

NEPTUNE BY THE SEA HOMEOWNERS ASSOCIATION

STATEMENT OF POLICY

COVENANTS AND RESTRICTIONS

GENERAL: a. Pursuant to the by-laws of the Association, the Board of Directors (“the Board”) has approved this Statement of Policy regarding Covenants and Restrictions (C&R’s). Previous policy statements regarding C&R’s are rescinded. The policies here set forth are guidelines, and a failure to adhere to them shall not invalidate any action otherwise taken within the authority of the Association.

b. The C&R’s are attached to and run with deeds to all lots in this subdivision. They have been duly recorded in the property records of Duval County. The C&R’s remain in force until the year 2014 and are automatically renewed for a period of 25 years thereafter. By letter of November 18, 1992, the Developer has assigned all “rights” under the C&R’s to this Association.

c. The primary purpose of this Association is to protect, preserve and enhance the quality of our subdivision. We believe the C&R’s set forth reasonable and attainable standards. If all owners comply with the C&R’s, the entire subdivision will benefit; if not the beauty and value of our homes will inevitably be degraded. We therefore call on each homeowner to maintain essential compliance with the terms and spirit of the C&R’s. The Board recognizes that the C&R’s are only an adjunct tool in maintaining our neighborhood. In the end, we can achieve the goals of the Association only by cooperation, understanding and concern for our neighbors.

d. The Board believes that when a violation of the C&R’s impacts adversely on our neighborhood, the Association should take appropriate corrective action. Surveys of homeowners show that they place high importance on enforcement of the C&R’s

COMPLAINTS & REPORTS OF VIOLATIONS: In most cases, action concerning a C&R violation will result from a report or complaint from a homeowner transmitted to a member of the Board of Directors. Additionally, the Board may itself recognize a violation as a basis for action. Priority will be given to reports or complaints received from Association members.

C&R COMMITTEE: With the approval of the Board, the President will appoint one or more Directors as a “C&R Committee”, and designate the Chair thereof. This committee will coordinate all enforcement and other measures regarding the C&R’s. Internal communications between the Committee and the Board will normally be accomplished by email.

INITIAL PROCEDURES: All complaints or reports of C&R violations will be initially referred to the C&R Committee. The Committee will inquire into the circumstances and,

a. If the Committee believes the report is not founded in fact, is insubstantial or has no impact on the community as a whole, the Chair will report the findings to the Board. If no member of the Board objects to the Committee’s conclusions (or if no reply is received within 24 hours), the Chair will advise the complaining or reporting homeowner accordingly. If there is an objection or request for discussion, the matter will be deferred pending further consideration by the Board.

b. If the Committee believes the violation is founded in fact and worthy of further action, the Chair will prepare a proposed letter to the offending homeowner and forward copies to the Board by email, together with recommendations. (The tone of the letter should seek voluntary, cooperative compliance, usually by a date certain.) If there is no objection from a Board member (or if no reply is received within 24 hours), the Chair will sign the letter "By Direction of the Board of Directors" and mail it to the offending homeowner.

FOLLOW-UP ACTIONS: If after a reasonable time the offending homeowner has not complied, the C&R Chair will prepare a second proposed letter to that homeowner for the signature of the President and send it to the President for approval, signature, and dispatch, with copies to the Board by email. This letter will emphasize more directly the legal requirements for compliance, the Association's legal authority to require such, and our desire to avoid reference to the Association's attorney for his action, measures we are prepared to take. The President will consider the circumstances and the views of any Board member "weighing in", and either:

- a. mail the letter by certified mail, with any changes desired, or
- b. defer action pending further Board consideration.

REFERENCE TO THE ASSOCIATION ATTORNEY: If after a reasonable time the offending homeowner has still not complied and the President determines, after consulting with the C&R Chair, that further action is necessary and appropriate, the C&R Chair will advise the Board by email of the intention to refer the matter to the Association Attorney for "advice and such legal action as you deem necessary, short of filing an actual lawsuit". [Normally this will result in a letter from the Attorney to the offending homeowner.]

a. If there are no objections by the Board (or no response within 24 hours) the C&R Chair will deliver the file to the Association Attorney for appropriate legal measures.

b. If there are objections or questions by Board members, the matter will be deferred pending further Board consideration.

FILING OF LAW SUIT: If at any time the Association Attorney recommends filing a law suit to achieve compliance, the President will call a special meeting (with physical attendance) of the Board to consider the matter and the likely costs involved. The Board will then take further action (by recorded vote) as appropriate.

INFORMAL ACTIONS: Experience has shown that informal (telephone, conversation, etc.) communications between allegedly offending homeowners and officers or directors, while well-meaning, are often subject to misunderstanding or misinterpretation. In almost all cases, written communications will best serve the needs of the Association and the individual homeowner.

APPROVED BY THE BOARD OF DIRECTORS:

Original Signed

Patricia A. Clarke
Secretary

Date: February 2 , 2010.