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BYLAWS OF
NEPTUNE-BY-THE-SEA HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

MEMBERS

Section 1. Two types of members of Neptune by the Sea, Inc. (hereinafter called "Association"), a corporation not for profit organized under the laws of the State of Florida, shall be authorized as follows:

- a. Full Members (hereinafter called "Members") shall consist of the respective owners (hereinafter called "Owners") of occupied subdivision lots (hereinafter called "Lots") in Neptune by the Sea, a residential subdivision (hereinafter called "Subdivision") as wish to join the Association and confirm their intent to participate by the payment of the Association annual dues.
- b. Associate Members (hereinafter called "Associates") shall consist of those resident heads of households of the Subdivision who are not Owners yet wish to join and participate in social activities of the Association and confirm their intent to participate by the payment of annual dues.

Section 2. The membership of each Member shall terminate when he ceases to be an Owner or upon non-payment of Association dues. The membership of each Associate shall terminate when he is no longer a resident of the Subdivision or upon non-payment of dues.

Section 3. Each Member shall be entitled to one vote at Association meetings for each lot owned by such Member. In the event that a Lot is owned by more than one owner, or by a Corporation, Trust or other entity, the person entitled to cast the vote for that lot shall be designated by a certificate filed with the Association and signed by all Joint Owners or an authorized agent of the corporation or other entity. Associates shall have no vote in the Association .

Section 4. No quorum shall be necessary for the transaction of business at membership meetings.

Section 5. Votes may be cast in person or by proxy. Proxies shall be in writing, shall be valid only for the particular meeting designated thereon, and must be filed with the secretary before the appointed time of the meeting.

ARTICLE II

MEETINGS OF MEMBERSHIP

Section 1. The meetings of the Members shall be held in accordance with the Articles of Incorporation and these Bylaws.

Section 2. The annual meeting of the Members shall be held at the offices of the Association, or at such other place in the State of Florida as shall be designated by the Board of Directors, and shall be in June of each year at such time as shall be designated by the Board of Directors. Quarterly meetings are not mandatory but shall be called at the discretion of the Board and shall be at the offices of the Association, or at such other place in the State of Florida as shall be designated by the Board of Directors. Quarterly meetings shall normally be held every September, December and March at such time as shall be designated by the Board of Directors.

Section 3. Unless specifically provided otherwise herein, special meetings of the Members shall be held when directed by the Board of Directors or when requested in writing by Members holding a majority of the votes having the right to vote at such meetings. A meeting requested by the Members shall be called for a date not less than fourteen or more than sixty days after the request is made. The call for the meeting shall be issued by the Secretary.

Section 4. Notice of all meetings of Members, regular or special, shall be given by the President, Vice President or Secretary of the Association to each Member, unless waived in writing. Such notice shall be written or printed, shall state the time, place and purpose for the meeting specifically describing any actions to be taken, and shall be mailed or personally delivered to each member not less than five nor more than thirty days prior to the date set for the meeting. All notices may be sent by regular mail.

Section 5. Any Member may waive notice of a meeting in writing.

Section 6. A majority of the votes represented at any meeting shall decide any question before the meeting, unless specifically provided otherwise in these Bylaws or the Articles of Incorporation of the Association.

ARTICLE III

BOARD OF DIRECTORS

Section 1. The Board of Directors of the Association shall consist of not less than four, nor more than nine persons, who shall be originally appointed as provided in the Articles of Incorporation. The four persons originally appointed to serve as directors and officers as provided in the Articles of Incorporation shall constitute one class of Directors and shall hold office for an initial term of two years and until their successors shall be elected and qualified, and the persons originally appointed to serve as directors but not as officers as provided in the Articles of Incorporation shall constitute a separate class of officers, and shall hold office for an initial term of one year and until their successors shall be

elected and qualified. Thereafter, each class of directors shall be elected at alternate annual meetings of the Members, and shall hold office for a term of two years and until their successors shall be elected and qualified. At each election for directors, each Member shall be entitled to vote for as many persons as there are directors to be elected. Directors may be re-elected successively any number of times.

Section 2. Each director shall be a Member or the spouse of a Member (or, if a Member is a corporation, partnership, or Trust, a director may be an officer, partner or beneficiary of such member). If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director, and his or her place on the Board shall be deemed vacant.

Section 3. Any vacancy occurring on the Board may be filled by a majority vote of the remaining directors.

Section 4. An annual meeting of the Board shall be held immediately following the annual meeting of the Members and at the same place. Special meetings of the Board shall be held upon call by the President or the vice president, or a majority of the Board on not less than three days notice in writing to each director. All meetings of the Board of Directors shall be open to Members. Any director may waive notice of a meeting or consent to the holding of a meeting without notice or consent to any action of the Board without a meeting.

Section 5. A quorum for the transaction of business shall consist of a majority of the directors. However, less than a quorum may adjourn a meeting from time to time. A majority of directors who are present at any meeting where a quorum is present shall decide any question before the meeting, unless otherwise provided herein or in the Articles of Incorporation.

Section 6. Any director may be removed from office at any meeting of Members duly called for such purpose, with or without cause, by the affirmative vote of members holding a majority of the votes for the association.

Section 7. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by the Members.

Section 8. The Board shall have the following powers and duties:

- a. To carry out the purposes of the Association expressed in the Articles of Incorporation and these Bylaws;
- b. To administer the affairs of the Association and formulate policies therefor;
- c. To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Members, their respective shares of such estimated expenses as hereinafter provided and, with the approval of the Members, to assess any supplemental assessment;

- d. Unless otherwise provided herein, to comply with the instructions of Members as expressed in a resolution duly adopted at any annual or special meeting of the Members.

ARTICLE IV

OFFICERS

Section 1. At each annual meeting of the Board of Directors, they shall elect from the Directors the following officers of the Association:

- a. A President who shall preside over the meetings of the Board and of the Members of the Association, and shall be the chief executive officer of the Association. In the recess of the Board of Directors, the President shall have general control and management of the business and affairs of this Association;
- b. One or more Vice Presidents, who shall, in the absence or disability of the President, perform the duties and exercise the powers of the President;
- c. A Secretary, who shall keep the minutes of all meetings of the Board of Directors, and of the Members and who shall perform all the duties generally incident to the Office of Secretary;
- d. A Treasurer, who shall cause to be kept the financial records and books of account of the Association; and
- e. Such additional officers as the Board of directors shall see fit to elect.

Section 2. The respective officers shall have the general powers usually vested in such officers of a not-for-profit corporation, provided that the Board may delegate any specific power(s) to any other officer(s) or impose limitation(s) or restriction(s) upon the powers of any officer as the Board may deem necessary.

Section 3. Each officer shall hold office for the term of one year starting 1 July through 30 June and until his successor shall have been elected and qualified but may be re-elected successively any number of times.

Section 4. Vacancies in any office shall be filled by the Board at special meetings thereof. Any officer may be removed at any meeting of the Board of Directors duly called for such purpose, with or without cause, by the affirmative vote of a majority of the members of the Board.

Section 5. officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by the Members.

ARTICLE V

COMMITTEES

Section 1. Following the election of officers by the Board at its annual meeting and prior to 1 September, the President shall nominate from among the directors a chairman for each standing committee. The President shall select and appoint Members to serve as Association Block Captains. Block Captains will disseminate information and maintain contact with individual Members in specified areas of the Subdivision. The standing committees may include (but are not limited to) the following, and their respective responsibilities shall include:

- a. Budget and Finance Committee Making of recommendations to the Board of Directors concerning the annual budget and financial affairs of the association.
- b. Membership Committee Coordination and implementation of the following activities:
 - i. Coordinate Block Captains in welcoming new residents;
 - ii. Conveying community information and Covenant data to new residents; and
 - iii. Receive membership applications and dues, and maintain an accurate membership roll;
- c. Social & Publicity Committee Coordination and implementation of the following activities:
 - i. Plan all social activities sponsored by and for the Association and provide "greeters" at Member meetings.
 - ii. Serve as liaison with local news agencies;
- d. Community Improvement Committee Coordination and implementation of the following activities:
 - i. Improving the appearance of the community by plantings or other projects of an aesthetic nature.
 - ii. Ensuring the safety and best interest of residents of Neptune By The Sea in cooperation with authorities of Neptune Beach and other agencies who may have jurisdiction regarding the maintenance and improvement of facilities in the community.
 - iii. Obtaining and disseminating information about surrounding area zoning and land use and the proper maintenance of homes and grounds which may be of general interest to the Members.
- e. Covenants & Restrictions Committee support the Board of Directors on matters concerning the Covenants and Restrictions by the following activities:
 - i. Remain familiar with the terms of the Covenants and Restrictions applicable to the lots of Neptune By the Sea, Units I and II.
 - ii. Response to queries from Members concerning Covenants and Restrictions.
 - iii. Consider complaints lodged by Members alleging violations of the Covenants and Restrictions, investigate those complaints and render a report of findings with the Committee's recommendations to the Board of Directors in accordance with the Board's current Policy.

Section 2. Each committee chairman shall then appoint members to that committee from the general Membership.

ARTICLE VI DUES

Section 1. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. The Association's fiscal year is from 1 September through 31 August. Such budget shall take into account the estimated common expenses and cash requirements for the year. The annual budget shall also take into account the estimated net available cash income for the year and a reserve for replacements in reasonable amounts as determined by the Board. These considerations just given shall be used by the Board in determining the amount of the annual dues.

Section 2. The estimated annual budget for each fiscal year shall be approved by the Members at a duly called meeting. A copy of the proposed annual budget shall be mailed or delivered to Members not less than fifteen (15) days prior to the meeting at which the budget is to be considered, together with notice of the meeting specifying the time and place at which it will be held.

Section 3. Each Member shall pay his proportionate share of the expenses for such year as shown by the dues amount shown on the annual budget. Such dues shall be paid at the start of the fiscal year, in advance, for the year in question. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new dues for any year, or shall be delayed in doing so, each Member shall continue to pay the amount of his respective dues as last determined.

Section 4. The Board shall maintain accounting records according to approved accounting practices, which records shall be open to inspection by Members at reasonable times and upon reasonable notice. These accounting records shall include a record of receipts and expenditures. Within ninety (90) days after the end of each year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Member a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. In the event that during the course of a fiscal year, it shall appear to the Board that the annual dues, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated expenses for the remainder of such year, then the Board shall prepare a supplemental budget covering the estimated deficiency for the remainder of such year, furnish copies to each member, and call a meeting of the Members for consideration of such matters.

Section 6. Without the approval of the Members holding a majority of the votes represented at a meeting, the Board shall not approve any expenditure in excess of five hundred dollars (\$500.00).

ARTICLE VII

AMENDMENT

Amendment, alteration, or rescission of these Bylaws may be proposed by a majority of the Board of Directors or the written proposal of at least five members. Any proposed amendment, alteration or rescission of these Bylaws shall become effective only when approved by the vote, in person or by written proxy, of the Members holding a majority of the votes represented at a regular or special meeting of the members, notice of which shall state that such a proposed amendment, alteration or adjustment is to be voted upon at the meeting.

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