

BYLAWS  
OF  
AVELLINO ISLES CONDOMINIUM ASSOCIATION

1. GENERAL. These are the Bylaws of Avellino Isles Condominium Association, Inc. (the "Association"), a corporation not for profit organized under the laws of Florida for the purpose of operating a condominium (the "Condominium") pursuant to the Florida Condominium Act.

1.1 Principal Office. The initial principal office of the Association shall be at the Condominium or at such other place in Collier County, Florida as the Board of Directors may determine.

1.2 Seal. The seal of the Association shall be inscribed with the name of the Association, the year of its organization, and the words "Florida" and "corporation not for profit." The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the Association where a seal may be required.

1.3 Definitions. The terms used herein shall have the same definitions as stated in the Declaration of Condominium.

2. MEMBERS.

2.1 Qualification. The Members of the Association shall be the owners of legal title to the units (the "Members"). In the case of a unit subject to an agreement for deed, the contract vendee shall be deemed the owner of the unit solely for purposes of determining voting and use rights. Membership shall become effective upon the occurrence of the last to occur of the following events:

- A. Recording in the Public Records of a deed or other instrument evidencing legal title to the unit in the Member;
- B. Approval by the Board of Directors as provided for in Section 14 of the Declaration of Condominium;
- C. Delivery to the Association of a copy of the recorded deed or other instrument evidencing title; or
- D. Delivery to the Association, if required, of a written designation of a primary occupant.

2.2 Voting Rights; Voting Interests. The Members are entitled to one (1) vote for each unit owned. The total number of votes ("voting interests") shall equal the total number of units.

The vote of a unit is not divisible. The right to vote may not be denied because of delinquent assessments. If a condominium unit is owned by one natural person his right to vote shall be established by the record title to the unit. If a unit is owned jointly by two or more natural persons who are not acting as trustees, that unit's vote may be cast by any one of the record owners. If two or more owners of a unit do not agree among themselves how their one vote shall be cast, that vote shall not be counted. If the owner of a unit is not a natural person or is a trustee, the vote of that unit shall be cast by the unit's primary occupant designated as set forth in Section 14.1 of the Declaration.

2.3 Approval or Disapproval of Matters. Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision may be expressed by any person authorized to cast the vote of such unit at an Association meeting as stated in Section 2.2 above, unless the joinder of all record owners is specifically required.

2.4 Change of Membership. Following written approval of the Association as elsewhere required herein, a change of membership in the Association shall be established by the new Member's membership becoming effective as provided in 2.1 above; and the membership of the prior owner shall thereby be automatically terminated.

2.5 Termination of Membership. The termination of membership in the Association does not relieve or release any former Member from liability or obligation incurred under or in any way connected with the Condominium during the period of his membership, nor does it impair any rights or remedies which the Association may have against any former owner or Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

### 3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the Members in each calendar year. The annual meeting shall be held in Collier County, Florida, each year during the month of January at a day, place and time designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the members.

3.2 Special Members' Meeting. Special Members' meetings must be held whenever called by the President or by a majority of the Board of Directors and may also be called by Members having at least ten percent (10%) of the votes of the entire membership. Such request shall be in writing, shall state the purpose or purposes of the meeting, and shall be signed by all the Members making the request. Business at any special meeting shall be limited to the items specified in the request and contained in the notice of meeting.

3.3 Notice of Meetings. Notice of all members' meetings must state the time, date, and place of the meeting and shall incorporate an identification of agenda items. The notice must be mailed to each Member at the address which appears on the books of the Association, or may be

furnished by personal delivery. The Member bears the responsibility for notifying the Association of any change of address. The notice must be mailed or delivered at least fourteen (14) days prior to the date of the meeting. Notice of any meeting may be waived in writing by any member.

3.4 Notice of Annual Meeting: Special Requirements. Notice of the annual meeting shall be posted and remain in a conspicuous place on the condominium property at least fourteen continuous (14) days prior to the annual meeting. The notice shall incorporate an identification of agenda items. Upon notice to owners, the Board shall, by duly adopted rule, designate a place on the condominium property upon which all notices of members' meetings shall be posted. Notice of the annual meeting shall be sent by first class mail to each owner, and an affidavit of the officer making such mailing shall be retained in the Association records as proof of such mailing. Notice of the annual meeting may be delivered in person if a written waiver of mailing is obtained.

3.5 Quorum. A quorum at a members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least one-third (1/3) of the votes of the entire membership.

3.6 Vote Required and Amendment. The acts approved by a majority of the votes cast at a meeting in which a quorum has been attained shall be binding upon all unit owners for all purposes, except where a higher vote is required by law or by any provision of the condominium documents. The procedures for voting and elections contained herein may be amended by the affirmative vote of a majority of the voting interests, which vote may be by a proxy specifically delineating the different voting and election procedures.

3.7 Proxy Voting. Limited or general proxies may be used to establish a quorum. Only limited proxies, and not general proxies, may be used for the following votes and only in those instances where such votes are permissible under Florida law: to waive or reduce reserves; to waive financial statement requirements; to amend the Declaration; to amend the Articles of Incorporation or the Bylaws; or for any other matter which requires the vote of the members. General proxies may be used for all other matters and for non-substantive changes to matters for which a limited proxy is required and given. A proxy may be given by any person entitled to vote, but shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the person executing it. To be valid, a proxy must be in writing, dated, signed by the person authorized to cast the vote for the unit, specify the date, time and place of the meeting for which it is given and the original must be delivered to the Secretary at least forty-eight (48) hours before the appointed time of the meeting or adjournment thereof. Holders of proxies need not be members. No proxy shall be valid if it names more than one person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy.

Notwithstanding the above, proxies shall in no event be used in electing the board of administration in general elections.

3.8 Adjourned Meetings. Any duly called meeting of the Members may be adjourned to a later time by vote of the majority of the voting interest present, regardless of whether a quorum has been attained. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted at the continuance.

3.9 Order of Business. The order of business at members' meetings shall be substantially as follows:

- A. Annual Meeting –Collection of election ballots, then Call of the Roll or Determination of Quorum;
- B. Reading or Disposal of Minutes of Last Member's Meeting;
- C. Reports of Officers;
- D. Reports of Committees;
- E. Election of Directors (Annual Meeting Only);
- F. Unfinished Business;
- G. New Business;
- H. Adjournment.

3.10 Minutes. Minutes of all meetings of Members and of the Board of Directors shall be kept in a businesslike manner and available for inspection by Members or their authorized representatives and Board Members at all reasonable times and for a period of seven (7) years after the meeting. Minutes must be reduced to written form within thirty (30) days after the meeting at which they were taken.

3.11 Parliamentary Rules. "Roberts' Rules of Order" (latest edition) shall govern the conduct of the Association meetings when not in conflict with the law, with the Declaration or with these Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

3.12 Member's Participation. Members shall have the right to participate in meetings of Members with reference to all designated agenda items. However, the Association shall adopt reasonable rules governing the frequency, duration and manner of Member participation. Any Member may tape record or videotape a meeting of the Members, subject to reasonable rules to be followed.

3.13 Action by Members Without Meeting. Except for the holding of the annual meeting and the election of Directors and unless otherwise provided herein, any action required or permitted to be taken at a meeting of the Members may be taken by mail without a meeting if written consents, setting forth the action to be taken, are signed by the Members having not less

than the minimum number of votes that would be necessary to take such action at a meeting, or sixty percent (60%) of the total votes of the entire membership, whichever is greater, unless a lesser vote is required by law. If the requisite number of written consents are received by the Secretary within thirty (30) days of mailing notice of the proposed action to the members, a resolution passed by the Board of Directors on the action so authorized shall be of full force and effect as if a full membership meeting had been held. Within ten (10) days after adopting the resolution, the Board shall send written notice of the action taken to all Members who have not consented in writing. Nothing in this paragraph shall be construed in derogation of members' rights to call a special meeting of the membership, as elsewhere provided in these Bylaws. If the vote is obtained by polling the unit owners by mail, the unit owners list on record with the Secretary at the time of mailing the voting material shall be the list of qualified voters.

4. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be by a Board of Directors. All powers and duties granted to the Association by law, as modified and explained in the Declaration, Articles of Incorporation and these Bylaws, shall be exercised by the Board, subject to approval or consent of the unit owners only when such is specifically required.

4.1 Number and Terms of Service. While the Developer is in control of the Association, the number of Directors which shall constitute the whole Board of Directors shall be three (3). In order to provide for a continuity of experience by establishing a system of staggered terms, at the first meeting at which unit owners other than the Developer elect a majority of the Directors, the number of Directors to be elected shall be increased to five (5). The two (2) candidates receiving the highest number of votes shall be elected for two (2) year terms. The three (3) candidates receiving the next highest number of votes shall be elected for one (1) year terms. Alternatively the determination of who will serve the longer terms shall be made among them by agreement or by lot. Thereafter, all Directors shall be elected for two (2) year terms. A Director will serve until the annual meeting at which his successor is duly elected, unless he sooner resigns or is recalled as provided in 4.5 below. Directors shall be elected by the Members at the annual meeting, or in the case of a vacancy, as provided in 4.4. below.

4.2 Qualifications. Except for Directors appointed by the Developer, each Director must be a Member or the spouse of a member.

4.3 Nominations and Elections. At each annual meeting the Members shall elect by written ballot as many Directors as there are regular terms of Directors expiring or vacancies to be filled. Proxies may only be used in accordance with Florida law. Not less than sixty (60) days before a scheduled election, the Association shall mail or deliver to each unit owner entitled to vote, a first notice of the date of the election. Any unit owner or other eligible person desiring to be a candidate for the Board of Directors shall give written notice to the Secretary of the Association not less than forty (40) days before a scheduled election. Together with the written notice and agenda, the Association shall then mail or deliver a second notice of the meeting to all unit owners entitled to vote therein, together with a ballot which shall list all candidates. Upon

request of a candidate, the Association shall include an information sheet, no larger than 8½ inches by 11 inches, but which may be printed on both sides, furnished by the candidate, to be included with the mailing of the ballot, with the costs of mailing and copying to be borne by the Association. There shall be no quorum requirement, however, at least 20% of the eligible voters must cast a ballot in order to have a valid election of Members of the Board of Directors. A unit owner who needs assistance in casting the ballot by reason of blindness, disability or inability to read or write may obtain assistance in casting the ballot. Directors shall be elected by a plurality of the votes cast at the annual meeting. In the election of Directors, there shall be appurtenant to each unit as many votes for Directors as there are Directors to be elected, but no unit may cast more than one vote for any nominee, it being the intent hereof that voting for Directors shall be non-cumulative. The candidates receiving the highest number of votes shall be declared elected, except that a run-off may be held to break a tie vote.

4.4 Vacancies on the Board. When the voting interests have recalled one or more board members at a unit owner meeting, the following provisions apply regarding the filling of vacancies on the board: 1. If less than a majority of the existing board is recalled at the meeting, no election of replacement board members shall be conducted at the unit owner meeting as the existing board may, in its discretion, fill these vacancies, by the affirmative vote of the remaining board members. In the alternative, if less than a majority of the existing board is recalled at the unit owner meeting, the board may call and conduct an election to fill a vacancy or vacancies; 2. If a majority or more of the existing board is recalled at the meeting, an election, shall be conducted at the recall meeting to fill vacancies on the board occurring as a result of recall. The voting interests may vote in person or by limited proxy to elect replacement board members in an amount equal to the number of recalled board members.

4.5 Removal of Directors. Directors appointed by the Developer may be removed only by the Developer. All other Directors may be removed with or without cause by a majority vote of the entire membership, other than the Developer, either by a written petition or at any meeting called for that purpose. If a meeting is held or a petition is filed for the removal of more than one Director, the question shall be determined separately as to each Director sought to be removed. If a special meeting is called by ten percent (10%) of the voting interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the signatures. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of new Directors at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected.

4.7 Other Meetings. Meetings of the Board may be held at such time and place in Collier County, Florida, as shall be determined from time to time by the President or a majority of the Directors. Notice of meetings shall be given to each Director, personally or by mail, telephone or telegram at least two (2) days prior to the day named for such meeting.

4.8 Notice to Owners. Meetings of the Board of Directors at which a quorum of the Board is present, shall be open to Members, and notices of all Board meeting shall be posted conspicuously on the condominium property at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. The notice shall specifically incorporate an identification of agenda items. Notice of any Board meeting where assessments against units are to be considered for any reason shall specifically contain a statement that assessments will be considered and the nature of the assessments. Notice of any Board meeting at which a budget will be adopted or amended shall conform to the requirements set forth in Section 6.2 below. Written notice of any meeting at which nonemergency special assessments, or amendment to rules regarding unit use will be proposed, discussed or approved, shall be mailed or delivered to the Members and posted conspicuously on the condominium property not less than 14 days prior to the meeting. Evidence of compliance with the 14 day notice shall be made by an affidavit executed by the Secretary and filed among the official records of the Association. Any Member may tape record or videotape Board meetings and may speak at such meeting, pursuant to reasonable rules, with reference to all designated agenda items. Meetings of a committee to take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of this paragraph.

Meetings of the committee that do not take final action on behalf of the Board or make recommendations to the Board regarding the Association budget are subject to the provisions of this section, unless those meetings are exempted from this section by the Bylaws of the Association.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver shall be deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting shall exist when at least a majority of all Directors are present in person. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by means of a conference telephone call or similar communicative arrangement whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting. Directors may not vote or participate by proxy at Board meetings.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum exists shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the condominium documents or by applicable statutes.

4.12 Presumption of Assent. A Director who is present at a meeting of the Board shall be deemed to have voted in favor of any action taken, unless he voted against such action or abstained from voting because of an asserted conflict of interest. Directors may not vote by

proxy or by secret ballot at Board Meetings. A vote or abstention shall be recorded in the minutes for each Director present.

4.13 Adjourned Meetings. The majority of those present at any meeting of the Board of Directors, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specific time and date. At any reconvened meeting, provided the notice required by Section 4.8 above was given for the meeting which was adjourned and further provided that a quorum is present, any business that might have been transacted at the meeting originally called may be transacted without further notice.

4.14 The Presiding Officer. The President of the Association, or in his absence, the Vice-President, shall be the presiding officer at all meetings of the Board of Directors. If neither is present, the presiding officer shall be selected by majority vote of those present.

4.15 Compensation of Directors and Officers. Neither Directors nor officers shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses relating to the proper discharge of their respective duties.

4.16 Committees. The Board of Directors may appoint from time to time such standing or temporary committees, including a search committee to encourage persons to become candidates for the Board or such other committee as the Board may deem necessary and convenient for the efficient and effective operation of the Condominium. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee.

4.17 Representatives to Master Association. The Board of Directors shall appoint a Neighborhood Representative to cast the votes, where required, on matters before the Vineyards Community Association, Inc. (Master Association). The Neighborhood representative shall represent the collective votes of the Members of the Association. The Neighborhood Representative shall not be required to obtain a consensus or approval on any voting matters from the unit owners, except as required specifically by the Master Association Declaration.

## 5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by the Board of Directors. Any officer may be removed with or without cause by vote of a majority of all Directors at any meeting. Any person except the President may hold two or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Association. If the Board so determines, there may be more than one Vice-President.

5.2 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Members and Directors, shall be ex-officio a Member of all

standing committees, shall have general and active management of the business of the Association, and shall see that all orders and resolutions of the Board are carried into effect. He shall execute bonds, mortgages and other contracts requiring seal of the Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Association.

5.3 Vice-Presidents. The Vice-Presidents in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the Members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. He shall keep in safe custody the seal of the Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the condominium documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall be responsible for Association funds and securities, the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Association, and the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall oversee the disbursement of the funds of the Association, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at the meetings of the Board, or whenever they may require it, an accounting of all transactions and of the financial condition of the Association. Any of the foregoing duties may be performed by an Assistant Treasurer, if any has been designated.

6. FISCAL MATTERS. The provisions for fiscal management of the Association set forth in the Declaration of Condominium shall be supplemented by the following provisions:

6.1 Depository. The Association shall maintain its accounts in such federally insured accounts or investments with such financial institutions doing business in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The Board may invest Association funds in interest-bearing accounts, certificates of deposit, U.S. Government securities, and other similar investment vehicles.

6.2 Budget. The Board of Directors shall adopt a budget of common expenses for each fiscal year. A copy of the proposed budget and a notice stating the time, date and place of the meeting of the Board or Unit Owners at which the budget will be adopted shall be mailed or hand delivered to each Unit owner at the address last furnished to the Association and posted conspicuously on the condominium property not less than fourteen (14) continuous days

preceding that meeting. The proposed budget shall be detailed and shall show the amounts budgeted by income and expense classifications.

Evidence of compliance with this fourteen (14) day notice must be made by an affidavit executed by an officer of the Association or the manager or other person providing notice of the meeting and filed among the official records of the Association.

6.3 Reserves for Capital Expenditures and Deferred Maintenance. In addition to annual operating expenses, the proposed budget must include reserve accounts for capital expenditures and deferred maintenance as required by law. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by a formula based upon estimated remaining useful life and replacement cost of each item. These reserves shall be funded unless the Members subsequently determine by majority vote at a duly called meeting of the association in person or by limited proxy to fund no reserves or less than adequate reserves for a fiscal year. The vote to waive or reduce reserves, if any is taken, may be taken only after the proposed budget has been mailed to the unit owners as required in 6.2 above. Reserves funded under this paragraph shall be used only for the purposes for which they were reserved, unless their use for other purposes is first approved by a majority vote at a duly called meeting of the Association.

6.4 Other Reserves. In addition to the statutory reserves provided in 6.3 above, the Board may establish one or more additional reserve accounts for contingencies, operating expenses, repairs, minor improvements or deferred maintenance.

6.5 Assessments. Regular annual assessments based on the adopted budget shall be paid in quarterly installments, in advance, due on the first day of January, April, July and October of each year. Failure to receive notice of the assessment shall not excuse the obligation to pay. If an annual budget has not been adopted at the time the first quarterly installment for a fiscal year is due, it shall be presumed that the amount of such installment is the same as the last quarterly payment, and shall be continued at such rate until a budget is adopted and pro rata assessments are calculated, at which time any overage or shortage calculated shall be added or subtracted from each unit's next due quarterly installment.

6.6 Special Assessments. Special assessments may be imposed by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted, or non-recurring expenses. Special assessments are due on the day specified in the resolution of the Board approving such assessment. The total of all special assessments made in any fiscal year shall not exceed fifteen percent (15%) of the total annual budget for that year, including reserves, unless a majority of the voting interests first consent. The notice of any special assessment must contain a statement of the purpose(s) of the assessment, and the funds collected must be spent for the stated purpose(s), with any excess funds returned to the Members or applied as a credit toward future assessments.

6.7 Fidelity Bonds. Fidelity bonding of all persons who control or disburse funds of the Association in an amount to cover the maximum funds that will be in the custody of the Association or its management agent at any one time. The Association to bear the cost of said bond. The premiums on such bonds shall be a common expense.

6.8 Financial Reports. In accordance with Section 718.111(13) of the Condominium Act, not later than sixty days after the close of each fiscal year, the Board shall distribute to each Unit Owner a complete financial report of actual receipts and expenditures for the previous twelve (12) months, or a complete set of financial statements from the preceding fiscal year prepared in accordance with generally accepted accounting principles.

6.9 Audits. A formal, certified audit of the accounts of the Association, if required by law, by vote of a majority of the voting interests, or by a majority of the Board of Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all members.

6.10 Application of Payments and Co-Mingling of Funds. All monies collected by the Association shall be maintained in the association's name and may not be commingled. Reserve funds and any interest accruing thereon shall remain in a separate reserve account for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the Association. All payments on account by a unit owner shall be first to interest, delinquencies, costs and attorney's fees, other charges, and regular or special assessments, in such manner and amounts as the Board of Directors may determine, subject to Section 10.6 of the Declaration.

6.11 Fiscal Year. The fiscal year for the Association shall begin on the first day of January of each calendar year. The Board of Directors may change to a different fiscal year in accordance with the provisions and regulations from time to time prescribed in the Internal Revenue Code of the United States of America.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt and amend administrative rules and regulations governing the operation, use, maintenance, management and control of the common elements and the Association. Copies of such rules and regulations shall be furnished to each unit owner. Any rule or regulation created and imposed by the Board must be reasonably related to the promotion of health, happiness and peace of mind of the unit owners and uniformly applied and enforced.

8. COMPLIANCE AND DEFAULT; REMEDIES. In addition to the remedies provided in Section 19 of the Declaration, the following provisions shall apply:

8.1 Fines. The Board of Directors may levy reasonable fines against units whose owners commit violations of the Condominium Act, the provisions of the condominium documents or Association rules and regulations, or condone such violations by their family members, guests or

lessees. The fines shall be in an amount deemed necessary by the Board to deter future violations, but in no event shall any fine exceed the maximum amount allowed by law. The procedure for imposing such fines shall be as follows:

- A. The party against whom the fine is sought to be levied shall be afforded an opportunity for hearing before a committee of other unit owners after reasonable notice of not less than fourteen (14) days, and the notice shall include:
  1. A statement of the date, time and place of the hearing;
  2. A statement of the provisions of the Declaration, Bylaws or rules which have allegedly been violated;
  3. A short and plain statement of the matters asserted by the Association; and
  4. The amount of any proposed fine.
- B. The party against whom the fine may be levied shall have a reasonable opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved, and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association.

8.2 Mandatory Non-Binding Arbitration. Unless otherwise provided by Florida law, prior to the institution of court litigation the parties to a dispute as defined by the Condominium Act shall petition the Division of Florida Land Sales, Condominiums and Mobile Homes for non-binding arbitration, which shall be conducted pursuant to rules promulgated by the said Division. Provided, however, that any dispute involving title to any unit or common element; the interpretation or enforcement of any warranty; or the levy of a fee or assessment; or the collection of an assessment levied against any party shall not be subject to the provisions of this paragraph.

8.3 Availability of Remedies. Each member, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default and abatement of violations regardless of the harshness of the remedy utilized by the Association and regardless of the availability of other legal remedies. It is the intent of all Members to give the Association methods and procedures which will enable it to operate on a businesslike basis, to collect those monies due it and to preserve the majority's right to enjoy the condominium property free from unreasonable restraint and annoyance.

## 9. TRANSFER OF ASSOCIATION CONTROL; DEVELOPER'S RIGHTS.

9.1 Members' Rights to Elect Board of Directors. When owners other than the Developer own fifteen percent (15%) or more of the units, the owners other than the Developer shall be entitled to elect one-third (1/3) of the Members of the Board of Directors. Unit owners

other than the Developer become entitled to elect a majority of the Members of the Board of Directors upon the first of the following events to occur:

- A. Three years after fifty percent (50%) or more of the units that will be operated ultimately by the Association have been conveyed to purchasers;
- B. Three months after ninety percent (90%) or more of the units that will be operated ultimately by the Association have been conveyed to purchasers;
- C. When some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the Developer in the ordinary course of business;
- D. When all of the units have been completed, and some of them have been conveyed to purchasers, and none of the rest are being offered for sale in the ordinary course of business; or
- E. Seven years after recordation of the declaration of condominium.

9.2 Developer's Right to Designate Members of Board of Directors. Except as provided above, the Developer shall be entitled to designate at least one Director as long as the Developer holds for sale in the ordinary course of business at least five percent (5%) of the units.

9.3 Notice of Members' Meetings. Within seventy-five (75) days after unit owners other than the Developer are entitled to elect one or more Directors, the Association shall call, upon not less than sixty (60) days notice, a meeting of the unit owners to elect the Member or Members of the Board. The meeting may be called and the notice given by any unit owner if the Association fails to do so. The meeting at which unit owners other than the Developer first elect a majority of the Directors is referred to as the "turnover meeting".

9.4 Developer's Rights. So long as the Developer holds units for sale in the ordinary course of business, none of the following actions may be taken without approval in writing by the Developer:

- A. Any amendment of the condominium documents which would adversely affect the Developer's rights;
- B. Any assessment of the Developer as a unit owner for capital improvements; and
- C. Any action by the Association that would be detrimental to the sales of units by the Developer. However, an increase in assessments for common expenses shall not be deemed to be detrimental to the sales of units.

9.5 Transfer of Association Control. At the turnover meeting, when unit owners other than the Developer elect a majority of the Directors of the Association, the Developer relinquishes control of the Association, and the unit owners automatically assume control. At the

time of the turnover meeting the Developer shall deliver to the Association all property of the unit owners and of the Association held or controlled by the Developer and all items and documents that the Developer is required to deliver or turn over to the Association under Florida law. The Developer may turn over control of the Association to unit owners other than the Developer prior to the above mentioned dates, in its sole discretion, by causing all of its appointed Directors to resign, whereupon it shall be the affirmative obligation of unit owners other than the Developer to elect Directors and assume control of the Association. Provided at least sixty (60) days notice of the Developer's decision to cause its appointees to resign is given to unit owners, neither the Developer, nor such appointees, shall be liable in any manner in connection with such resignations, even if unit owners other than the Developer refuse or fail to assume control.

10. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

10.1 Proposal. Except as otherwise provided in the Declaration of Condominium as to amendments made by the Developer, amendments to these Bylaws shall be proposed by a majority of the Board or upon written petition signed by at least one-fourth (1/4) of the voting interests.

10.2 Procedure. Upon any amendment or amendments to these Bylaws being proposed by said Board or unit owners, such proposed amendment or amendments shall be submitted to a vote of the owners not later than the next annual meeting for which proper notice can still be given.

10.3 Vote Required. Except as otherwise provided by law, or by specific provision of the condominium documents, these Bylaws may be amended by concurrence of two-thirds (2/3) of the voting interests present in person or by proxy at any annual or special meeting, provided that notice of any proposed amendment has been given to all the Members in accordance with law. Amendments may be adopted without a meeting by following the procedure set forth in Section 3.13 of these Bylaws.

10.4 Recording; Effective Date. A copy of each amendment shall be attached to a certificate that the amendment was duly adopted, which certificate shall be executed by officers of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the Public Records of Collier County, Florida. The certificate must identify the book and page of the Public Records where each Declaration of Condominium for all condominiums operated by the Association is recorded.

## 11. MISCELLANEOUS.

11.1 Gender. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

11.2 Severability. Should any portion hereof be void or become unenforceable, the remaining provisions of the instrument shall remain in full force and effect.


11.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Condominium or Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.

The foregoing constitute the first Bylaws of the Association and were duly adopted at the first meeting of the Board of Directors held on 7/1, 2004.

AVELLINO ISLES CONDOMINIUM  
corporation not for profit

By: Michel Saadeh  
MICHEL SAADEH, President

Attest:

  
Secretary

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