

EXHIBIT "C"
**BYLAWS
OF
AVALON LAKES
TOWNHOME ASSOCIATION, INC.**

ARTICLE 1

IDENTITY AND LOCATION

These are the Bylaws of THE TOWNHOMES AT AVALON LAKES ASSOCIATION, INC., herein called the "Association", a corporation not for profit organized and existing under Chapters 617 and 720, Florida Statutes, for the purpose of administering the Property and the Common Areas, the Common Roofs, the Party Walls, the Pool Area and the grass, landscaping and irrigation system located on all of the Lots, in accordance with the Declaration of Covenants, Conditions and Restrictions for **The Townhomes at Avalon Lakes** (the "Declaration"). The principal office of the Association shall be located at 11507 North Shore Golf Club Blvd., Orlando, FL 32832, but meetings of the Board of Directors may be held at such places within the State of Florida as may be designated from time to time by the Board of Directors.

ARTICLE 2

GENERAL

2.1 Incorporation of Declaration. As supplemented herein, the regulation of the business and affairs of the Association shall be governed by the Declaration, as amended from time to time, the terms and provisions of which are incorporated herein by reference as if set forth herein verbatim.

2.2 Fiscal Year. The fiscal year of the Association shall be the calendar year or such other period as shall subsequently be determined by the Board of Directors.

2.3 Seal. The seal of the Association shall bear the name of the Association.

2.4 Definitions. The definitions set out in the Declaration are incorporated herein by reference.

ARTICLE 3

ASSOCIATION PURPOSES, POWERS AND MEETINGS

3.1 Association's Purposes. The Association has been organized for the purposes set forth in the Declaration and Articles, including, without limitation, the following:

(a) to own, improve, operate, maintain, repair and replace the Common Areas and the Pool Area, and to operate, maintain and repair the Common Roofs, the Party Walls, and the grass, landscaping and irrigation system located on all the Lots, including but not limited to any personal property owned by the Association;

(b) to clean, clear, trim, remove weeds, limbs, and debris from, and to provide general grounds maintenance on the Common Areas and the grass, landscaping and irrigation system located on all the Lots;

(c) to fix Assessments to be levied against the Lots in the Property;

(d) to enforce any and all covenants and agreements contained in the Declaration; and

(e) to pay taxes and insurance, if any, on the Common Areas.

3.2 Records of the Association. The Association shall maintain each of the following items, when applicable, which constitute the official records of the Association:

(a) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the Common Areas;

(b) A copy of these Bylaws and of each amendment thereto;

(c) A copy of the Articles of Incorporation of the Association and of each amendment thereto;

(d) A copy of the Declaration and each amendment thereto;

(e) A copy of the current rules and regulations of the Association;

(f) The minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members which minutes shall be retained for seven (7) years;

(g) A current roster of all Members and their mailing addresses and Lot identifications;

(h) All of the Association's insurance policies or copies thereof which shall be retained for seven (7) years;

(i) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease, or other contract under which the Association has any obligation or responsibility;

(j) A copy of all bids received by the Association for work to be performed which shall be retained for one (1) year; and

(k) The financial and accounting records of the Association, kept according to good accounting practices, which financial and accounting records shall be maintained for a period of at least seven (7) years. The financial and accounting records 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 who is obligated to pay Assessments, the due date and amount of each Assessment or other charge against the Member, the dates and amount of each payment on the account, and the balance due, (3) all tax returns, financial statements, and financial reports of the Association, and (4) any other records that identify, measure, record, or communicate financial information.

3.3 Annual Meetings. The Annual Meeting of the Members of the Association shall be held at such date, time and place as determined by the Board of Directors. Each subsequent regular annual meeting of the Members shall be held within twelve (12) months of the previous annual meeting.

3.4 Special Meetings. Special meetings of the Members may be called at any time by the Board of Directors, or upon written request at least 10% of the total voting interests of the Association, or by written request of the Declarant for so long as Declarant owns any Lot. At a special meeting, only those items stipulated in advance may be considered for action.

3.5 Notice of Meetings. Written notice each meeting of the Members shall be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in the event of any emergency, or, in the alternative, at the election to the Board, given by, or at the direction of, the Secretary of the Association, by mailing a copy of such notice, postage prepaid, at least seven (7) days before such meeting to each Member Entitled to Vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and advise if directors are being elected, advise if assessments are being adjusted or advise if amendments to the articles of incorporation or bylaws are being considered and, in the case of a special meeting, the purpose of the meeting.

3.6 Attendance at Meetings. Any person entitled to cast the votes of a Member, and in the event any Lot is owned by more than one (1) person, all co-owners of a Lot may attend any meeting of the Members. Any person not expressly authorized to attend a meeting of the Members, as set forth above, may be excluded from any meeting of the Members by the presiding officer of such meeting.

3.7 Organization. At each meeting of the Members, the President, or in his/her absence the Vice President, shall act as Chairman of the Meeting. The Secretary, or in his/her absence any person appointed by the Chairman of the Meeting, shall act as secretary of the meeting.

3.8 Minutes. The minutes of all meetings of the Members shall be kept in written form or another form that can be converted into written form within a reasonable

time, and shall be available for inspection by the Members or their authorized representatives, and the Members of the Board of Directors, at any reasonable time.

3.9 Quorum. Except as otherwise provided in these Bylaws, a quorum of Members shall be attained by the presence, either in person or by proxy (limited or general), of Members entitled to cast at least 15% of the total votes of the Members Entitled to Vote at a duly called meeting of the Members. As long as there is a Class "B" Member, no quorum can exist or be attained unless the Class "B" Member is present or the Class "B" Member has waived, in writing, its presence. After a quorum is established at a duly called meeting Members may continue to accomplish the business of the meeting until adjournment, notwithstanding the withdrawal during the meeting of enough Class "A" Members to leave less than a quorum. In the event, however, the required quorum is never present, the meeting may be rescheduled subject to the notice requirements set forth herein.

3.10 Proxies. At all meetings of Members, each Member Entitled to Vote may vote in person or by proxy duly appointed in writing which bears a date not more than six (6) months prior to such meeting unless such proxy specifically provides for a longer period of time. All proxies shall be in writing, state the date, time and place of the meeting for which it is being given, signed by the Member Entitled to Vote and filed with the Secretary. Proxies shall only be valid for the particular meeting set forth in the proxy as it shall be adjourned and reconvened from time to time, and shall automatically expire ninety (90) days after the date of the meeting for which it was originally given. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

3.11 Voting by Co-Owners. There shall only be one Member Entitled to Vote for each Lot in the Association, regardless of the number of Owners of said Lot; fractional votes shall not be allowed. If joint or multiple Owners are unable to agree among themselves as to how their vote is to be cast, who the Member Entitled to Vote for said Lot shall be, or if more than one Class A vote is cast for any Lot, the vote for that Lot shall not be counted, but their vote shall continue to be counted for purposes of determining the existence of a quorum. If any Owner casts a vote on behalf of a Lot, it shall be conclusively presumed that Owner was acting with the authority and consent of all other Owners of that Lot.

3.12 Failure to Pay Assessments. Any Member who, at the time of any duly called meeting of the Members, has any outstanding, past due Assessments, shall not be entitled to vote at a meeting of the Members.

3.13 Recording. Any Member may tape record or videotape meetings of the Board of Directors and meetings of the Members. The Board of Directors may adopt reasonable rules governing the taping of such meetings.

3.14 Turnover Meeting. Within seventy-five (75) days after the Members, other than the Developer, are entitled to elect a Member or Members of the Board of Directors, the Association shall call and give not less than thirty (30) days notice of an election for the members of the Board of Directors. The election shall proceed as

provided by law. The notice may be given by any Lot Owner if the Association fails to do so. At the time that Lot Owners, other than the Declarant, elect a majority of the Members of the Board of Directors of the Association, the Declarant shall relinquish control of the Association and the Lot Owners shall accept control.

ARTICLE 4

BOARD OF DIRECTORS

4.1 Board of Directors; Selection; Terms of Office. The affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall consist of three (3) Directors who shall be selected by the Declarant. The members of the Board of Directors shall be determined as set forth in Article 7 of the Articles of Incorporation.

4.2 Vacancies in the Board of Directors. Vacancies in the Board of Directors shall be filled by Declarant until Declarant has no authority to appoint Directors and thereafter by the majority of the remaining Directors, or by a sole remaining Director, and any such appointed Director shall serve for the remaining term of his predecessor.

ARTICLE 5

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

5.1 Board of Directors' Powers. The Board of Directors shall have power:

- (a) to call special meetings of the Board;
- (b) subject to Article 7 herein, to appoint and remove at its pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Officer or Director of the Association in any capacity whatsoever;
- (c) to establish, levy and assess, and collect Assessments and other charges in accordance with the Declaration;
- (d) to adopt and publish rules and regulations governing the use of the Common Areas, the Pool Area, the Party Walls, the Common Roofs and the grass, landscaping and irrigation system located on each of the Lots;
- (e) to exercise for the Association all powers, duties and authority vested in or delegated to the Association;
- (f) to fill vacancies on the Board of Directors pursuant to Article 4 above;
- (g) to take such other action as provided in the Declaration.

5.2 Board of Directors' Duties. It shall be the duty of the Board of Directors:

- (a) to cause to be kept a complete record of all its acts and corporate affairs including those records set forth in Section 3.2 hereof;
- (b) to supervise all officers, agents and employees of the Association and to see that their duties are properly performed;
- (c) to prepare the annual budget in accordance with the Declaration;
- (d) to fix and collect Assessments in accordance with the Declaration;
- (e) to prepare a roster of the Owners and Lots and the Assessments applicable thereto, which roster shall be kept in the office of the Association; and
- (f) to send written notice of each Assessment to each Owner as provided in the Declaration.

5.3 Resignation. A Director of the Association may resign at any time by giving a written notice to the Board of Directors of the Association. The resignation of any Director shall take effect upon delivery of the notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

5.4 Removal. So long as Declarant shall own more than five percent (5%) of the Lots in the Property, any Director may only be removed, with or without cause, by the Declarant. Thereafter, except as otherwise provided in the Declaration, any Director may be removed, with or without cause, by a two-thirds (2/3) vote of the members of the Board.

5.5 Directors' Fees. There shall be no Directors' fees paid to members of the Board of Directors, except that Directors shall be entitled to reimbursement of out-of-pocket costs authorized by the Board of Directors.

ARTICLE 6

DIRECTORS' MEETINGS

6.1 Directors' 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.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

6.3 Notice and Procedure. Notice of all meetings shall be given to each director, personally or by mail, telephone or facsimile and shall be transmitted at least three (3) days prior to the meeting. Adequate notice of such meetings, which notice

shall specifically incorporate an identification of agenda items, shall be posted conspicuously in the Common Areas at least forty-eight (48) continuous hours preceding the meeting, except in the event of an emergency. Meetings of the Board of Directors and any committee thereof at which a quorum of the members of that committee are present shall be open to all Members. The right to attend such meetings includes the right to speak at such meetings with respect to all designated agenda items. The Association may adopt reasonable rules governing the frequency, duration and manner of Member statements. The Board shall adopt by rule, and give notice to the Members of, a specific location in the Common Areas upon which all notices of Board and/or committee meetings shall be posted. Directors may not vote at Board meetings by proxy or by secret ballot.

6.4 Waiver of Notice. A Director may waive notice of a meeting of the Directors before or after the date and time stated in the notice. Except as otherwise provided in this Section 4, the waiver must be in writing, signed by the Director entitled to the notice and filed with the minutes or corporate records. Attendance of a Director at any meeting shall constitute waiver of notice of such meeting, except where the Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and does not thereafter vote for or assent to action taken at the meeting. If a meeting otherwise valid of the Board of Directors is held without notice where such is required, any action taken at such meeting shall be deemed ratified by a Director who did not attend, unless after learning of the action taken and of the impropriety of the meeting, he makes prompt objection thereto. Objection by a Director shall be effective only if written objection to the holding of the meeting or to any specific action so taken is filed with the Secretary of the Association.

6.5 Action Upon Written Consent Without a Meeting. Action of the Board of Directors may be taken without a meeting upon the written consent signed by all members of the Board. Any such action without a meeting shall be effective on the date the last Board member signs the consent or on such date as is specified in the consent. Any such action by written consent shall have the same effect as a vote taken at a meeting of the Board of Directors.

6.6 Board Quorum. A Majority of the Board of Directors shall constitute a quorum thereof.

6.7 Committees. The Board may by resolution also create committees and appoint persons to such committees and vest in such committees such powers and responsibilities as the Board shall deem advisable. The resolution establishing a committee shall appoint its members, as well as a chair, state the purposes of the committee, and provide for reports, termination and other administrative matters as deemed appropriate by the Board.

ARTICLE 7

OFFICERS

7.1 Association Officers. The Officers shall be a President, a Vice-President, a Secretary and a Treasurer. The officers may be, but shall not be required to be, members of the Board of Directors.

7.2 Election of Officers. Declarant shall have the sole right to appoint and remove any officer of the Association so long as Declarant shall own more than ten percent (10%) of the total number of Lots and Units in the Property. Thereafter, all officers shall hold office at the pleasure of the Board of Directors.

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

7.4 President. The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and shall sign all notes, checks, leases, mortgages, deeds and all other written instruments.

7.5 Vice President. The Vice President shall perform all the President's duties in the absence of the President and such other duties as the President may request.

7.6 Secretary. The Secretary shall be the ex officio Secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for such purpose. The Secretary shall sign all certificates of membership and shall keep the records of the Association.

7.7 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business. The Treasurer shall sign all checks and notes of the Association, provided that such notes and checks shall also be signed by the President or Vice President.

ARTICLE 8

LIABILITY AND INDEMNIFICATION

8.1 Liability of Board Member. No Board Member, Officer of the Association or member of the ARB shall be liable to any Owner for any decision, action or omission made or performed by such Board Member or Officer in the course of his duties unless

such Board Member, Officer or member of the ARB acted in bad faith or in reckless disregard of the rights of any person or of the terms of the Declaration or these Bylaws.

8.2 Indemnification. To the fullest extent allowed by Florida law, and subject to any limitations set forth in the Declaration or Articles, the Association shall indemnify the Directors, Officers, members of the ARB, employees, agents and other persons specifically designated from time to time by the Board of Directors whom it may indemnify pursuant to law. In this connection, the Association is authorized to take out such insurance as it may deem necessary or desirable consistent with such indemnification.

ARTICLE 9

INSURANCE

The Board of Directors or its duly authorized agent shall obtain hazard insurance for improvements to the Common Areas and a broad form public liability policy covering all Common Areas, the Pool Area, Party Walls, Common Roofs, the grass, landscaping and irrigation system for each of the Lots, and all damage or injury caused by negligence of the Association or any of its agents as more fully described in the Declaration.

ARTICLE 10

AMENDMENTS

These Bylaws may be amended or repealed and new Bylaws adopted by the Board of Directors so long as Declarant has the authority to appoint the Board of Directors and thereafter by a majority vote of the Board of Directors present, in person or by proxy, and entitled to vote at a regular or special meeting of the Board; provided that any matter which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

ARTICLE 11

GENERAL

11.1 Conflicts. It is intended that the provisions of the Declaration which apply to the governance of the Association, as supplemented by the provisions in these Bylaws which are not contained in the Declaration, shall operate as the Bylaws of the Association. In the case of any conflict between such provisions set forth in the Declaration and these Bylaws, the Declaration shall control.

11.2 Waiver. No provision of these Bylaws or any regulation promulgated by the Board of Directors pursuant hereto shall be deemed to have been abrogated or

waived by reason of any failure to enforce the same, regardless of the number of violations or breaches which may have occurred.

11.3 Severability. The provisions of these Bylaws are severable, and the invalidity of one or more provisions hereof shall not be deemed to impair or affect in any manner the enforceability or effect of the remainder.

11.4 Captions. Captions are inserted herein only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these Bylaws or the intent of any provision.

11.5 Gender and Number. All nouns and pronouns used herein shall be deemed to include the masculine, the feminine, and the neuter, and the singular shall include the plural and the plural shall include the singular whenever the context requires or permits.

11.6 Roberts Rules. All meetings of the membership of the Board of Directors shall be conducted in accordance with Roberts Rules of Order Revised.