

BY-LAWS OF
PENSACOLA BEACH ADVOCATES, INC.,
A FLORIDA CORPORATION NOT-FOR-PROFIT

ARTICLE I: IDENTITY

These are the By-Laws of the Pensacola Beach Advocates, Inc., hereinafter referred to as "PBA", a corporation not-for-profit under the laws of the State of Florida, the Articles of Incorporation of which were filed in the Office of the Secretary of State on the 2nd of July, 2008.

ARTICLE II: OBJECTIVES

The objectives of PBA are to educate and inform Pensacola Beach leaseholders and public officials (local, state or federal) about matters affecting the controlled development of leaseholds on Pensacola Beach and to protect public lands for the benefit of the citizens of Escambia County and beyond. Examples of activities that are consistent with these objectives include:

- Providing information to Pensacola Beach residential and/or commercial leaseholders about pending governmental initiatives that could have an impact (positive or negative) on the Beach leaseholds and/or public lands. Examples may include: taxation of leased property, building caps and concurrency issues, rezoning of residential leaseholds for commercial use, or rezoning of public lands for residential or commercial use.
- Educating and informing public officials about the views of the Pensacola Beach leaseholders regarding pending governmental initiatives; advocating Beach leaseholders' views.
- Acting as a liaison with plaintiffs in litigation regarding the imposition of ad valorem taxes on leased property on Pensacola Beach.
- Promoting ecological initiatives on Pensacola Beach, such as dune preservation, turtle nesting protection, and water quality issues in the Gulf of Mexico, Santa Rosa Sound and Little Sabine Bay.

ARTICLE III: FISCAL YEAR

The fiscal year for PBA shall be the calendar year beginning on January 1st and ending December 31st.

ARTICLE IV: MEMBERSHIP

Members of PBA must reside on, have a leasehold interest on, or have a business interest on Pensacola Beach. Members shall be 18 years or more years old and be current in the payment of their annual dues.

ARTICLE V: MEMBERSHIP DUES

Membership Dues shall be paid annually, and be due at the time of the annual meeting, except in the case of a new member, in which case the annual dues shall be payable at the time the new member joins PBA, and dues shall not be prorated for a partial year. The amount of the Membership Dues shall be \$30 for 2008 - 2009, and shall thereafter be established by a majority vote of Members at the Annual Meeting. Members who are in arrears on January 1st shall be removed from the roster of active Members.

ARTICLE VI: MEMBERSHIP MEETINGS

1. Annual Meeting. The annual meeting shall be held in September, October or November at such time and place as the Directors shall select. Two of the purposes of the Annual Meeting shall be the election of Directors whose terms are expiring and the establishment of the Membership Dues for the next year. The annual meeting of Members for any year shall be held no later than thirteen (13) months after the last annual meeting of Members. However, failure to hold an annual meeting timely shall in no way affect the terms of Officers or Directors of the Corporation or the validity of actions of the Corporation.
2. Special Meetings. Special Meetings may be called by the President or the Board of Directors at such time and place as the caller shall select. A Special Meeting for a specific purpose shall be held if petitioned for through the Board of Directors by a resolution signed by more than 15% of the Members.
3. Notice. At least 14 days notice of each Annual or Special Meeting shall be sent in writing to each Member via mail, e-mail or other form of electronic communication. It shall be sent to the Members street or electronic address last appearing on the books of the PBA. Such notice shall include the place, day, and time of the meeting, and shall include a preliminary agenda for such meeting, including the nature of any specific purpose which has been petitioned to the Board of Directors.
4. Voting. Each Member in good standing shall have one vote. Each leasehold or business interest shall have only one vote (e.g. no multiple votes for spouses or employees will be counted). Members may vote in person or by written proxy delivered in person, by mail or by e-mail or other form of electronic communication, or by messenger to the Secretary of the PBA.
5. Quorum. A quorum for any action shall consist of 10% of the Membership in good standing, either present in person or by proxy. If a quorum is present, unless otherwise provided by law or in the Articles of Incorporation, the affirmative vote of a majority of the Members at the meeting entitled to vote on the subject matter shall be the act of the Members. After a quorum has been established at a Members' meeting, the subsequent withdrawal of Members, so as to reduce the number of Members entitled to vote at the meeting below the number required for a

quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof. If a quorum is not present when a meeting starts, then a majority of the Members at the meeting may adjourn the meeting from time to time without further notice until a quorum is present.

6. Proxies. Every Member entitled to vote at a meeting of Members or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it, except as otherwise provided by law.

ARTICLE VII: BOARD OF DIRECTORS

1. General Powers. Subject to the limitations of the Articles of Incorporation, these Bylaws, and the Florida Not For Profit Corporation Act concerning corporate action that must be authorized or approved by the Members of the Corporation, all corporate powers shall be exercised by or under the authority of the Board of Directors, and the management and affairs of the Corporation shall be controlled by the Board of Directors.
2. Number and Term. Initially there shall be five Directors. The number of Directors may be increased to a higher odd number by a majority vote of Members at an Annual or Special Membership Meeting. Director's term of office shall be two years, serving from the Annual meeting of their election to the Annual Meeting two years later. To provide for staggered terms, the first Board which is voted on by the Members shall be split whereby the three Directors receiving the most votes shall have a term of two years, and the other two Directors shall have a term of one year.
3. Nominations. The Board of Directors shall appoint a Nominations Committee to nominate Directors to be placed on the ballot. Such Committee shall present a slate of candidates of no less than the number of vacancies to the Board of Directors at least two weeks prior to the date of the Annual Meeting. Nominations may also be made by Members who present written petitions from at least 5% of the current Membership. Ballots listing the Nominees (from the Nominating Committee or Member petition) shall be sent with the notice of the Annual Meeting.
4. Election. The candidates receiving the most votes at the Annual Meeting for an open position shall serve a term of office.
5. Directors' Meetings. The new Board of Directors shall meet immediately after the Annual Meeting or as soon as practical thereafter to elect officers. Meetings thereafter shall be called by the President or by a majority of the Directors as required. Written notice of Board of Directors' Meetings shall be sent to all Members no less than one week prior to a Board of Directors' Meeting. A majority of the Directors shall constitute a quorum for a meeting. Any action agreed to by a majority of the Directors present in person, by phone or by written or e-

mail proxy shall be a valid action of the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman of the Board (if there is one), the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix a reasonable time and place for holding them.

6. Telephone Meetings. Directors may participate in meetings of the Board of Directors by means of a conference telephone of similar communications equipment by which all persons participating can hear each other at the same time, and participation by such means shall constitute presence in person at such a meeting.
7. Notice and Waiver. Any Director may waive notice of any meeting, either before, at, or after such meeting by signing a waiver of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the place of such meeting or the manner in which it has been called or convened, except when a Director states at the beginning of the meeting any objection to the transaction of business because the meeting is not lawfully called or convened.
8. Quorum and Voting. A majority of Directors in office shall constitute a quorum for the transaction of business. The vote of a majority of Directors present at a meeting at which a quorum is present shall constitute the action of the Board of Directors. If less than a quorum is present, then a majority of those Directors present may adjourn the meeting from time to time without until a quorum is present.
9. Vacancies. Any Director who fails to keep his/her membership in good standing or who misses three consecutive Board Meetings without valid reason shall be deemed to have vacated his/her position as a Director. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors even though it is less than a quorum of the Board of Directors, unless otherwise provided by law or the Articles of Incorporation. A Director elected to fill a vacancy shall hold office through the end of the unexpired term.
10. Removal. At any meeting of Members called expressly for that purpose, any Director or Directors may be removed from office, with or without cause, by vote of a majority of the Members then entitled to vote at an election of Directors. New Directors may be elected by the Members for the unexpired terms of Directors removed from office at the same meetings at which such removals are voted. If the Members fail to elect persons to fill the unexpired terms of removed Directors, and if the Members did not intend to decrease the number of Directors to serve on the Board, then the vacancies unfilled shall be filled in accordance with provisions in these Bylaws for vacancies.
11. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting because of an asserted conflict of interest.

12. Positions On Issues. No Director shall present publicly, as a Director, a position on an issue contrary to or inconsistent with that established by the Board or by a majority of the Members in a Membership Meeting or in a Survey or Poll.

ARTICLE VIII: OFFICERS

1. Identity. The Officers of the PBA shall consist of a President, Vice-President, Treasurer and Secretary and any other officers as may be deemed necessary by the Board of Directors. The President and Vice-President shall be members of the Board of Directors. The Treasurer and Secretary may or may not also be Directors. Officers shall serve a term of one year, measured from Annual Meeting to Annual Meeting.
2. Election and Term of Office. The Officers of the Corporation shall be elected annually by the Board of Directors at its meeting after each annual meeting of Members. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.
3. Removal. Any Officer may be removed from office at any time, with or without cause, on the affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interest of the Corporation will be served thereby. Removal shall be without prejudice to any contract rights of the person so removed, but election of an Officer shall not of itself create contract rights.
4. Vacancies. Vacancies in offices, however occasioned, may be filled at any time by election by the Board of Directors for the unexpired terms of such offices.
5. Duties. The Chairman of the Board, or the President if there is no Chairman of the Board, shall preside at all meetings of the Board of Directors and of the Members. The President shall be the chief executive officer of the Corporation. Subject to the foregoing, the Officers of the Corporation shall have such powers and duties as usually pertain to their respective offices and such additional powers and duties specifically conferred by law, by the Articles of Incorporation, by these Bylaws, or as may be assigned to them from time to time by the Board of Directors.
6. Delegation of Duties. In the absence or disability of any Officer of the Corporation or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his powers or duties to any other Officer or to any other Director.
7. President. The President is the Operating Officer, and shall make all day to day decisions regarding the PBA's activities, and shall supervise the affairs of the PBA in accordance with the Articles of Incorporation, By-Laws, and directions given by majority votes of Directors or the Membership. The President shall preside over the meetings of the Membership and Board of Directors, shall appoint Committees (except the Nominating Committee) as deemed

necessary (and can Chair such Committees if he/she so chooses), and serves as an ex-officio member of all committees. The President may personally attend, or designate a representative to attend, governmental proceedings or other activities directly or potentially affecting the objectives of the PBA.

8. Vice-President. The Vice-President shall serve in place of the President when the latter is unable to serve. The Vice-President may be assigned other duties by the President.
9. Treasurer. The Treasurer shall manage the financial affairs of the PBA, maintain the bank accounts and accounting records, and safeguard its assets. The Treasurer shall (1) make sure all Federal, State and local Corporate and tax filings are properly filed on time, (2) file, maintain, and permanently archive all financial and tax documents as required by the regulatory authorities, (3) provide the Board of Directors with timely financial summaries of income, expenses, and assets and liabilities at least quarterly and provide the Members with an annual financial report of similar items, (4) prepare an annual budget prior to the Annual Meeting, (5) keep any monies collected for special purposes (e.g. a legal fund) segregated in accounts separate from the operating funds, and (6) ensure that all cash payments or transfers in excess of \$1,000 have the signature of two officers.
10. Secretary. The secretary shall send proper notices of meetings, prepare agendas, record, prepare, and keep the Minutes and related documents of all meetings of the Membership and the Board of Directors, and maintain a Minutes book and a correspondence book as permanent records. The Secretary shall maintain the official roster of Members in good standing, and their street and electronic contact information. The secretary shall be responsible for maintaining the communication files for the Membership, and shall send out all notices, newsletters, etc. as directed by the President or the Board of directors.

ARTICLE IX: COMMITTEES

Committees of the PBA may be formed as necessary by the President. These could be Standing Committees or Ad Hoc Committees. Examples of committees may include: (1) Public Relations, including web-site development, (2) Governmental Affairs, (3) Environmental Advocacy or (4) Liaison for the Ad Valorem Tax Litigation.

ARTICLE X. NONPROFIT OPERATION

The Corporation will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Corporation will be distributed to its Members, Directors or Officers without full consideration. No Member of the Corporation has any vested right, interest or privilege in or to the assets, property, functions or activities of the Corporation. The Corporation may contract in due course with its Members, Directors and Officers without violating this provision. No Director or Officer shall receive any compensation whatsoever from the PBA.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Corporation shall be the period selected by the Board of Directors as the taxable year of the Corporation for federal income tax purposes.

ARTICLE XII. SEAL

The corporate seal shall bear the name of the Corporation between two concentric circles and in the inside of the inner circle shall be the year of incorporation.

ARTICLE XIII. INDEMNIFICATION

The Corporation shall indemnify each Officer and Director, including former Officers and Directors, to the full extent permitted by the Florida General Corporation Act and the Florida Not For Profit Corporation Act.

ARTICLE XIV. LIABILITY INSURANCE

The Board of Directors shall cause Liability Insurance to be obtained and kept in force in an amount it determines to be reasonable and adequate, and the expense of PBA, covering the Directors and Officers for all of their official acts on behalf of the PBA.

ARTICLE XV: OPERATING PROCEDURE

All meetings of the Members or the Board of Directors shall be conducted in accordance with "Roberts Rules of Order", to the extent that they are not in conflict with these By-Laws.

ARTICLE XVI: CONFLICT OF INTEREST POLICY

No officer or director shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director or officer must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over on the matter involved. The President or Chairman shall make inquiry if such conflict appears to exist and the board member has not made it known.

ARTICLE XVII: AMENDMENTS

These By-Laws may be amended by a majority vote of the Members in attendance in person or by proxy at an Annual Meeting or a Special Meeting.

Adopted by the Board of Directors on September 18, 2008