

Belmar North HOA, Inc.

Bylaws

Article I. Name

Section 1, Name: The association was originally created as the Belmar Master Association, Inc on May 24, 2010. On July 30, 2012, the name was changed to Belmar North HOA, Inc. (referred to herein as the "Association").

Section 2, Official Contacts:

The Association's official email address is: BelmarNorthHOA@gmail.com

The Association's official website is: BelmarNorthHOA.com

Article II. Purpose

The purpose of the Association is to operate a homeowner's association to provide for the acquisition, construction, management, maintenance and care of Association property that includes the common areas within the Belmar North neighborhood in accordance with the recorded Declaration of Covenants, Conditions and Restrictions (referred to herein as the "Declarations").

Article III. Membership

Section 1, Membership: Membership is defined by Section 2.1 of the Declarations.

Section 1.1 Homeowners: All homeowners are required to be members of the Association.

Section 1.2 Declarant/Belmar Golf, LLC: The Declarant is considered a member of the Association with respect to undeveloped, unsold lots.

Section 1.3 Builders: Builders are not required to be members of the Association while constructing a home on a lot. Mandatory membership is not required until completion and initial transfer to a homeowner for purposes of occupying the home as a residence.

Section 2, Voting Membership: Voting Rights are defined in Section 2.2 of the Declarations.

Section 2.1 Member in Good Standing: All homeowners who have paid their dues, assessments and fines in full will be considered members in good standing.

Section 2.2 Co-ownership; One Vote Per Lot: When more than one person holds an ownership interest in a lot, all such persons shall be members. However, co-owners must determine among themselves how to exercise their vote, as only one vote may be cast with respect to any lot. If co-owners cannot reach agreement and multiple conflicting votes are submitted in a matter, the Board will disregard them.

Section 2.3 Voting: Members must be in good standing to vote on all matters.

Section 3, Voting Process:

Section 3.1 Standard Process: Unless an exception is specified in the Declarations or herein, matters subject to voting will be determined by a majority of the members voting in-person or by proxy at a meeting duly called for that purpose.

- (A) To be considered duly called for a particular purpose, a meeting agenda that includes the item to be voted on must be posted to the Association website, BelmarNorthHOA.com, 10 days prior to the meeting date.
- (B) The Board may accept proxy votes assigned to the Board or particular Board members that are submitted electronically to the official email address, BelmarNorthHOA@gmail.com

Section 3.2 Exceptions:

- (A) Notice for a change in Annual Dues or for a Special Assessment must be sent in writing to homeowners by mail, which may include electronic mail where the homeowner has consented, 10 days in advance.
- (B) Notice for the proposed adoption, modification or change of a rule or a fine must be sent in writing to homeowners by mail, which may include electronic mail where the homeowner has consented, 5 days in advance of the meeting and 10 days prior to enforcement thereof (regardless of whether the Board is seeking a Member vote or whether it will be a Board-only vote).
- (C) Amendments to the Declarations require approval by eighty percent (80%) of all Members (not just those voting).

Article IV. Dues, Assessments and Fines

Section 1, Amount of Dues: Current Annual Dues are \$220, due on January 1 each year; however, a grace period through March 1 is applied. For newly completed homes, dues will be prorated from the date of transfer to the initial homeowner (i.e. the closing date).

Section 2, Special Assessments: A Special Assessment of \$210 is imposed for 2018 and was due on January 1, with a grace period through March 1 to be applied. For newly completed homes, the assessment will be prorated from the date of transfer to the initial homeowner (i.e. the closing date).

Section 3, Fines: Fines may be imposed for violations of the Declarations as set forth in Article VII.

Section 4, Collection: The board is responsible for collecting monies owed to meet the financial obligations of the Association.

Section 4.1, Collectible on Sale: Upon sale or conveyance, all unpaid dues or assessments, including interests and costs and related attorney fees incurred in collection, shall be collected as set forth in the Declarations, Section 2.6(G).

Section 4.2, Payment Plans: The Board may review and approve reasonable payment plans for members experiencing financial hardships and waive interest on amounts subject to an approved payment plan.

Section 4.3, Other Collection Activities: The board may initiate collection efforts as provided for in the Declarations, Section 2.6, including, but not limited to: sending statements via certified mail, charging interest at 18%, and arranging for professional collection activities (including lien filings and legal representation in foreclosure proceedings). The member is required to pay the costs, expenses and attorney's fees related to collection activities, and those costs are added to the amount originally owed, constituting a lien on the property with priority status as noted in the Declarations, Section 2.6(F).

Article V. Meetings

Section 1, Member Meetings: The Association will hold member meetings quarterly, or more often as needed, at a time and place that is convenient to the largest number of members. Meeting dates and times will be posted on the Association website and on the sign at the gate at least 10 days in advance.

Section 2, Committee Meetings: The Executive Committee and/or other committees of the association may meet at other times to conduct the business of the association.

Section 3, Annual Meeting: The Association will hold an annual meeting in February of each year. All members are allowed to attend this meeting, but only members in good standing are allowed to vote at this meeting. Items to be addressed at the annual meeting include:

- (A) Election of board members;
- (B) Review of prior year's finances and annual operational budget for current year;
- (C) Review of reserve fund and discussion of long-term capital needs; and
- (D) Review of organizational documents, with an opportunity for members to propose amendments (which must be submitted by members to the board by January 1 of each year to allow for inclusion in the annual meeting ballot).

Section 4, Executive Meetings: As the Board is managing the day-to-day operations of the Association internally, without a professional management company, they may hold Executive Meetings to address operational needs as well as to: set the agenda for Member meetings, arrange the annual meeting and related topics, establish committees and appointing committee

chairs, etc. Executive Meetings and related actions may occur electronically via email, video-conference, or telephonic-conference, upon approval by the majority of the board.

Section 5, Quorum: At least 50% of board members must be present for Member Meetings and Executive Meetings to constitute a quorum for operating business. No quorum requirements apply for Committee Meetings.

Article VI. Board of Directors

Section 1, Board Composition: The Board is comprised of 7 members.

Section 2, Terms: To provide continuity in Association operations, board members will be elected on a tiered schedule. New board members will each serve a three year term, beginning at the end of the meeting when they are elected and continuing until the annual meeting after their third year of service, with the following exceptions:

- (A) By July 1, 2018, the board members elected in January 2018 will discuss and identify member positions to expire as follows: 3 positions to expire in 2019; 2 positions to expire in 2020; and 2 positions to expire in 2021. These will be included in the minutes of a quarterly meeting and posted on the website.
- (B) Members may petition for the expiration of a particular board member's term by submitting a request signed by members representing 20 lots by members in good standing. Petitions for early expiration must be received by January 1 of each year to allow for adaptation of the annual meeting ballot.
- (C) Where a board member has died, voluntarily resigned or has failed to participate in more than 60% of the board meetings over a nine month period, the Board may place that position on the next annual ballot after a majority vote at a quarterly meeting.
- (D) Board members elected to fill prematurely expired positions will serve the remainder of the term of that particular position (and not the standard 3 year term).

Section 3, Elections: Board members are elected at the annual meeting (see Voting Process in Article III, Section 3). Election voting will be monitored by a board member who is not subject to the election, or the board may arrange for independent monitoring. While nominations and submissions will be accepted in advance, nominations may also be accepted from the floor at the annual meeting.

Section 4, Vacancies: A vacancy in any position because of death, resignation, or otherwise may be filled temporarily by a majority vote of the Board at an Executive Meeting. The position will then be placed on the ballot for the next annual meeting, subject to Section 1.2(D) herein.

Section 5, Officers: The officers shall be President, Vice- President, Secretary, Treasurer, Compliance Liaison and any other officers agreed upon and voted on by the membership. The board will elect officers at the first Executive Meeting after the annual meeting. Officer duties include:

- (A) President - The President shall be the principal executive officer of the Association and shall generally supervise the business and affairs of the Association. He/She shall preside over all Executive Meetings and shall be considered a non-voting, voluntary member of all other standing and ad-hoc committees. He/She presides over the annual and regularly scheduled meetings of the Association. The President may represent the Association at other meetings in the community as needed.
- (B) Vice-President - The Vice-President shall assist the President when necessary, by attending committee meetings or other community meetings on behalf of the Association. The Vice President performs the duties of the President in the event the President is unable to fulfill his/her responsibilities. He/She presides over meetings if the President is unable to attend. The Vice President may also be called upon to assist the other officers in their duties, such as assuring association records are filed and organized.
- (C) Secretary - The Secretary shall keep the minutes of all regularly scheduled meetings as well as all Executive Committee meetings. The Secretary shall also be responsible for keeping accurate records of all Association business, including but not limited to, all minutes, meeting notices, correspondence, copies of financial reports, copies of up to date by-laws, articles of incorporation paperwork and any other historical document that pertains to the ongoing business of the association. The Secretary will pass this information on to the next Secretary at the end of his/her term.
- (D) Treasurer - The Treasurer shall be responsible for all funds of the Association. He/She shall coordinate¹ the receipt and deposits of monies due and payable to the Association from any source; payment of monies owed by the Association, and the preparation of timely financial reports. He/She is accountable for all expenditures of the Association and must keep good records, including receipts, to back up every transaction². Each check of the association shall be signed by two signatures. Treasurer shall prepare the check for signatures, and two other officers will sign the checks. The Treasurer shall not be an authorized signer on Association accounts, but must have access to view electronic/online banking records.

¹ As the Board is managing Association resources internally, without a professional management company, tasks may need to be delegated across board members – with the Treasurer’s primary role being to coordinate tasks to maximize best practices relating to separation of duties and internal controls.

² These may be transferred to the Secretary monthly, after submission of the Treasurer’s Report, but should be transferred to the Secretary at least quarterly.

- (E) Compliance Liaison – The Compliance Liaison will coordinate compliance activities on behalf of the board as provided for in Article VII.

Article VII. Compliance

Section 1, Declarations: Member requirements are detailed throughout the Declarations, with Exhibit C setting forth specific Use and Property Restrictions. These have been amended multiple times; to provide clarity, a document with the current Use and Property Restrictions (incorporating all amendments) is attached hereto as Attachment A.

Section 2, Schedule of Fines for Non-Compliance with Property Restrictions: To respect member privacy and in consideration of liability issues, while the Board may choose to enter upon member property to remedy a compliance violation, it prefers to address non-compliance through fines. The Schedule of Fines for Non-Compliance with Property Restrictions will be maintained on the Association website. Revisions thereto are subject to Article III, Section 3.2 herein.

Section 3, Compliance Committee: The Compliance Liaison shall manage the day-to-day compliance activities on behalf of the board, with the support of a Compliance Committee.

Section 4, Compliance Complaints: Compliance complaints may be submitted to the Board via mail or email, but adequate documentation of the violation must be provided by the complaining party before the Compliance Liaison will respond. Members are not required to coordinate complaints through the Board; they are authorized by the Declarations to seek independent legal resolution of their complaints.

Section 5, Compliance Orders: Compliance Orders directing members to address compliance violations, pay fines and/or otherwise respond, must be signed by the Compliance Liaison or, in his absence or unavailability, by the Association President or Vice-President.

Section 6, Due Process: Pursuant to the Declarations, Section 2.9, members have the right to a hearing before the Board of Directors to submit their evidence and rationale for avoiding or mitigating a fine or other action imposed in a Compliance Order. All Compliance Orders will include notification to members of their due process rights, and the Board's response will be compliant with the Declarations.

Section 7, Compliance Procedures: The Board may separately adopt compliance procedures to govern compliance process.

By-laws approved: May 23, 2018