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OR BK 4296 PG0554  
Escambia County, Florida  
INSTRUMENT 98-513136

# State of Florida



Department of State

I certify the attached is a true and correct copy of the Articles of Incorporation of CAMBRIDGE MILLS HOMEOWNERS' ASSOCIATION, INC., a Florida corporation, filed on July 30, 1998, as shown by the records of this office.

The document number of this corporation is N98000004457.

Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capitol, this the  
Third day of August, 1998



CR2EO22 (2-95)

*Sandra B. Northam*

Sandra B. Northam  
Secretary of State

Prepared by:  
Stephen R. Moorhead, Esquire  
McDonald, Fleming, Moorhead & Feguson  
4300 Bayou Blvd., Suites 12&13  
Pensacola, FL 32503

OR BK 4296 PG0555  
Escambia County, Florida  
INSTRUMENT 98-513136

**ARTICLES OF INCORPORATION OF  
CAMBRIDGE MILLS HOMEOWNERS' ASSOCIATION, INC.**

The undersigned incorporators hereby adopt the following Articles of Incorporation for the purpose of forming a not-for-profit corporation under the "Florida Not-For-Profit Corporation Act."

**ARTICLE I**

**CORPORATE NAME**

The name of the Corporation shall be CAMBRIDGE MILLS HOMEOWNERS' ASSOCIATION, INC., hereinafter called the "Association."

**ARTICLE II**

**DURATION**

The duration of the Corporation shall be perpetual.

**ARTICLE III**

**DEFINITIONS**

The terms used in these Articles shall have the same definitions and meanings as those set forth in the Declaration of Restrictions, Covenants, Easements and Conditions of Cambridge Mills recorded in Official Records Book 3539, Page 478 of the Public Records of Escambia County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.  
Supplementary terms:

"Director" shall mean and refer to those persons elected to the Association's Board of Directors pursuant to Article VI herein.

"Officer" shall mean and refer to those persons elected by the Board pursuant to Article VIII herein.

"Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

"Property" shall mean and refer to that certain real property platted as a subdivision in Escambia County, Florida, known as Cambridge Mills and referred to in the Declaration as "Properties."

SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

98 JUL 30 PM 3:08

FILED

#### ARTICLE IV

#### COMMENCEMENT OF CORPORATE EXISTENCE

The corporate existence of the Association shall commence at the time these Articles of Incorporation are filed by the Department of State of the State of Florida.

#### ARTICLE V

#### PURPOSES AND POWERS

The Association is not organized for pecuniary profit or financial gain, and no part of the Association's assets or income shall inure to the benefit of any Director, Officer or Member of the Association except as may be authorized by the Board of Directors in accordance with the terms and provisions of the Bylaws of the Association with respect to the compensation of Directors, Officers or Members of the Association for the rendition of unusual or exceptional services to the Association.

The purposes for which the Association is formed, and the powers that may be exercised by the Board of Directors of the Association, are:

- (a) To own, operate, maintain, preserve or replace, and to provide architectural control over, the Property including the Common Area located on that certain parcel of real property situate in Escambia County, Florida, known as Cambridge Mills Subdivision, and described in the Declaration and those properties that may be annexed to the Property from time to time pursuant to the Declaration; and
- (b) To acquire by gift, purchase, or otherwise, and to own, build, improve, operate, repair, maintain and replace, lease, transfer, and otherwise dispose of, real property, buildings, improvements, fixtures and personal property in connection with the business and affairs of the Association; and
- (c) To dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective without the consent of a majority of the members of the Association to such dedication, sale or transfer, in writing or by vote at a duly called meeting of the Association, or without the prior written consent of Declarant so long as Declarant owns at least one (1) Lot; and
- (d) To establish, levy, collect, and enforce payment of, all assessments and charges pursuant to the terms and provisions of the Declaration or Bylaws of the Association, and to use the proceeds thereof in the exercise of its powers and duties; and

- (e) To pay all expenses in connection with and incident to the conduct of the business and affairs of the Association; and
- (f) To borrow money and to pledge, mortgage or hypothecate any or all of the real or personal property owned by the Association as security for money borrowed or debts incurred by the Association; and
- (g) To annex additional real property to the Property pursuant to the terms and provisions of the Declaration; and
- (h) To exercise such powers which are now or may hereafter be conferred by law upon an association organized for the purposes set forth herein, or which may be necessary or incidental to the powers so conferred; and
- (i) To grant easements on or through the Common Area or any portion thereof; and
- (j) To exercise all of the powers and privileges, and to perform all of the duties and obligations, of the Association as set forth in the Declaration, as the same may be amended from time to time; and
- (k) To promulgate or enforce rules, regulations, bylaws, covenants, restrictions or agreements to effectuate the purposes for which the Association is organized; and
- (l) To contract for the management of the Association and to delegate in such contract all or any part of the powers and duties of the Association, and to contract for services to be provided to Owners, including, but not limited to, trash removal and other utilities or services; and
- (m) To purchase insurance upon the Property or any part thereof and insurance for the protection of the Association, its Officers, its Directors and the Owners; and
- (n) To approve or disapprove the leasing, transfer, ownership, or possession of any Lot, as may be provided by the Declaration; and
- (o) To employ personnel to perform the services required for the proper operation of the Association.

The foregoing clauses shall be construed both as purposes and powers, and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any way the purposes and powers of the Association that may be granted by applicable law and any amendments thereto.

## ARTICLE VI

### BOARD OF DIRECTORS

A. **NUMBER AND QUALIFICATIONS.** The business and affairs of the Association shall be managed and governed by a Board of Directors. The number of Directors constituting the initial Board of Directors shall be three (3). The number of Directors may be increased or decreased from time to time in accordance with the Bylaws of the Association, but in no event shall there be less than three (3) Directors. Directors need not be Members of the Association.

B. **DUTIES AND POWERS.** All of the duties and powers of the Association existing under the Declaration, these Articles and the Bylaws shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject to approval by Owners only when such approval is specifically required.

C. **ELECTION; REMOVAL.** Directors of the Association shall be elected at the Annual Meeting of the Members in the manner determined by and subject to the qualifications set forth in the Bylaws. Directors may be removed and vacancies on the Board of Directors shall be filled in the manner provided by the Bylaws.

D. **TERM OF INITIAL DIRECTORS.** The Declarant shall appoint the members of the first Board of Directors and their replacements, who shall hold office for the periods described in the Bylaws.

E. **INITIAL DIRECTORS.** The names and addresses of the initial Board of Directors, who shall hold office until their successors are elected and have taken office, as provided in the Bylaws are as follows:

Donald S. Brantley  
4161 Madura Road  
Gulf Breeze, FL 32561

Randolph L. Knepper  
4545 Bohemia Place  
Pensacola, Florida 32504-8559

Stephen R. Moorhead  
4300 Bayou Blvd., Suites 12&13  
Pensacola, FL 32503

## ARTICLE VII

### TRANSACTIONS IN WHICH DIRECTORS OR OFFICERS ARE INTERESTED

No contract or transaction between the Association and one or more of its Directors or Officers or between the Association and any other corporation, partnership, association or other organization in which one or more of its Officers or Directors are officers or directors shall be invalid, void or voidable solely for this reason or solely because the Officer or Director is present

at, or participated in, meetings of the board or committee thereof that authorized the contract or transaction, or solely because such Officer's or Director's votes are counted for such purpose. No Director or Officer of the Association shall incur liability by reason of the fact that such Director or Officer may be interested in any such contract or transaction. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee that authorized the contract or transaction.

## ARTICLE VIII

### OFFICERS

The affairs of the Association shall be administered by the Officers holding the offices designated in the Bylaws. The Officers shall be elected by the Board of Directors of the Association at its first meeting following the Annual Meeting of the Members and shall serve at the pleasure of the Board of Directors. The Bylaws may provide for the removal of Officers, for the filling of vacancies and for the duties of the Officers. The names and addresses of the Officers who shall serve until their successors are designated by the Board of Directors are as follows:

|                         |                     |
|-------------------------|---------------------|
| President               | Randolph L. Knepper |
| Vice President          | Donald S. Brantley  |
| Secretary and Treasurer | Donald S. Brantley  |

## ARTICLE IX

### MEMBERSHIP

A. **MEMBERSHIP RIGHTS.** Every person or entity who is a record title owner of any Lot shall be a Member of the Association. Any person or entity who holds an interest in any Lot merely as security for the performance of an obligation shall not be a Member of the Association. Membership in the Association is appurtenant to a Lot and cannot be conveyed other than by conveyance of fee simple title to the Lot.

B. **INFORMAL ACTION BY MEMBERS.** Any action that may be taken at a Members' meeting may be taken without a meeting if a consent in writing, setting forth the action, shall be signed by the holders of not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and filed with the Secretary of the corporation. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those Members who have not consented in writing to such action taken. The notice must fairly summarize the material features of the authorized action.

## ARTICLE X

### AMENDMENT

Amendments to these Articles shall be made in the following manner:

A. **PROPOSAL.** Notice of the subject matter for a proposed amendment shall be included in the notice of any meeting at which the proposed amendment is to be considered.

B. **ADOPTION.** The resolution for the adoption of a proposed amendment may be proposed by either a majority of the Board of Directors or by not less than one third (1/3) of the Members. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that the approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than a majority of the votes of all the Members represented at a meeting at which a quorum of Members is present.

C. **LIMITATION.** No amendment shall make any changes in the qualifications for membership, nor in the voting rights or property rights of Members, nor any changes in the Articles entitled "Powers" and "Indemnification," respectively, without the approval in writing of all Members and the joinder of all record owners of mortgages on Lots. No amendment shall be made that is in conflict with the Declaration or Bylaws, nor shall any amendment make changes that would in any way affect the rights, privileges, powers or options herein provided in favor of, or reserved to, Declarant, or an affiliate of Declarant, unless Declarant shall join in the execution of the amendment. No amendment to this Paragraph C of Article X shall be effective.

D. **DECLARANT'S AMENDMENT.** The Declarant may amend these Articles consistent with the provisions of the Declaration allowing certain amendments to be effected solely by the Declarant.

E. **RECORDING.** A copy of each amendment shall be filed with the Secretary of State pursuant to the provisions of applicable Florida law, and a copy certified by the Secretary of State shall be recorded in the Public Records of Escambia County, Florida.

## ARTICLE XI

### BYLAWS

The first Bylaws of the Association shall be adopted by the Board of Directors and may be altered, amended, rescinded in the manner provided in the Bylaws and the Declaration.

## ARTICLE XII

### INCORPORATORS

The names and addresses of the incorporators of the Association are: Donald S. Brantley, 4161 Madura Road, Gulf Breeze, FL 32561; Randolph L. Knepper, 4545 Bohemia Place, Pensacola, Florida 32504-8559 and Stephen R. Moorhead, 4300 Bayou Blvd., Suites 12&13, Pensacola, Florida 32503.

## ARTICLE XIII

### INDEMNIFICATION

A. **INDEMNITY.** The Association shall indemnify any person who is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, Officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith, or in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. **EXPENSES.** To the extent that a Director, Officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph A, above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

C. **ADVANCES.** Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon the receipt of an undertaking by or on behalf of the affected Director, Officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article XIII.



D. MISCELLANEOUS. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall inure to the benefit of the heirs and personal representatives of such person.

E. INSURANCE. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

F. AMENDMENT. Notwithstanding anything herein to the contrary, the provisions of this Article XIII may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

#### ARTICLE XIV

#### DISSOLUTION

Unless the Board of Directors determines that because of a conflict of interest or other substantial reason it should not make any recommendation, the Board of Directors must adopt a resolution recommending that the Association be dissolved and directing that the question of such dissolution be submitted to a vote at a meeting of Members entitled to vote thereon, which may be either an annual or special meeting. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation must be given to each Member (as of thirty (30) days prior to the date of mailing such notice) entitled to vote at such meeting. This notice shall be sent at least ten (10) days and not more than sixty (60) days before the date named for the meeting to each member by United States mail, or by telegram, charges prepaid, to his address appearing on the books of the Association. A resolution to dissolve the corporation shall be adopted upon receiving 80% of the votes which members present at such meeting or represented by proxy are entitled to cast. At any time after dissolution is authorized, the corporation may dissolve by delivering to the Department of State articles of dissolution for filing.

#### ARTICLE XV

#### INITIAL REGISTERED OFFICE AND AGENT

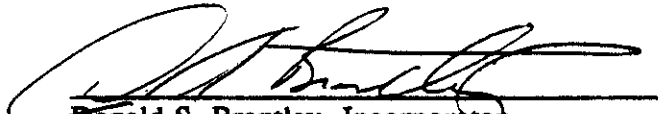
The street address of the initial registered office and the principal corporate office of the Association is:

4300 Bayou Blvd., Suites 12 & 13  
Pensacola, FL 32503


and the name of the initial registered agent of the Association at said address is:

Stephen R. Moorhead

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation  
on this 27<sup>th</sup> day of July 1998.

  
Donald S. Brantley, Incorporator

  
Randolph L. Knepper, Incorporator

  
Stephen R. Moorhead, Incorporator

STATE OF FLORIDA  
COUNTY OF ESCAMBIA

The foregoing instrument was sworn to and acknowledged before me this 29 day of  
July 1998, by DONALD S. BRANTLEY, RANDOLPH L. KNEPPER AND STEPHEN R.  
MOORHEAD, who are personally known to me to be the persons described in and who executed  
the foregoing Articles of Incorporation, and they acknowledge to and before me that they executed  
said instrument for the purposes therein expressed.

  
NOTARY PUBLIC

Corp\Cambridge\Articles



ACCEPTANCE OF APPOINTMENT AS REGISTERED AGENT

I, Stephen R. Moorhead, hereby accept the appointment as registered agent for Cambridge Mills Homeowners' Association, Inc. as set forth in its articles of incorporation being filed simultaneously herewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 29<sup>th</sup> day of July 1998.

  
\_\_\_\_\_  
STEPHEN R. MOORHEAD

**FILED**  
98 JUL 30 PM 3:00  
SECRETARY OF STATE  
TALLAHASSEE, FLORIDA

RCD Aug 20, 1998 08:32 am  
Escambia County, Florida

Ernie Lee Magaha  
Clerk of the Circuit Court  
INSTRUMENT 98-513136

Prepared by:  
Stephen R. Moorhead, Esquire  
McDonald, Fleming, Moorhead & Ferguson  
4300 Bayou Blvd., Suites 12&13  
Pensacola, FL 32503

OR BK 4296 PG0565  
Escambia County, Florida  
INSTRUMENT 98-513137

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**BY LAWS**  
**OF**  
**CAMBRIDGE MILLS HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I**

**Name, Registered Office, and  
Registered Agent**

**Section 1. Name.** The name of this corporation is CAMBRIDGE MILLS HOMEOWNERS' ASSOCIATION, INC., hereinafter the "Association."

**Section 2. Registered Office and Registered Agent.** The address of the Association's registered office and the name of the Association's Registered Agent is Stephen R. Moorhead, 4300 Bayou Blvd., Suites 12 & 13, Pensacola, FL 32503.

**ARTICLE II**

**Definitions**

The terms used in these Bylaws shall have the same definitions and meanings as those set forth in that certain Declaration of Covenants, Conditions, Easements and Restrictions recorded at Official Records Book 3539 at Page 478 (the "Declaration") in the Public Records of Escambia County, Florida, and in the Articles of Incorporation of Cambridge Mills Homeowners' Association, Inc. recorded in the Public Records of Escambia County, Florida, unless herein provided to the contrary, or unless the context otherwise requires.

## ARTICLE III

### Meetings of Members

Section 1. Place of Meetings. Meetings of the Members shall be held at such place (within or without the State of Florida) as the Board of Directors or Members may from time to time select.

Section 2. Annual Meeting. An annual meeting of the Members shall be held during the first week of August of each year, if not a legal holiday, and if a legal holiday, then on the next secular day following that which is not a legal holiday, at such designated time as the Officers may choose, and the Members shall elect a Board of Directors and transact other business. If an annual meeting has not been called and held within six months after the time designated for it, any Member may call it.

Section 3. Special Meetings. Special meetings of the Members may be called by the President, by a majority of the Board of Directors, or by the holders of one-fourth or more of the outstanding votes. Business conducted at a special meeting is limited to the purposes described in the notice of the meeting.

Section 4. Notice of Meetings. A written or printed notice of Members' meetings, stating the place, day and hour of the meeting, and in case of a special meeting the purpose or purposes of the meeting shall be given by the Secretary of the Association, or by the person authorized to call the meeting, to each Member of record entitled to vote at the meeting. This notice shall be sent to each Member (as of thirty (30) days prior to the date of mailing such notice) at least ten (10) days and not more than sixty (60) days before the date named for the meeting (unless a greater period of notice is required by law in a particular case) by United States mail, or by telegram, charges prepaid, to his address appearing on the books of the Association.

Section 5. Waiver of Notice. A Member, either before or after a Members' meeting, may waive notice of the meeting, which waiver of notice must be in writing, and his waiver shall be deemed the equivalent of giving notice. Neither the affairs transacted nor the purpose of the meeting need be specified in the waiver. Attendance at a Members' meeting, either in person or by proxy of a person entitled to notice, shall constitute a waiver of notice and waiver of any and all objections to the place of the meeting, the time of the meeting or the manner in which it has been called or convened, unless the Member attends the meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of affairs.

Section 6. Voting Rights. Subject to the provisions of the laws of the State of Florida and to the Articles of Incorporation, each Member shall be entitled at each Members' meeting to one vote per Lot owned.

Section 7. Proxies. A Member entitled to vote may vote in person or by a proxy executed in writing by the Member or his attorney in fact. To be valid, a proxy must be dated, must state the date, time, and place of the meeting for which it was given, and must be signed by the authorized person who executed the proxy and filed with the Secretary. A proxy is effective only for the specific meeting for which it was originally given, as the meeting may lawfully be adjourned and reconvened from time to time, and automatically expires ninety (90) days after the date of the meeting for which it was originally given. A proxy is revocable at any time at the pleasure of the person who executed it. If the proxy form expressly so provides, any proxy holder may appoint, in writing, a substitute to act in his place.

Section 8. Quorum. The presence in person or by proxy at a meeting of Members entitled to cast thirty percent (30%) of the votes of the membership shall constitute a quorum at Members' meetings for any action except as otherwise provided in the Articles of Incorporation, the

Declaration, or these Bylaws. At a duly organized meeting, Members present can continue to do business until adjournment even though enough Members withdraw to leave less than a quorum. Decisions that require a vote of the Members must be made by the concurrence of at least two-thirds majority of voting interests present, in person or by proxy, at a meeting at which a quorum has been attained, except for a vote for election to the Board of Directors.

Section 9. Adjournments. Any meeting of Members may be adjourned. Adjournment of an annual or special meeting to a different date, time, or place must be announced at that meeting before an adjournment is taken, or notice must be given of the new date, time, or place in compliance with Article III, Section 4 except that such notice must be given to new Members as of the new record date who were not Members as of the previous record date. At an adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

Section 10. Informal Action by Members. Any action that may be taken at a Members' meeting may be taken without a meeting if a consent in writing, setting forth the action, shall be signed by the holders of not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and filed with the Secretary of the Association, except the election of the Board of Directors must be held at an annual meeting. Within ten (10) days after obtaining such authorization by written consent, notice must be given to those Members who have not consented in writing to such action taken. The notice must fairly summarize the material features of the authorized action.

Section 11. Voting Lists. The Secretary of the Association shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such

meeting or any adjournment thereof. Such list shall be kept on file at the registered office of the Association, for a period of ten (10) days prior to such meeting, and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member at any time during the meeting.

#### ARTICLE IV

##### Board of Directors

Section 1. Number, Qualification and Term. The business and affairs of the Association shall be managed by a Board of at least three (3) Directors, who need not be Members of the Association. Each Director, except one appointed to fill a vacancy, shall serve his or her term as follows: The initial Board of Directors named in the Articles of Incorporation shall hold office until their successors are elected at the initial annual meeting of the Members. Thereafter, the election of Directors must be held at the annual meeting with each Director to serve a term which expires after the next election of Directors at the annual meeting of Members in the following year. The numbers of Directors may be increased or decreased by a vote of the Members which must be made by a concurrence of at least two-thirds majority of voting interests present, in person or by proxy at a meeting at which a quorum has been attained.

Section 2. Vacancies. Any vacancy occurring in the Board of Directors, including any vacancy created by reason of an increase in the number of Directors, shall be filled by the affirmative vote of a two-thirds majority of the remaining Directors. A Director elected to fill a vacancy shall hold office until the next election of Directors. This provision shall not apply to any vacancy occurring as a result of removal.



Section 3. Compensation. Directors shall not receive a salary for their services but, by resolution of the Board. A Director may serve the Association in a capacity other than Director and receive compensation for the services rendered in that other capacity.

Section 4. Removal. Any Director may be removed from office with or without cause by the vote or agreement in writing by a majority of all votes of the membership. The notice of a meeting of the Members to recall a Director shall state the specific Director(s) sought to be removed. A proposed removal of a Director at a meeting shall require a separate vote for each Director sought to be removed. Where removal is sought by written agreement, a separate agreement is required for each Director to be removed. If removal is effected at a meeting, any vacancies created thereby shall be filled by the members at the same meeting. Any Director who is removed from the Board shall not be eligible to stand for reelection until the next annual meeting of the Members. Any Director removed from office shall turn over the Board of Directors within 72 hours any and all records of the Association in his possession.

Section 5. Place of Meetings. The Board of Directors may hold annual or special meetings at any place (within or without the State of Florida) that a majority of Directors may by resolution appoint.

Section 6. Annual Meeting. The Board of Directors shall meet each year immediately after the annual meeting of the Members at the place that meeting has been held to elect Officers and consider other business. However, this provision does not require the Board to convene after the 1998 initial annual Members' meeting. Special meetings of the Board of Directors may be called by the Chairman of the Board or by the President.

Section 7. Notice of Meetings. All meetings of the Board of Directors must be open to all Members except for meetings between the Board and its attorney with respect to proposed or

pending litigation where the contents of the discussion would otherwise be governed by the attorney-client privilege. Notices of all Board meetings must be posted in a conspicuous place in the community at least 48 hours in advance of a meeting, except in an emergency. In the alternative, if notice is not posted in a conspicuous place in the community, notice of each Board meeting must be mailed or delivered to each member at least seven (7) days before the meeting, except in an emergency.

Section 8. Waiver of Notice. A Director may waive in writing notice of a special meeting or annual meeting of the Board either before or after the meeting, and his waiver shall be deemed the equivalent of giving notice. Attendance of a Director at any meeting shall constitute waiver of notice of that meeting, unless he attends for the express purpose of objecting to the transaction of business because the meeting has not been lawfully called or convened.

Section 9. Quorum. Unless otherwise provided for in the Articles of Incorporation, at any meeting of the Board of Directors a majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors in attendance shall be the acts of the Board. Directors shall be deemed present at any meeting if a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other is used.

Section 10. Adjournment. A meeting of the Board of Directors may be adjourned. Notice of the adjourned meeting or of the business to be transacted there, other than by announcement at the meeting at which the adjournment is taken, shall not be necessary. At an adjourned meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting originally called.

## ARTICLE V

### Nomination and Election of Directors

Section 1. Nomination. All nominations for election to the Board of Directors shall be taken from the floor at the annual meeting and such nominations may be made from among Members or non-members. However, all Members of the Association shall be eligible to serve on the Board of Directors, and any Member may nominate himself or herself as a candidate for the Board at the meeting where the election is to be held.

Section 2. Election. Election to the Board of Directors shall be by voice vote or a show of hands, unless objected to by thirty percent (30%) of the Members present at that meeting, in which case, the election shall be by written ballot. The persons receiving the largest number of votes shall be elected (i.e., the Board of Directors must be elected by a plurality of the votes cast by eligible voters). Cumulative voting is prohibited.

## ARTICLE VI

### Powers and Duties of Board of Directors

Section 1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area;
- (b) Suspend the rights of a Member or a Member's tenant(s) guest(s) or invitee(s), or both, to use common areas and facilities and levy reasonable fines, not to exceed \$100 per violation, against any Member or any tenant, guest or invitee. Such fine or suspension may not be imposed without notice of at least 14 days to the person sought to be fined or suspended and an opportunity for a hearing before a committee of at least three Members appointed by the board who are not Officers, Directors, or employees of the association, or the spouse, parent, child, brother, or sister of an Officer, Director, or employee. If the committee, by majority vote, does not approve a proposed fine or suspension, it may not be imposed.
- (c) Suspend or fine any Member because of the failure of the Member to pay assessments or other charges when due.

- (d) Exercise for the Association all powers, duties and authority vested in or delegated to this Association by these Bylaws, or the Articles of Incorporation, and which are not reserved to the membership by other provisions of these Bylaws, or the Articles of Incorporation;
- (e) Declare the office of a Director to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (f) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

**Section 2. Duties.** It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth of the owners.
- (b) Supervise all Officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) With respect to assessments, to mail written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of its due date; and
- (d) Issue, or to cause an appropriate office to issue, upon demand by any person, a sealed certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If the certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability and hazard insurance on property owned by the Association if the Directors, in their discretion, deem such insurance necessary;
- (f) Cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) Cause the Common Areas to be improved and maintained.

**Section 3. Delegation.** The Board of Directors shall have the authority to delegate and constitute committees for purposes beneficial to the advancement of the interests of the Association.

## ARTICLE VII

### Officers, Agents and Employees

Section 1. Officers. The executive Officers of the Association shall be chosen by the Board of Directors and shall consist of a President, Vice-President, Secretary and Treasurer. Other Officers, assistant officers, agents or employees that the Board of Directors from time to time may deem necessary may be elected by the board or be appointed in a manner prescribed. Any two or more offices may be held by the same person. Officers shall hold office until their successors are chosen and have qualified, unless they are sooner removed from office as provided in these bylaws.

Section 2. Vacancies. When a vacancy occurs in one of the executive offices by death, resignation or otherwise, it shall be filled by the Board of Directors. The Officer so selected shall hold office until his successor is chosen and qualified.

Section 3. Removal of Officers and Agents. An Officer or agent of the Association may be removed by a unanimous vote of the Board of Directors, whenever in their judgment the best interests of the Association will be served by the removal. The removal shall be without prejudice to the contract rights, if any, of the persons so removed.

Section 4. President: Powers and Duties. The President shall be the chief executive officer of the Association and shall have general supervision of the business of the Association. He shall preside at all meetings of Members and Directors and discharge the duties of a presiding Officer, shall present at each annual meeting of the Members a report of the business of the Association for the preceding fiscal year, and shall perform whatever other duties the Board of Directors may from time to time prescribe.

Section 5. Vice-President: Powers and Duties. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. He shall also perform whatever duties and have whatever powers the Board of Directors may from time to time assign.

Section 6. Secretary: Powers and Duties. The Secretary shall attend all meetings of the Directors and of the Members and shall keep or cause to be kept a true and complete record of the proceedings of those meetings. He shall keep the corporate seal of the Association and when directed by the Board of Directors shall affix it to any instrument requiring it. He shall give, or cause to be given, notice of all meetings to the Directors or to the Members and shall perform whatever additional duties the Board of Directors and the President may from time to time prescribe.

Section 7. Treasurer: Powers and Duties. The Treasurer shall have custody of Association funds and securities. He shall keep full and accurate accounts of receipts and disbursements and shall deposit all Association monies and other valuable effects in the name and to the credit of the Association in a depository or depositories designated by the Board of Directors. He shall disburse the funds of the Association and shall render to the President or the Board of Directors, whenever they may require it, an account of his transactions as Treasurer and of the financial condition of the Association.

Section 8. Delegation of Duties. Whenever an Officer is absent or whenever for any reason the Board of Directors may deem it desirable, the Board may delegate the powers and duties of an Officer to any other Officer or Officers or to any Director or Directors.

## ARTICLE VIII

### Special Association Acts

Section 1. Execution of Written Instrument. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Association, promissory notes, deeds, mortgages, assignments, satisfactions and other evidences of indebtedness of the Association, and other Association instruments or documents, shall be executed, signed or endorsed by the President or any Vice President or chief executive officer and sealed with the common or corporate seal of the Association.

Section 2. Signing of Checks and Notes. Checks, notes, drafts and demands for money shall be signed by the Officer or Officers from time to time designated by the Board of Directors.

## ARTICLE IX

### Amendments

The power to amend or repeal the bylaws or to adopt a new code of bylaws is reserved to the Members of the Association. These bylaws shall be amended only by the affirmative vote of two-thirds of the voting interests of the association.

## ARTICLE X

### Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum together with costs and reasonable attorneys' fees. Thereafter, the Association or an

Owner (on behalf of the Association) may bring an action at law against the Owner personally obligated to pay the same and foreclose the lien against the property. If the party initiating such action prevails, it shall be entitled to recover reasonable legal fees from the defendant and any such amounts so awarded shall be added to the amount of such assessment. No Owner may waive or otherwise avoid liability for the assessments provided for herein by virtue of non-use of the Common Areas or abandonment of his Lot.

## ARTICLE XI

### Indemnification

Section 1. Indemnity. The Association shall indemnify any person who or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, employee, Officer or agent of the Association, against expenses (including attorneys' fees and appellate attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued by the proposed indemnitee, that he did not act in good faith, or in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe his conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed



to be in or not opposed to the best interests of the Association, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Expenses. To the extent that a Director, Officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Paragraph A above, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and appellate attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon the receipt of an undertaking by or on behalf of the affected Director, Officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article.

Section 4. Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of Members or otherwise, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent, and shall inure to the benefit of the heirs and personal representatives of such person.

Section 5. Insurance. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving, at the request of the Association, as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out

of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

Section 6. Amendment. Notwithstanding anything herein to the contrary, the provisions of this Article may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

## ARTICLE XII

### Loans

No loans shall be contracted on behalf of the Association, and no evidences of indebtedness shall be issued in its name, unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

## ARTICLE XIII

### Books and Records

Section 1. Books and Records. This Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors and committee of Directors. It shall keep at its registered office or principal place of business a record of its Members, giving the names and addresses of all Members.

Section 2. Members' Inspection Rights. Any Member, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, its relevant books and records of accounts, minutes and records of Members, and to make extracts therefrom.

Section 3. Financial Information. Not later than sixty (60) days after the close of each fiscal year, this Association shall prepare an annual financial report showing in reasonable detail

the financial condition of the Association as of the close of its fiscal year, and a statement of sources and uses of funds.

#### ARTICLE XIV

##### Deadlock

A. Should deadlock, dispute or controversy arise among the Members or Directors of the Association in regard to matters of management and company policy or matters arising under the provisions of the charter and should the Members, by using their legal power and influence as Members, be unable to resolve such deadlock, dispute or controversy, the matter shall be submitted by the Members to arbitration.

B. Should the Members or Directors be unable to agree as to the scope of this provision or the application of this provision to the deadlock, dispute or controversy at issue, the scope and applicability of this provision shall be determined by the arbitrator.

Notice shall be given at such objecting or dissenting Member that such deadlock exists within fifteen (15) days of such deadlock, by certified mail, postage prepaid, addressed to the remaining Member at the addresses listed on the Association books.

C. The Members shall then select an arbitrator within sixty (60) days of the receipt of such notice of deadlock, upon a unanimous vote of the shares of stock outstanding and entitled to vote. The Members shall reserve the right to replace the arbitrator by unanimous vote of the owners entitled to vote.

D. Should the Members be unable to select an arbitrator or a successor arbitrator, the deadlock, dispute or controversy shall be resolved in accordance with the Florida Arbitration Code, Section 682 of the Florida Statutes.

E. The decision of the arbitrator shall be final and binding upon all Members. The Members shall vote their shares as the arbitrator shall direct.

F. To enforce these provisions, the arbitrator may obtain an injunction from a court having jurisdiction to direct the Members to vote as the arbitrator has determined.

## ARTICLE XV

### Interested Directors

A. No contract or other transaction between a corporation and one or more of its Directors, or between a corporation and any other corporation, firm, association or other entity in which one or more of its Directors are Directors or Officers, or are financially interested, shall either be void or voidable for this reason alone or by reason alone that such Director or Directors are present at the meeting of the Board of Directors, or of a committee thereof, which approves such contract or transaction, or that his or their votes are counted for such purposes:

1. If the fact of such common directorship, officership or financial interest is disclosed or known to the Board or Committee, and the Board or Committee approves such contract or transaction by vote sufficient for such purpose without counting the vote or votes of such interested Director or Directors; or

2. If such common directorship, officership or financial interest is disclosed or known to be Members entitled to vote thereon, and such contract or transaction is approved by vote of the Members; or

3. If the contract or transaction is fair and reasonable as to the Association at the time it is approved by the Board, a Committee or the Members.

B. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a Committee which approves such contract or transaction.

DATED this the 1<sup>st</sup> day of August 1998.

CAMBRIDGE MILLS HOMEOWNERS' ASSOCIATION,  
INC., a Florida corporation

BY: *Randolph L. Knepper*  
RANDOLPH L. KNEPPER, its President

ATTEST:

*Donald S. Brantley*  
Its Secretary

STATE OF FLORIDA  
COUNTY OF ESCAMBIA

This foregoing instrument was sworn to and acknowledged before me this 1st day of August 1998 by Randolph L. Knepper and Donald S. Brantley, as President and Secretary, respectively, of the Cambridge Mills Homeowners' Association, Inc., a Florida corporation, who are personally known to me.



Falinda G. McClung  
My Commission CC562414  
Expires Feb. 14, 2000

*Falinda G. McClung*  
NOTARY PUBLIC

RCD Aug 20, 1998 08:32 am  
Escambia County, Florida

Ernie Lee Magaha  
Clerk of the Circuit Court  
INSTRUMENT 98-513137