for regular meetings.

The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, provided that members or their proxies representing at least five percent (5%) of the total votes of the Neighborhood Association remain in attendance, and provided further that any action taken is approved by the remaining members present in person or by proxy.

Section 8. Voting. The voting rights of the members shall be as set forth in the Neighborhood Declaration as supplemented and amended from time to time, and such voting rights provisions are specifically incorporated herein.

Section 9. Designation of Voting Representative. If a Unit is owned by one person or entity, its rights to vote shall be established by the record title to the Unit. If a Unit is owned by more than one person or entity, the person entitled to cast the votes for the Unit shall be designated by a certificate signed by all of the record Owners (as defined in the Neighborhood Declaration) of the Unit and filed with the Secretary of the Neighborhood Association. If a Unit is owned by a general or limited partnership, the person entitled to cast the votes for the Unit shall be designated by a certificate of appointment signed by one of the general partners and filed with the Secretary of the Neighborhood Association. If a Unit is owned by a corporation, the person entitled to cast the votes for the Unit shall be designated by a certificate of appointment signed by the president or vice president of the corporation and filed with the Secretary of the Neighborhood Association. If a Unit is owned by a limited liability company, the person entitled to cast the votes for the Unit shall be designated by a certificate of appointment signed by the manager (in the case of a manager-managed company) or managing member (in the case of a member-managed company) and filed with the Secretary of the Neighborhood Association. If a Unit is owned in trust, the person entitled to vote for the Unit shall be designated by a certificate of appointment signed by the trustee of record for the trust and filed with the Secretary of the Neighborhood Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the Unit concerned. A certificate designating the person entitled to cast the votes of a Unit may be revoked in writing by any Owner thereof; provided, however, that no Unit shall vote in excess of the voting rights allocated to that Unit in the Neighborhood Declaration.

Section 10. Approval or Disapproval of Matters. Whenever the decision of an Owner is required upon any matter, whether or not the subject of a Neighborhood Association meeting, such decision shall be expressed by the same person who would cast the votes of such Owner if at a Neighborhood Association meeting, unless the joinder of record Owners is specifically

required by the Neighborhood Declaration, the Articles of Incorporation of the Neighborhood Association or these Bylaws.

Section 11. Restraint Upon Assignment of Shares in Assets. The share of a member in the funds and assets of the Neighborhood Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to that member's Unit.

Section 12. Proxies. A member may authorize another person to act for him by proxy. Such proxy must be executed in accordance with, and shall be subject to the limitations set forth in, Section 720.306, Florida Statutes, as may be amended or renumbered from time to time. Every proxy shall be revocable at the pleasure of the member executing it and shall expire upon the transfer of title to the Unit giving rise to the voting rights to which the proxy pertains. The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the member who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Neighborhood Association officer responsible for maintaining the list of members.

Section 13. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number.

Section 14. Quorum. Except as otherwise provided in these Bylaws or in the Neighborhood Declaration, the presence in person or by proxy of the members representing ten percent (10%) of the total votes in the Neighborhood Association shall constitute a quorum at all meetings of the Neighborhood Association. Any provision in the Neighborhood Declaration concerning quorums is specifically incorporated herein.

Section 15. Conduct of Meetings. The President, or in his absence the Vice President, shall preside over all meetings of the members of the Neighborhood Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 16. Action Without A Meeting. Any action required by law to be taken at a meeting of the members or any action which may be taken at a meeting of the members, may be taken without a meeting if written consent setting forth the action so taken is signed by all of the members entitled to vote with respect to the subject matter thereof; and any such consent shall have the same force and effect as a unanimous vote of the members.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body; Composition. The affairs of the Neighborhood Association shall be governed by the Board of Directors, each of whom shall have one (1) vote.

Except with respect to directors appointed by the Neighborhood Declarant, the directors shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the Board of Directors at the same time. In the case of a member which is a corporation, partnership, or other legal entity, the person designated in writing by certificate filed with the Secretary of the Neighborhood Association as the voting representative (pursuant to Article II, Section 9 hereof) of such corporation, partnership or other legal entity shall be eligible to serve as a director. Notwithstanding anything to the contrary provided herein, no person shall be permitted to serve as a director on the Board of Directors if that person has been convicted of a felony and has not had his or her voting rights restored for at least five (5) years or would be otherwise disqualified from such service pursuant to Section 720.306(9)(b), Florida Statutes, as may be amended or renumbered from time to time.

Section 2. Directors During Class "B" Control. During the Class "B" Control Period (as defined in the Neighborhood Declaration), all members of the Board of Directors shall be appointed by the Neighborhood Declarant acting in its sole discretion and shall serve at the pleasure of the Neighborhood Declarant, unless otherwise provided in Section 3 immediately below.

Section 3. Number of Directors. During the Class "B" Control Period the number of directors on the Board of Directors shall be not less than three (3) nor more than five (5). Thereafter the number of directors on the Board of Directors may be increased or decreased upon approval of a majority of the members, provided that there shall always be an odd number of directors and further provided that all incumbent directors shall be permitted to serve out their existing terms unless they sooner resign. The initial Board of Directors shall consist of three (3) directors appointed by the Neighborhood Declarant. In the event the Neighborhood Declarant elects to have five (5) directors during the Class "B" Control Period, then three (3) of the members shall be appointed by the Neighborhood Declarant and two (2) of the members shall be elected by the members, with the members appointed by the Neighborhood Declarant serving until their resignation or replacement and the members elected by the members serving two (2) year terms (except as otherwise expressly provided in Section 5 of this Article III hereinbelow). In the event that the Neighborhood Declarant elects to reduce the number of directors during the Class "B" Control Period from five (5) to three (3), the Neighborhood Declarant shall cause two (2) directors appointed by the Neighborhood Declarant to resign, with their resignations to be effective immediately. The Neighborhood Declarant may appoint additional directors in its sole discretion to the Board of Directors from time to time to replace directors appointed by it or to fill vacancies of directors appointed by it.

Section 4. Election and Term of Office. Within thirty (30) days after termination of the Class "B" Control Period, the Neighborhood Association shall call a special meeting at which the members shall elect all directors of the Board of Directors; provided, however, only replacements for the director(s) appointed by the Neighborhood Declarant shall be elected at such special meeting and any directors previously elected by the members shall remain as directors until one (1) year after the date of such special meeting. Directors elected to replace the directors previously appointed by the Neighborhood Declarant shall serve a term of two (2) years. Upon the expiration of the initial term of office of each director, a successor shall be

elected to serve a term of two (2) years. Thereafter, all directors shall be elected to serve two (2) year terms.

At any election of directors by members, each member shall be entitled to cast with respect to each vacancy to be filled on the Board of Directors, as many votes as it is entitled to vote under the terms of the Neighborhood Declaration. There shall be no cumulative voting. Votes may be cast in person or by proxy by secret ballot in accordance with the provisions of Section 720.306(8), Florida Statutes or any other applicable provision of Chapter 720, Florida Statutes from time to time. The candidates receiving the largest number of votes shall be elected to fill the positions for which the election is held. Directors elected by the members shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms unless otherwise provided in Chapter 720, Florida Statutes from time to time.

Section 5. Removal of Directors and Vacancies. A director may be removed, with or without cause, by the vote of a majority of the total voting interests of the members of the Neighborhood Association. Provided, however, if a specific class of members is entitled to elect a director or directors, only that class of members may vote to remove those directors so elected by that specific class of members. In accordance with all applicable procedures and provisions of the Florida Statutes, directors may be removed by a vote taken at a special meeting of the members called by at least ten percent (10%) of the voting interests or by a written agreement or written ballot without the need for a member meeting. Any director whose removal is sought, shall be given notice, as specified in the applicable provisions of the Florida Statutes for the recall of directors, prior to any meeting called for that purpose, and such notice shall state the purpose for the meeting. At such meeting as the director is removed, a successor shall be elected by the members to fill the vacancy for the remainder of the term of such director. Any director appointed by the Neighborhood Declarant may only be removed by the Neighborhood Declarant, in its sole discretion, and the Neighborhood Declarant shall be entitled to appoint a director to fill the vacancy created.

Any director elected by the members who has three (3) consecutive unexcused absences from Board of Directors meetings or who is delinquent in the payment of any assessment or other charge due the Neighborhood Association or the Community Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board of Directors to fill the vacancy for the remainder of the term. The foregoing shall not apply to directors appointed by Neighborhood Declarant to the Board of Directors.

Except in the case of directors appointed by Neighborhood Declarant, in the event of the death, disability or resignation of a director, a vacancy may be declared by the Board of Directors, and it may appoint a successor. Any director appointed by the Board of Directors shall serve for the remainder of the term of the director who vacated the position. In the event of death, disability or resignation of a director appointed by the Neighborhood Declarant, the Neighborhood Declarant shall be entitled to appoint a director to fill the vacancy created, and such director shall serve for the remainder of the term of the director who vacated the position.

B. Meetings.

Section 6. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the Neighborhood Association shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board of Directors.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of the time and place of the meetings of the Board of Directors shall be communicated to directors not less than forty-eight (48) hours prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President or by a majority of the directors of the Board of Directors. The notice for a special meeting of the Board of Directors shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director of the Board of Directors by one of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by electronic transmission in a manner authorized by law. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Neighborhood Association. Notices shall be delivered at least forty-eight (48) hours before the time set for the meeting.

Section 9. Notice of Meetings. Notwithstanding any other provision for notice of Board of Directors meetings contained in this Article III, notice of all Board of Directors meetings must be posted in a conspicuous place on the Common Area at least forty-eight (48) hours in advance of a meeting of the Board of Directors, except in an emergency. Alternatively, if not posted in a conspicuous place on the Common Area, notice of each Board of Directors meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency. Provided, however, an assessment may not be levied at any Board of Directors meeting unless written notice of the meeting (i) is provided to all members at least fourteen (14) days prior to the meeting, and (ii) the notice includes a statement that assessments will be considered and the nature of the assessments. Any notice required to be given for a regular or special meeting of the Board of Directors may be given by electronic transmission in manner authorized by law and only to those members who have consented in writing to receive such notice by electronic transmission.

Section 10. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any

director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 11. Quorum of Board of Directors; Voting. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board of Directors cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. No director shall receive any compensation from the Neighborhood Association for acting as such unless approved by members representing a majority of the total votes of the Neighborhood Association at a regular or special meeting of the members of the Neighborhood Association; provided any director may be reimbursed for expenses incurred on behalf of the Neighborhood Association upon approval of a majority of the other directors.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings. Meetings may be conducted by telephone and shall be considered as any other meeting, provided the directors participating in the meeting are able through telephone connection to hear and to be heard.

Section 14. Open Meetings; Notice to Members. Subject to the provisions of this Article and the provisions of Florida law, all meetings of the Board of Directors shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any member may speak. Provided, however, notwithstanding anything in this Section 14 to the contrary, a member may speak on any matter placed on the agenda by a petition of the voting interests for at least three (3) minutes. Meetings between the Board of Directors and its attorney with respect to proposed or pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege shall not be open to members. Except in an emergency, written or printed notice stating the time and place of any meeting of the Board of Directors shall be published in such a manner as is reasonably calculated to provide such notice to each member at least forty-eight (48) hours in advance of any meeting, which publication may be accomplished by posting such notice in a conspicuous place in the Neighborhood Area, publishing in a local newspaper, providing a schedule of such meetings or such other method as is determined by the Board of Directors. When required by the provisions of Florida law, the purpose or purposes for which the meeting is called shall be stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Neighborhood Association, with postage thereon prepaid.

Section 15. Action Without a Formal Meeting. Any action to be taken or that may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors of the Board of Directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 16. Powers. The Board of Directors shall be responsible for the affairs of the Neighborhood Association and shall have all of the powers and duties necessary for the administration of the Neighborhood Association's affairs and may do all acts and things as provided by law as are not by the Neighborhood Declaration, the Articles of Incorporation or these Bylaws directed to be done and exercised exclusively by the membership generally.

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

The Board of Directors shall have exclusive jurisdiction over and the sole responsibility for the Neighborhood Association's administration, management, operation, regulation, care, maintenance, repair, restoration, replacement, preservation and protection of the Common Area and Area of Common Responsibility; the establishment, levy, imposition, enforcement and collection of all assessments for which provision is made in the Neighborhood Declaration; the promotion and advancement of the general interests of the members of the Neighborhood Association; all as more particularly provided in the Neighborhood Declaration, Articles of Incorporation, these Bylaws and the rules and regulations of the Neighborhood Association.

In addition to the duties imposed by the Neighborhood Declaration, the Articles of Incorporation and these Bylaws or by any resolution of the Neighborhood Association that may hereafter be adopted, the Board of Directors shall have the power to and shall be responsible for the following, by way of explanation, but not limitation:

(a) preparation and adoption of annual budgets, including provisions for establishing reserve funds for replaceable assets, in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of assessments; provided, unless otherwise determined by the Board of Directors, the Regular Assessment shall be payable in one (1) annual payment in advance on the first day of January of each year;

(c) providing for the operation, care, upkeep, and maintenance of all of the Common Area and Area of Common Responsibility;

(d) designating, hiring and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Neighborhood Association, its property, Common Area and Area of Common Responsibility, and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Neighborhood Association; provided, any reserve fund may be deposited, in the directors' best business judgment in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Neighborhood Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the Neighborhood Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Neighborhood Declaration, these Bylaws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Neighborhood Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Neighborhood Declaration or as otherwise determined to be appropriate by the Board of Directors, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Neighborhood Association or its members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Neighborhood Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Unit, any Owner, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, current copies of the Neighborhood Declaration, the Articles of Incorporation, the Bylaws, rules and regulations governing the Unit, and all other books, records, and financial statements of the Neighborhood Association;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Neighborhood Area; and

(o) entering into contracts, granting easements or performing other rights, obligations or duties of the Neighborhood Association set out in the Neighborhood Declaration.

Section 17. Management Agent.

(a) The Board of Directors may employ for the Neighborhood Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board of Directors' supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (a), (b), (f), (g), (i) and (o) of Section 16 of this Article. The Neighborhood Declarant, or an affiliate or other related entity of the Neighborhood Declarant, may be employed as managing agent or manager.

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee on thirty (30) days' or less written notice.

(c) No remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Neighborhood Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Neighborhood Association; provided, nothing herein shall prohibit the managing agent from earning commissions for services performed by the managing agent in leasing Units on behalf of Owners of such Units.

Section 18. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair, restoration, replacement, preservation and protection of the Common Area without the approval of the members of the Neighborhood Association. The Board of Directors shall also have the power to borrow money for other purposes; provided, the Board of Directors shall obtain the approval of members representing a majority of the total votes of the Neighborhood Association in the event that the proposed borrowing is for the purpose of modifying, improving or adding amenities and the total amount of such borrowing exceeds or would exceed five percent (5%) of the budgeted gross expenses of the Neighborhood Association for that fiscal year. Notwithstanding anything to the contrary contained in the Neighborhood Declaration, these Bylaws or the Articles of Incorporation, during the Class "B" Control Period, no mortgage lien shall be placed on any portion of the Common Area owned by the Neighborhood Association without the affirmative vote or written consent, or any combination thereof, of members representing at least a majority of the total votes of the Neighborhood Association other than Neighborhood Declarant.

Section 19. Rights of the Neighborhood Association. With respect to the Common Area, Areas of Common Responsibility, or other areas of responsibility of the Neighborhood Association, and in accordance with the Articles of Incorporation, these Bylaws and the Neighborhood Declaration, the Board of Directors on behalf of the Neighborhood Association shall have the right to contract with any Person for the performance of various duties and

functions. Without limiting the foregoing, this right shall entitle the Board of Directors on behalf of the Neighborhood Association to enter into common management, operational or other agreements with trusts, condominiums, cooperatives, neighborhoods or districts and other owners or associations, both within and without the Properties. Such agreements shall require the consent of a majority of all directors of the Neighborhood Association.

Section 20. Enforcement. The Board of Directors shall have the power to impose reasonable fines, which, unless prohibited by applicable provisions of the Florida Statutes, shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's (and any tenant's, occupant's, guest's or invitee's) right to use the Common Area or Areas of Common Responsibility for violation of any duty imposed upon such Owner under the Neighborhood Declaration, the Articles of Incorporation, these Bylaws or any rules and regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Neighborhood Association or the Board of Directors to limit ingress and egress to or from a Unit. In the event that any tenant, occupant, guest or invitee of a Unit violates the Neighborhood Declaration, Articles of Incorporation, Bylaws or a rule or regulation and a fine is imposed, the fine may first be assessed against such person; provided, however, if the fine is not paid by such person within the time period set by the Board of Directors, the Owner of such Unit shall pay the fine upon notice from the Neighborhood Association. All fines and suspensions imposed pursuant to this paragraph shall be imposed in accordance with the applicable requirements of the Florida Statutes. The failure of the Board of Directors to enforce any provision of the Neighborhood Declaration, Articles of Incorporation, Bylaws or any rule or regulation shall not be deemed a waiver of the right of the Board of Directors to do so thereafter.

(a) Notice. Prior to imposition of any sanction hereunder for any violation other than the failure to pay assessments, the Board of Directors or its delegate (or the Covenants Committee, if any) shall serve the alleged violator with written notice by mail, hand delivery or other delivery at the address of the alleged violator contained in the records of the Neighborhood Association, or if no address of the alleged violator is on record, then by posting written notice at the site of the alleged violation describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than fourteen (14) days within which the alleged violator may present a written request to the Board of Directors (or the Covenants Committee, if any) for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within the period of time provided in (iii) for requesting a hearing. If a timely challenge is not made, the sanction stated in the notice shall be imposed. The sanction may include, without limitation, sanctions that will automatically be imposed by the Neighborhood Association in the event the violation is not abated or recurs within a stated period from the alleged violation. Copies of notices and proof of notice shall be placed in the records of the Neighborhood Association. Proof of notice shall be deemed adequate if a copy of the notice, together with statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice, or if the alleged violator requests a hearing within the time period stated in the notice.

(b) Hearing. If a hearing is requested in a timely manner, the hearing shall be held before a committee of at least three (3) members appointed by the Board of Directors who are not officers, directors, or employees of the Association and are not related within the first

degree of any of the forgoing. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, recommended by the committee to be imposed by the Board of Directors. In the event the committee, by majority vote, does not approve a proposed fine, suspension or other sanction, it may not be imposed.

(c) Appeal. Following a hearing, the violator shall have the right to appeal the decision to the Board of Directors. To perfect this right, a written notice of appeal must be received by the manager, President or Secretary of the Neighborhood Association within ten (10) days after the hearing date. The decision of the Board of Directors shall be final.

(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Neighborhood Association, acting through the Board of Directors, may elect to enforce any provision of the Neighborhood Declaration, the Articles of Incorporation, these Bylaws, or the rules and regulations of the Neighborhood Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation, to recover monetary damages, or to seek any other appropriate remedy, or any combination of the foregoing, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' and paralegals' fees incurred by the Neighborhood Association, whether suit be brought or not, and including those incurred on appeal, if any.

Article IV

Officers

Section 1. Officers. The officers of the Neighborhood Association shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the Board of Directors. The Board of Directors may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and to perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except that the offices of President and Secretary may not be held by the same person simultaneously.

Section 2. Election, Term of Office, and Vacancies. The officers of the Neighborhood Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members of the Neighborhood Association, as herein set forth in Article III. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Neighborhood Association will be served thereby.

Section 4. Powers and Duties. The officers of the Neighborhood Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time, specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Neighborhood Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Neighborhood Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the 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. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases and other instruments of the Neighborhood Association shall be executed by the President or the Vice-President or by such other person or persons as may be designated by resolution of the Board of Directors. All checks shall be executed by no less than two officers of the Board of Directors or such other person or persons as may be designated by resolution of the Board of Directors.

Article V

Committees

Section 1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be provided for in the Neighborhood Declaration, these Bylaws, the Articles of Incorporation or designated by a resolution adopted by a majority of the directors of the Board of Directors present at a meeting at which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the Neighborhood Declaration, the Articles of Incorporation, these Bylaws and the resolution of the Board of Directors. In the event of conflict in the terms of any of the foregoing, the Neighborhood Declaration, Articles of Incorporation, Bylaws and resolutions of the Board of Directors (in that order) shall prevail. Each committee shall operate in accordance with the terms related thereto, the rules adopted by the Board of Directors and the terms and provisions of the Neighborhood Declaration, the Articles of Incorporation and these Bylaws.

Section 2. Covenants Committee. In addition to any other committees which are established by the Board of Directors pursuant to Section 1 of this Article, the Board of Directors shall appoint a Covenants Committee consisting of at least three (3) and no more than five (5) members. Members of the Covenants Committee may not be officers, directors or employees of the Neighborhood Association, or the spouse, parent, child, brother or sister of an officer, director or employee. Acting in accordance with the provisions of the Neighborhood Declaration, these Bylaws and resolutions the Board of Directors may adopt, the Covenants Committee shall be the hearing tribunal of the Neighborhood Association for violations of the Neighborhood Declaration and shall conduct all hearings held pursuant to Article III, Section 20

of these Bylaws. The Covenants Committee shall be formed and hold its proceedings in accordance with the requirements of the Florida Statutes.

Section 3. Modification Review Committee. In addition to any other committees which are established by the Board of Directors pursuant to Section 1 of this Article, the Board of Directors shall appoint a Modification Review Committee consisting of at least three (3) and no more than five (5) members. Members of the Modification Review Committee may not be officers, directors or employees of the Neighborhood Association, or the spouse, parent, child, brother or sister of an officer, director or employee. Acting in accordance with the provisions of the Neighborhood Declaration, these Bylaws and resolutions the Board of Directors may adopt, the Modification Review Committee shall review and either approve or deny all applications for modifications to Units after the initial construction of residences on the Units. The Modification Review Committee shall promulgate reasonable rules and policies to regulate the modification review application procedure. Notwithstanding anything to the contrary provided herein, the Modification Review Committee shall be established and exercise its powers only after authority to do so has been properly delegated to it from the Community Architectural Review Committee, as defined in the Neighborhood Declaration, which delegation of authority may be revoked.

Article VI

Indemnification

The Neighborhood Association shall indemnify every officer, director, committee member and employee of the Neighborhood Association against any and all costs and expenses, including reasonable attorneys' and paralegals' fees, reasonably incurred by or imposed upon such officer, director, committee member or employee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he may be a party by reason of being or having been an officer, director, committee member or employee of the Neighborhood Association; however, such indemnity shall not apply to a person who has acted with willful misfeasance, malfeasance, misconduct or bad faith. Such officers, directors, committee members and employees shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors of the Neighborhood Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Neighborhood Association (except to the extent they may also be members of the Neighborhood Association), and the Neighborhood Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment; however, such indemnity shall not apply to a person who has acted with willful misfeasance, malfeasance, misconduct or bad faith. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director, committee member, or employee, or former officer, director, committee member or employee may be entitled. The Neighborhood Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Article VII

Books and Records

Section 1: Official Records. The Neighborhood Association shall maintain each of the following items, when applicable, which constitute the official records of the Neighborhood Association:

- (a) copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Areas or other property that the Neighborhood Association is obligated to maintain, repair, or replace;
- (b) a copy of the Bylaws of the Neighborhood Association (as may be amended);
- (c) a copy of the Articles of Incorporation of the Neighborhood Association (as may be amended);
- (d) a copy of the Neighborhood Declaration (as may be amended);
- (e) a copy of the Rules and Regulations of the Neighborhood Association;
- (f) the minutes of all meetings of the Board of Directors and of the members, which minutes must be retained for at least seven (7) years;
- (g) a current roster of all members and their mailing addresses and parcel identifications, as well as the electronic mailing addresses and the numbers designated by members who consent to receive notice sent by electronic transmission, such electronic information to be removed from association records when member consent is revoked;
- (h) all of the Neighborhood Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years;
- (i) a current copy of all contracts to which the Neighborhood Association is a party, including without limitation, any management agreement, lease, or other contract under which the Neighborhood Association has any obligation or responsibility; bids received by the Neighborhood Association for work to be performed must also be considered official records and must be kept for a period of one year;
- (j) the financial and accounting records of the Neighborhood Association, kept according to good accounting practices, which must be maintained for a period of at least seven (7) years, and shall include:
 - (1) accurate, itemized and detailed records of all receipts and expenditures;

(2) a current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and the amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due;

(3) all tax returns, financial statements, and financial reports of the Neighborhood Association; and

(4) any other records that identify, measure, record or communicate financial information.

(k) a copy of the disclosure summary described in Section 720.401(1), Florida Statutes, as may be amended and renumbered from time to time; and

(l) all other written records of the Neighborhood Association not specifically included in the forgoing which are related to the operation of the Neighborhood Association.

Section 2. Inspection and Copying of Records. The official records shall be maintained within the State of Florida and shall be open to inspection and available for photocopying by Mortgagees, members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access. The Board of Directors may establish reasonable written rules regarding the frequency, time, location, notice and manner of inspections in accordance with applicable provisions of the Florida Statutes. The Board of Directors may impose fees to cover the costs of providing copies of the official records, including, without limitation, the cost of copying. The Neighborhood Association shall maintain an adequate number of copies of the recorded governing documents to ensure their availability to members and prospective members, and may charge only the actual costs for reproducing and furnishing these documents to persons entitled to receive them. Every director of the Board of Directors shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Neighborhood Association and the physical properties owned or controlled by the Neighborhood Association. The right of inspection by a director of the Board of Directors includes the right to make extracts and a copy of relevant documents at the expense of the Neighborhood Association. Notwithstanding anything to the contrary in the preceding sentences, the following records shall not be assessable to members or Owners:

(a) Any record protected by the lawyer-client privilege or work product privilege, included but not limited to, any record prepared by the Neighborhood Association attorney or prepared at the attorney's express direction which reflects a mental impression, conclusion, litigation strategy or legal theory of the attorney or the Neighborhood Association and was prepared exclusively for or in anticipation of civil or criminal litigation or adversarial administrative proceedings until the conclusion of the litigation or adversarial administrative proceeding.

(b) Information obtained by the Neighborhood Association in connection with the approval of the lease, sale or other transfer of a parcel.

(c) Disciplinary, health, insurance and personnel records of the Neighborhood Association's employees.

(d) Medical records of Owners or community residents.

Section 3. Annual Budget. The Neighborhood Association shall prepare an annual budget. The budget shall reflect the estimated revenues and expenses for the year and the estimated surplus or deficit as of the end of the current year. The budget shall set out separately all fees or charges for recreational amenities, whether owned by the Neighborhood Association or another person. The Neighborhood Association shall provide each member with a copy of the annual budget or written notice that a copy of the budget is available upon request at no charge to the member.

Section 4. Accounts and Reports. Within ninety (90) days after the close of the Neighborhood Association's fiscal year, annual financial reports in conformity with Section 720.303(7), Florida Statutes, as may be amended or renumbered from time to time, shall be prepared. The Neighborhood Association shall provide each member with a copy of the annual financial report or written notice that a copy of the financial report is available within ten (10) days upon written request at no charge to the member. The financial report shall be prepared in accordance with the classifications and procedures of the applicable provisions of the Florida Statutes. In addition to such financial reports, a confidential delinquency report shall be prepared for the Board of Directors listing all Owners who are delinquent in paying the installments of assessments at the time of the report. The Board of Directors may engage the services of an accountant to prepare, review or audit such reports as determined by the Board of Directors and any expenses in connection therewith shall be Common Expenses.

Article VIII

Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Neighborhood Association shall be the calendar year.

Section 2. Parliamentary Rules. Except as may be modified by Board of Directors' resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Neighborhood Association proceedings when not in conflict with Florida law, the Articles of Incorporation, the Neighborhood Declaration or these Bylaws.

Section 3. Conflicts. If there are conflicts between the provisions of Florida law, the Articles of Incorporation, the Neighborhood Declaration, and these Bylaws, the provisions of Florida law, the Neighborhood Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

Section 4. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail, first

class postage prepaid:

(a) if to a member, at the address which the member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such member; or

(b) if to the Neighborhood Association, the Board of Directors, or the managing agent, at the principal office of the Neighborhood Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the members pursuant to this Section.

Section 5. Amendment. These Bylaws may be amended only by a majority of the Board of Directors adopting a resolution setting forth the proposed amendment, if such proposed amendment is approved by the affirmative vote (in person or by proxy) or written consent, or any combination thereof, of at least a majority of the total votes of the Association. However, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. The amendment shall be effective upon adoption and a copy thereof shall be recorded in the public records of Brevard County, Florida. Notwithstanding anything to the contrary set forth herein, the Neighborhood Declarant may unilaterally amend these Bylaws at any time to include any provisions which may be required by any federal, state or local governmental entity, agency or authority.

No amendment may remove, revoke, or modify any right or privilege of Neighborhood Declarant or the Class "B" member without the written consent of Neighborhood Declarant or the Class "B" member as appropriate, or the assignee of such right or privilege. No amendment may impair the validity or priority of the lien of any Mortgage held by a Mortgagee or impair the rights granted to Mortgagees herein without the prior written consent of such Mortgagees.

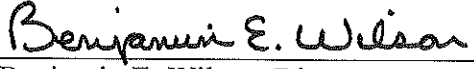
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[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the members of the Board of Directors and Neighborhood Declarant have executed and adopted these Bylaws of Avalonia Neighborhood Association, Inc. this 20th day of December 2019.



Eva M. Rey, Director



Benjamin E. Wilson, Director



Shawn O'Keefe, Director