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FOR REGISTRATION REGISTER OF DEEDS  
REBECCA P. SMITH  
NEW HANOVER COUNTY, NC  
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INSTRUMENT # 2007042007

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FOR  
AVALON WEST  
HOMEOWNERS ASSOCIATION

RETURN TO Daniel Mahn

**DECLARATION OF RESTRICTIONS**

**AVALON WEST**

**KNOW ALL MEN BY THESE PRESENTS:**

**THAT** the undersigned, Beasley Associates, its successors and assigns (herein-after "BA"), a North Carolina partnership, is the owner of all of the interest and equity in that certain tract of land known as Avalon West and it is the desire of the undersigned, to ensure the use of said property for attractive residential purposes only, to prevent the impairment of the attractiveness of the property, to maintain the desired tone of the community, and thereby to secure to each lot owner the full benefit and enjoyment of his home with no greater restriction upon the free and undisturbed use of his lot than is necessary to ensure the same advantages to the other lot owners.

**NOW, THEREFORE,** the undersigned does hereby agree and declare to and with all persons, firms, or corporations owning or hereafter acquiring any property in Avalon West, that all of the lots in said subdivision as shown upon a map recorded in Map Book 51 at Page 27 of the New Hanover County Registry, are hereby made subject to the following restrictions as to the use thereof, running with the land by whomsoever owned, to-wit:

**FIRST: MEMBERSHIP:** The Association shall have two classes of voting memberships:

**Class A:** Class A members shall be those Owners, with the exception of BA until its Class B membership has converted to Class A membership, who own lots within Avalon West. Each Class A member shall be entitled to one vote for each lot so owned.

**Class B:** The Class B member shall be BA and it shall be entitled to three (3) votes for each lot owned by it. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier: when the last lot is sold by declarant or on December 31, 2015.

**SECOND: RESIDENTIAL USE ONLY:** All lots in said subdivision shall be known as single-family residential lots, and shall be used for residential purposes only.

All streets in Avalon West will be maintained by the Avalon West Homeowners Association.

**THIRD: SIZE OF STRUCTURES:** Any dwelling erected on a lot shall contain at least 2000 square feet.

The term "enclosed dwelling area" as used in this section shall mean the total enclosed area within a dwelling subject to heating and cooling; provided that the terms specifically

do not include garages, terraces, open porches, decks, stoops, and like areas regardless of heating or cooling. In cases where the square footage area is not more than ten percent (10%) below minimum above set out, Declarant may, at their option, approve the construction of the dwelling if it is in conformity with the general development of the subdivision.

An attached garage for not less than two (2) cars must be constructed on each lot within the subdivision at the time of construction of the primary dwelling located thereon.

Driveways on each lot shall be constructed of concrete.

**FOURTH. DETACHED STRUCTURES:** All detached structures constructed on any lot in the subdivision shall conform to the design and material specifications approved for the dwelling constructed thereon and shall be approved by BA.

**FIFTH. EXTERIOR COMPOSITION:** All exterior siding and roof materials will be approved by BA.

**SIXTH. SETBACKS AND SIDELINES:** Since the establishment of standard inflexible building setback lines for the location of a dwelling on lots tends to force construction of dwellings directly to the side of other dwellings with detrimental effects on privacy, view, preservation of important trees and other vegetation, ecological and related considerations, no specific setback lines are established by these restrictions. In order to assure, however, that the foregoing considerations are given maximum effect, BA reserves the absolute right to control and approve the site and location of any structure upon any lot.

**SEVENTH. USES PROHIBITED:** No lot located within the Subdivision shall ever be used for business, manufacturing, commercial or professional purposes, it being intended that all lots are restricted to residential use only.

An office will be permitted within the single-family residence, but no extensive vehicular traffic will be permitted to enter or exit the subdivision as a result of the office function.

**EIGHTH. TEMPORARY STRUCTURES:** No house trailer, mobile home, tent, shack, garage, prefabricated, premanufactured or temporary structure of any nature, shall be located on any lot or used at any time as a dwelling, temporarily or permanently, nor shall any structure of a temporary character be used as a residence.

**NINTH. FENCING, SODDING, AND LANDSCAPING:**

- (a) All fencing will be approved by BA prior to being erected. Fencing will be paid for by the homeowner.
- (b) All front and rear areas of the house will be sodded, sprinkled, and landscaped.

**TENTH. SIGNS:** No advertising signs or billboards shall be erected on any lot or displayed to the public on any lot, except that one sign, not to exceed five (5) square feet in area, may be used to advertise a completed dwelling for sale. No "For Sale" signs are allowed on any unimproved lot with the exception that the declarant may have a "For Sale" sign on unimproved lots. This covenant shall not apply to signs erected by BA used to identify and advertise the Subdivision as a whole, by a contractor for an item of work being performed on a given lot, or by a bank or mortgage banks advertising that it has provided the financing for said construction during construction only.

**ELEVENTH. FUEL TANKS, STORAGE RECEPTACLES, ETC.:** No fuel tanks or similar storage receptacles located on any lot may be exposed to public view. Any such receptacles must be installed only within the main dwelling house, within an accessory building, within a screened area, or buried underground.

**TWELFTH. TELEVISION ANTENNAS:** Television antenna locations will be approved by BA.

**THIRTEENTH. ANIMALS, NUISANCES, ETC.:**

- (a) No noxious or offensive activity shall be carried on or maintained on any lot or part of any lot, nor shall any use be made of any portion of said property which may be or may become an annoyance or nuisance to the neighborhood.
- (b) No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot in the subdivision, except that dogs, cats or other household pets may be kept for the purpose of providing companionship for the private family. Animals are not to be raised, bred or kept for commercial purposes or for food. It is the purpose of these provisions to restrict the use of any lot so that no person shall quarter on said lot cow, horses, bees, hogs, sheep, goats, guinea fowls, chicks, geese, rabbits, chickens, turkeys, skunks, snakes, or any other animals that may interfere with the quietude, health or safety of the community. Pets must be restrained or confined on the homeowner's back lot inside a fenced area or within the house, except for cats. It is the pet owner's responsibility to keep the lot clean and free of pet debris. All animals must be properly tagged for identification.
- (c) Unsightly inoperative junk cars, equipment, materials and like exposures cannot be maintained on the property either prior to or after the residence has been erected on any lot.
- (d) Basketball goals, vegetable gardens and clotheslines must be out of sight visibly from the front of the dwelling and located within the backyard privacy fencing areas.

**FOURTEENTH. CONSTRUCTION APPROVALS:**

- (a) All building plans for any structure to be constructed in the Subdivision shall be approved by BA prior to the beginning of construction. Front, rear and side elevations, together with specifications on the exterior siding, windows, doors,

- roofing and exterior colors must first be submitted to BA for review and approval prior to the beginning of construction, to include sitework.
- (b) Landscaping shall be approved by BA prior to any landscaping being done. Plans submitted for approval shall include a site plan with lot lines, building outlines, driveways and parking areas.
  - © All trash and debris shall be cleaned from the site within thirty (30) days after completion of the main structure on any lot. During construction, trash and debris shall be removed from the site to prevent unsightly accumulations and the resulting spread thereof to adjacent property. Dumpsters or fenced areas shall be required for the placing of loose trash and debris. Dumpsters shall not be placed within any street right of way.
  - (d) Developer may appoint a committee to assist it in the review of plans and specifications hereunder. After all lots in the Subdivision have been sold and closed, all of Developer's responsibilities for such approvals will be turned over to a committee appointed for such purpose by the Avalon West Homeowners Association.
  - (e) No structure, planting or other material may be placed in such a manner or location as to impede the installation and maintenance of utilities and drainage facilities, unless the location and manner of use thereof has been first approved in writing by the Developer.

**FIFTEENTH. PARKING PROHIBITED:** No boats, trucks, cars, trailers, campers, motorcycles, travel trailers, or other types of recreational vehicles may be parked or stored on any of the common areas of the street right of way in the Subdivision. Neither will these vehicles be allowed on a dwelling site, except to be parked in an attached or detached garage.

**SIXTEENTH. EASEMENTS AND MAINTENANCE:**

- (a) Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat of Avalon West. Easements are also reserved for the installation, operation, maintenance and ownership of utility service lines from the property lines to the residence. BA reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing improvements. By acceptance of a deed to any lot, the owner thereof covenants and agrees to mow weeds and grass and to keep and maintain in a neat and clean condition any easement which may traverse portion of the lot, and in the event that the Buyer or Purchaser of any lot within the said subdivision breaches this restriction, BA reserves the right to enter upon said lot and mow the grass, clean up the lot and remove unsightly structures and objects, at the owner's expense. It will be the responsibility of the Avalon West Homeowners Association for the maintenance and upkeep of all drainage easements and public utility easements. All maintenance required hereunder shall also include that area from the lot line to paved streets and any easements that traverse any portion of the lot.

- (b) The general grading, slope and drainage plan of a lot may not be altered without the express written approval of BA and New Hanover County and other appropriate agencies having authority to grant such approval.
- © Each lot owner shall maintain the exterior of his or her house on his or her lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, downspout, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner. All exterior paint colors, roof colors, etc. will be approved by the architectural committee established by the Homeowners Association.

**SEVENTEENTH. UTILITY EASEMENTS RESERVED:** BA reserves the right to subject the real property in this Subdivision to a contract with Progress Energy for the maintenance of underground electric cables and/or the installation of street lighting, either or both of which may require a continuing monthly payment to Progress Energy by the Avalon West Homeowners Association.

**EIGHTEENTH. POST AND PAPER BOXES:** Each lot in the subdivision shall have only one (1) mailbox and one (1) paper box to be mounted on a single post, and furnished by the owner. Mailboxes will be purchased from the Mailbox Company.

**NINETEENTH. WATER AND SEWER:**

- (a) All water to be used in said subdivision for domestic purposes shall be obtained from the City of Wilmington Water System. Lot owners may, however, drill shallow wells for irrigation purposes and for non-domestic usage. An eight (8) foot radius from each water meter shall be an easement for maintenance and repair of such meter. Additionally, the front 10 feet of each lot is hereby reserved for utility easements.

The developer hereby grants an easement to the City of Wilmington Water System along all streets and roads in the subdivision for the purpose of installing, maintaining, repairing, and replacing water lines.

- (b) Sewage disposal shall be only into the New Hanover County sewage collection system.

**TWENTIETH. OWNERS ASSOCIATION:** To provide for the maintenance, repair, upkeep and replacement of the streets, street signs, berms, swales, and common areas (to include an infiltration pond and overflow swale)BA has formed Avalon West Homeowners Association, a non-profit corporation organized pursuant to Chapter 55A of the General Statutes of North Carolina. The Association shall be responsible for providing any necessary liability insurance. The Articles of Incorporation for said

corporation are recorded in Book , at Page of the New Hanover County Registry. The By-Laws for said corporation are incorporated herein by reference.

Every owner of a fee simple title to a lot within the development shall be deemed to own, possess and have accepted:

- (a) The membership(s) in the Avalon West Homeowners Association appurtenant to his lot(s);
- (b) An undivided equal interest with all other owners, for each membership in the Association owned, in the Association and all of its assets;
- © An easement of enjoyment, equal to that of all other owners, in and to the common areas, subject to the right of the Association to dedicate or transfer all or any part of the common areas and amenities, for such purposes and subject to such conditions as the Association may determine, acting by and pursuant to the provisions of its duly enacted By-Laws.
- (d) The duty of complying with and abiding by all of the provisions of these Articles, the By-Laws of the Association and the Rules and Regulations of the Association, including the payment of dues and assessments as provided elsewhere herein.

**TWENTY-FIRST. LIENS AND ASSESSMENT:** The Association has heretofore been given the authority to administer the operation and management of the common areas of the property, it being recognized that the delegation of such duties to one entity is in the best interests of the owners of all lots subject hereto to properly administer the operation and management of the common areas the Association will incur, for the mutual benefit of all the owners of such lots, cost and expenses sometimes herein referred to as "common expenses". To provide the funds necessary for such proper operation, management and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments to pay the costs and expenses for the operation of, the management of, and for capital improvements to the common areas, which for the purpose of these By-Laws shall be deemed to include, but not be limited to, the common areas, and all other improvements, the following shall be operative and binding upon the owners of all lots:

- (1) The owner of any lot subject hereto by acceptance of a Deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association:
  - (i) annual assessments or charges; and
  - (ii) special assessments for capital improvements or special assessments as established by the Board of Directors of the Association, such assessments to be established and collected as hereinafter provided.

The annual and special assessments, together with the interests, cost, and reasonable attorney's fees, if any, shall be a charge on the lots and shall be a continual lien upon

each lot against which they are levied. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person or entity who is the owner of such lot at the time when the assessment falls due. The personal obligation for delinquent assessments shall not pass to any successor in title unless expressly assumed by him.

(2) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the property and in particular for the maintenance, repair and replacement of all common areas, and streets.

(3) The annual assessments for each calendar year shall be established by the Board of Directors, and may be increased by the Board of Directors for any calendar year without approval by the membership by an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year. The maximum annual assessment for any calendar year may be increased without limit by a vote of two-thirds (2/3) of the members who are voting in person or by proxy at a meeting called for this purpose.

(4) In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement to the common areas, and streets provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed to the uniform rate for all lots and may be collected on a monthly basis.

(5) Written notice of any meeting called for the purpose of taking action authorized under (4) shall be sent to all members not less than (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of the membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum of the subsequent meeting shall be one-half (1/2) of the required quorum of the proceeding meeting. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

(6) The annual assessment provided for herein shall be collected on a yearly basis and shall commence as to all lots within a particular subdivision on the day of the closing to the Homeowner. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

(7) Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum from the date due until paid. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the lot and interest, costs, and reasonable attorney's fee

of such action or foreclosure shall be added to the amount of such assessment.

(8) The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of New Hanover County, North Carolina, which claim shall state the description of the lot encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or Deed of Trust and any person, firm, corporation or other entity acquiring title to any lot by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and become due and payable subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a lot by foreclosure, deed in lieu of foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all lots as a part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

(9) Upon the sale of seventy-five percent (75%) of the lots in Avalon West, BA will turn over control of the owners association to the Board of Directors to be elected by the membership in accordance with the By-Laws of the Association. Until such time, however, BA shall appoint the Board of Directors of the Association. BA will maintain architectural control until the entire project is built out.

**TWENTY-SECOND. INVALIDATION:** Invalidation of any one of these covenants by judgements or court order shall in no way affect any of the other covenants herein, which shall remain in full force and effect.

**TWENTY-THIRD. VIOLATION:** If the parties hereto, or any of them, or their heirs and assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any person or persons owning any real property situated in said Avalon West to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants, and either to prevent him or them from so doing or to recover damages or other dues for such violation.

**TWENTY-FOURTH. VALIDITY:** All covenants, restrictions and affirmative obligations set forth in these Restrictions shall run with the land and shall be binding on all parties and persons claiming under them to specifically include, but not be limited to the successors and assigns, if any, of BA, for a period of twenty (20) years from the date hereof after which time all said covenants shall be automatically extended for successive periods of ten years, unless an instrument signed by the owners of a majority of the lots (not including mortgagees or trustees under deeds of trust) substantially affected by such changes in covenants, has been recorded, agreeing to change said covenants in whole or in part.

**TWENTY-FIFTH. DEVELOPER'S RIGHT TO AMEND:** Developer shall have the right to amend these Restrictions, in whole or in part, without the consent or joinder of any owner of any lot in said Subdivision, until the entire project is built out.

**TWENTY-SIXTH. DEDICATION OF STREETS:** As provided herein, the streets, roadways, and parking areas within Avalon West, including Avalon Avenue and Caribe Court, shall be maintained by the Association, the cost of which shall be considered a common expense of the Association until such time as the maintenance of the streets is taken over by applicable governmental authority. Maintenance shall include but shall not be limited to paving, clearing, snow removal, repairs and replacements, including resurfacing and restriping, maintenance of lights and light standards, landscaping, and all other functions necessary for the proper upkeep and operation of such roadway improvements.

In the event that the Owners within Avalon West should vote to dedicate the said streets, roadways, and parking areas to the public such that they may be maintained by the State of North Carolina, the Owners with Avalon West shall have the right to do so.

**TWENTY-SEVENTH:** Developer will pay no Homeowners Association fees at any time and including any and all unsold and undeveloped lots.

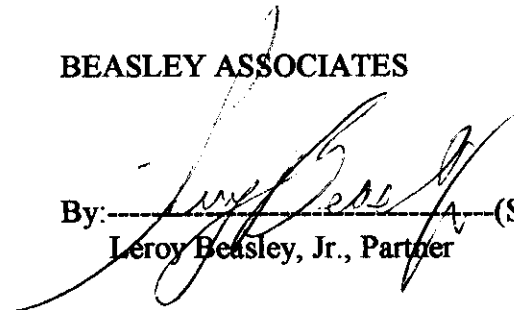
**TWENTY-EIGHTH:** Bruce Jackson, developer of Avalon Oaks subdivision and Beasley Associates, developer of Avalon West subdivision, in the year 2002, mutually planned an amenity site that would serve and be maintained by both of the above subdivisions. The amenity was generally a pier and surrounding common area that would serve both subdivisions. This pier is accessible to the ICW.

There was an amendment to the covenants for the Avalon Oaks subdivision prepared and signed by all parties and recorded in Deed Book 4157, Page 954-961. This amendment states all of the rights by both parties to this amenity site. The cost of maintenance, insurance and other expenses will be shared equally by all owners in both subdivisions.

There are 6 owners in Avalon Oaks and 24 owners in Avalon West.

IN TESTIMONY WHEREOF, BA has caused this instrument to be signed in its name by its partners this 21 day of August, 2007.

BEASLEY ASSOCIATES

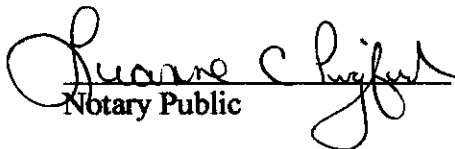
By:  (SEAL)  
Leroy Beasley, Jr., Partner

By:  (SEAL)  
Sondra A. Beasley, Partner

STATE OF NORTH CAROLINA  
COUNTY OF NEW HANOVER

I, a Notary Public of the County and State aforesaid, certify that Leroy Beasley, Jr., and Sondra A. Beasley, General Partners of BEASLEY ASSOCIATES, a North Carolina General Partnership, for and on behalf of the partnership, personally appeared before me this day and acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal, this 21 day of August, 2007.

My Commission Expires: 8/4/2010

  
Notary Public



**BY-LAWS  
OF  
HOMEOWNERS ASSOCIATION – AVALON WEST**

**ARTICLE I**

**GENERAL PROVISIONS**

**SECTION 1 – IDENTITY:** These are the By-Laws of the Homeowners Association, Avalon West, a non-profit corporation organized pursuant to the laws of the State of North Carolina; the Articles of Incorporation for which have been recorded in Book , at Page , in the Office of the Register of Deeds of New Hanover County, North Carolina.

**SECTION 2 – INCORPORATION:** The provisions of these By-Laws supplement and are enacted pursuant to the provision of the above referenced Articles of Incorporation and are applicable to the record owners of lots located upon or within that certain development of real property known as Avalon West as shown upon a map thereof recorded in Map Book 51, at page 27, of the New Hanover County Registry.

**SECTION 3 – APPLICATION:** These By-Laws shall, in conjunction with the above referenced Articles of Incorporation govern the affairs, rights, privileges, duties and obligations of the Association, all owners, the Developer, all mortgagees, Beneficiaries under Deed of Trust, Lessees and occupants of all lots subject hereto, their employees and all others who may use or enjoy any of the property subjected hereto, and the acceptance of a Deed for or conveyance of, or the succeeding title to, or the entering into a lease for, or the actual occupancy of, or use of a lot, the common areas, streets, and amenities, or any of the improvements thereon by any of the above shall constitute an acceptance by the same of the provisions of these By-Laws; the Rules and Regulations enacted pursuant hereto and the provisions of the herein above referenced Articles, and an agreement to comply and abide by the same.

**SECTION 4 – PRINCIPAL OFFICE:** The principal office of the Association and of the Board of Directors shall be located at 5094 Edinboro Lane, Wilmington, New Hanover County, North Carolina 28409

**ARTICLE II**

**MEMBERSHIP**

**SECTION 1 – IDENTIFICATION:** The Association shall have two classes of voting membership.

**Class A.** Class A Membership shall be those Owners, with the exception of BA until its Class B membership has converted into Class A membership, who own lots within Avalon West. Each Class A member shall be entitled to one vote for each lot so owned.

**Class B.** The Class B member shall be BA, and it shall be entitled to three (3) votes for each lot owned by it. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier: (a) when the last lot is sold by declarant or on December 31, 2015.

**SECTION 2 – RECORDS:** The Secretary of the Association shall maintain at the principal office of the Association a register of all of the current owners of memberships in the Association and the mailing address of each owner and of all mortgagees or beneficiaries under Deeds of Trust of all such lots.

**SECTION 3 – VOTING RIGHTS:** If a membership is owned by one (1) person, his right to vote shall be established by the record title to his lot. If a membership is owned by more than one (1) person, or is under lease, the person entitled to cast the vote for such membership shall be designated by a certificate signed by all of the record owners of such membership and filed with the Secretary of the Association. If a membership is owned by a corporation, the person entitled to cast the vote for that membership shall be designated by a certificate signed by the President or Vice President and attested by the Secretary or the Assistant Secretary of such corporation and filed with the Secretary of the Association. If a membership is owned by a partnership, whether general or limited, or a joint venture, the certificate designating the voting member shall be signed by all partners or joint venturers, as the case may be. Such certificates shall be the ownership of the membership concerned. A certificate designating the person entitled to cast the vote of a membership may be revoked by any owner of such membership. If such a certificate is not on file, the vote of such membership shall not be considered in determining the requirements for a quorum nor for any other purposes under these By-Laws.

**SECTION 4 – MORTGAGEES AND TRUSTEES UNDER DEEDS OF TRUST:** In the event that any such lot is conveyed by mortgage or by Deed of Trust, then the rights, duties, obligations, powers and privileges appurtenant to the membership appurtenant to such lot shall be exercised by the owner of the equity in the lot, and not by the mortgagee under any mortgage or the trustee or beneficiary under any Deed of Trust against such lot.

**SECTION 5 – ANNUAL MEETINGS:** Subject to the provisions of Article VI of these By-Laws, the annual meetings of the Association shall be held on the last Saturday in November of each year unless such date shall occur on a legal holiday, in which event, the meeting shall be held on the next succeeding business day. The purpose of the annual

meeting shall be for the election of the Directors of the Association for the succeeding year and for the transaction of any and all business of the Association as may properly come before the meeting.

**SECTION 6 – SPECIAL MEETING:** It shall be the duty of the President to call a special meeting of the membership if so directed by resolution of the Board of Directors or upon a petition calling for a special meeting presented to the Secretary of the Association and signed by at least twenty-five percent (25%) of the owners of memberships in the Association. The notice of any special meeting shall state the time, place and purpose of the meeting. No business shall be transacted at a special meeting except as stated in the notice.

**SECTION 7 – NOTICE OF MEETINGS:** The Secretary shall mail to each owner of a membership in the Association notice of each annual or special meeting of the membership at least ten (10) days but not more than sixty (60) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held. Said notice shall be mailed to the address which the owner of each membership has designated to the Secretary and maintained by the Secretary on his current register of owners. The mailing of a notice of a meeting in the manner provided in this section shall be considered service of notice.

**SECTION 8 – ADJOURNMENT OF MEETINGS:** If any meeting of the membership cannot be held because a quorum has not attended, a majority of the membership who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not more than forty-eight (48) hours from the time the original meeting was called.

**SECTION 9 – QUORUM:** A quorum at all membership meetings shall consist of persons representing and entitled to cast the vote appurtenant to at least fifty-one percent (51%) of the memberships in the Association. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the membership, except when approval by a greater number of members is required by the Declaration, these By-Laws or by law; but those present at any meeting, though less than a quorum, may adjourn said meeting to a future time.

**SECTION 10 – PROXIES:** The vote appurtenant to each membership may be cast by the person designated as entitled to cast such vote by proxy. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner of the membership to which said vote is appurtenant. Such proxy shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of such meeting.

**SECTION 11 – PLACE OF MEETINGS:** Meetings of the Association's membership

shall be held at the principal office of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

**SECTION 12 – ORDER OF BUSINESS:** The order of business at all meetings of the Association shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of Board of Directors, if necessary; (f) unfinished business; and (g) new business.

### **ARTICLE III**

#### **BOARD OF DIRECTORS**

The property, affairs and business of the Association shall be managed by the Board of Directors; provided, however, that the provisions of this Article are subject to the provisions of Article VI of these By-Laws.

**SECTION 1 – NUMBER, TERM OF OFFICE AND QUALIFICATIONS:**

The number constituting the Board of Directors shall be three (3). Each Director shall continue in office until the annual meeting of the membership held next after his election and until his successor shall have been elected and qualified or until his death or until he shall resign or shall have become disqualified or removed from office. Directors need not be residents of Avalon West, provided, however, that each Director shall be an owner or spouse of an owner in one of the developments subject hereto and in the case of partnership owners, shall be a member or employee of such partnership, and in the case of corporate owners, shall be an officer, shareholder, or employee of such corporation, and in the case of fiduciary owners, shall be the fiduciary, or an officer or employee of such fiduciary.

**SECTION 2 – APPOINTMENT OF DIRECTORS:**

**Subsection 2.1:** Upon the sale of seventy-five percent (75%) of the lots in Avalon West, BA will turn over control of the owners association to the Board of Directors to be elected by the membership in accordance with the By-Laws of the Association. Until such time, however, BA shall appoint the Board of Directors of the Association.

**Subsection 2.2:** Except for the Board of Directors, which is appointed as stated in Subsection 2.1 above: (a) election of Directors shall be held at the annual meeting of the membership; (b) by nominations for Directorships shall be made from the floor by the membership or by the Board of Directors; (c) the election shall be by written ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person representing a membership entitled to vote being entitled to cast on (1) vote for each of as many nominees as there are Directorships to be filled. There shall be no cumulative voting.