

BYLAWS

OF

COBBLESTONE AT CORDOVA OWNERS ASSOCIATION, INC.

(A Corporation Not For Profit)

Article I - Name and Location

This corporation shall be known as COBBLESTONE AT CORDOVA OWNERS ASSOCIATION, INC., hereinafter referred to as the "ASSOCIATION." The principal office of the ASSOCIATION shall be located at 1401 East Belmont Street, Pensacola, Florida 32501, but meetings of members and directors may be held at such places within the State of Florida, County of Escambia, as may be designated by the Board of Directors.

Article II - Definitions

Section 1. "DECLARATION" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Official Records of Escambia County, Florida.

Section 2. "MEMBER" shall mean and refer to those persons or entities entitled to membership as provided in the Declaration.

Section 3. All other terms used herein shall have the same definitions as set forth in the Declaration of Covenants, Conditions and Restrictions.

Article III - Meetings of Members

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the ASSOCIATION, and each subsequent regular meeting of the members shall be held on the same day of the same month of each year thereafter, at such hour as the Board of Directors may determine, or on such other date as the Board of Directors may determine. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the Board of Directors, or upon written request of at least three (3) members.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the ASSOCIATION, or supplied by such member to the ASSOCIATION for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, in person or by proxy, seventy-five percent (75%) of the total votes of all members at the time of the meeting shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time until a quorum as aforesaid shall be present or be represented, and the Secretary shall give two (2) days notice of the adjourned meeting to all members.

Section 5. Adjourned Meetings. If an annual meeting or special meeting is adjourned to a different date, time or place, then the new date, time or place must be announced at the meeting before it is adjourned. Otherwise, notice of the new time, place or date must be given in the same manner as required for the adjourned meeting.

Section 6. Voting. At all meetings of members where a quorum has been attained, those members present may vote in the manner set forth in Article III of the Declaration and a simple majority of the voting interests present shall be required on any action unless otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. A Member which is a corporation shall vote by its president or vice-president. A Member which is a limited liability company shall vote by any properly designated member or manager.

Section 7. Proxies. Each Member may vote in person or by proxy. All proxies shall be in writing, signed by the Member, dated and filed with the Secretary before the appointed time of the meeting. Proxies may be in the form of a mail-in ballot, signed by the Member and directing the Secretary to cast that Member's vote as specified in the mail-in ballot. Every proxy shall be revocable at any time upon notice to the Secretary and shall automatically cease after twelve (12) months. Every proxy shall automatically cease when the Secretary has received notice of the death or judicially-declared incompetency of the Member granting the proxy or the sale or other transfer by the Member of his or her Lot.

Section 8. Action Without Meeting. Any action by the Association required or permitted to be taken at any meeting may be taken without a meeting if Members with the requisite number of votes which would have been necessary in order to take that action had all Members been present at a meeting of the Association shall individually or collectively consent in writing to the action. Any such written consent shall be filed with the minutes of the proceedings of the Association.

Section 9. Participation in Meetings by Communications Equipment. One or more Members may participate in and be counted for quorum purposes at any meeting of the Association by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Article IV - Board of Directors

Section 1. Number. The affairs of this ASSOCIATION shall be initially managed by a Board of three (3) directors, who need not be members of the ASSOCIATION. There shall never be less than three (3) directors.

Section 2. Term of Office. Directors shall be elected at the annual meeting and shall serve for a term of one (1) year or so long thereafter until their successors are duly elected.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the ASSOCIATION. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the ASSOCIATION. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Article V - Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the ASSOCIATION. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Elections. Election to the Board of Directors shall be by written ballot. At such election, the members may cast, in respect to each vacancy, as many votes as they are entitled to

exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article VI - Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the ASSOCIATION, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3. Notice to Members. All meetings of the Board of Directors shall be open to all members except meetings between the Board and its attorney to discuss proposed or pending litigation where the contents of the discussion would be governed by the attorney-client privilege. Notices of all board meetings must be mailed or delivered to each member at least fifteen (15) days before the meeting, except in an emergency. If the meeting for which the notice is being provided shall be for the purpose of acting on assessments, the notice shall include a statement that assessments will be considered and the nature of the assessments to be considered.

Section 4. Voting. Directors may not vote by proxy or by secret ballot at board meetings.

Section 5. Miscellaneous. The voting and notice requirements set forth in this Article shall also apply to the meetings of any committees authorized by the Board of Directors including the Architectural Review Committee.

Section 6. Minutes. Minutes of all meetings of the Board of Directors and committees must be maintained in written form or in another form that can be converted into written form within a reasonable time. The minutes must reflect the action taken by the Board, or committee, including the recording of votes or the abstention from voting on each matter voted upon for each director present or for each committee member present.

Section 7. Participation in Meetings by Communications Equipment. One or more Directors may participate in and be counted for quorum purposes at any meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Article VII **Powers and Duties of the Board of Directors Including Fiscal Matters**

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 and facilities;
- b. Exercise for the ASSOCIATION all powers, duties and authority vested in or delegated to this ASSOCIATION by the Bylaws, the Articles of Incorporation, or the Declaration;
- c. 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. Make available to Owners, current copies of the Declaration, Bylaws, other rules concerning the project and the books, records and financial statements of the ASSOCIATION. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances;
- b. Supervise all officers, agents and employees of this ASSOCIATION, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
 1. Fix the amount of the annual assessment against each lot at least sixty (60) days in advance of each annual assessment period;
 2. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 3. Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same.
- d. Issue, or to cause an appropriate officer to issue, upon demand by any person a 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 a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.
- e. Cause the Common Area and properties to be maintained;
- f. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members.

Section 3. Budgets. The ASSOCIATION shall prepare an annual budget. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the

end of the current year. The ASSOCIATION shall provide each member with a copy of the annual budget.

Section 4. Financial Reporting. The ASSOCIATION shall prepare an annual financial report within sixty (60) days after the close of the fiscal year. The ASSOCIATION shall, within ten (10) business days after completion of the annual financial report, provide each member with a copy of the annual financial report. The financial report must consist of either:

- (a) Financial statements presented in conformity with generally accepted accounting principles; or
- (b) A financial report of actual receipts and expenditures, cash basis, which report must show:
 - 1. The amount of receipts and expenditures by classification; and
 - 2. The beginning and ending cash balances of the ASSOCIATION.

Article VIII - Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this ASSOCIATION shall be a President, who shall at all times be a member of the Board of Directors, a Vice President, a Secretary, and a Treasurer and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the annual membership meeting.

Section 3. Term. The officers of this ASSOCIATION shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the ASSOCIATION may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes;

Vice-President: The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board;

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the ASSOCIATION and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the ASSOCIATION together with their addresses; and shall perform such other duties as required by the Board;

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the ASSOCIATION and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the ASSOCIATION; keep proper books of account; cause an annual audit of the ASSOCIATION books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

Section 9. Liability of Directors and Officers. The Directors, officers and assistant officers of the Association, and the Members of any committees formed pursuant to these Bylaws, (i) shall not be liable to the Members as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct, recklessness or bad faith, (ii) shall have no personal liability in contract to a Member or to any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such, (iii) shall have no personal liability in tort to a Member or to any other person or entity direct or imputed by virtue of acts performed by them, except for their own willful misconduct, recklessness or bad faith, nor for acts performed for them, in their capacity as such, and (iv) shall have no personal liability arising out of the use, misuse or condition of the Property, or which might in any other way be assessed or imputed to them as a result or by virtue of their capacity as Directors, officers, assistant officers or committee members.

Article IX - Official Records

Section 1. The ASSOCIATION shall maintain each of the following items which constitute the "Official Records" of the ASSOCIATION:

- (a) Copies of any plans, specifications, permits and warranties relating to improvements constructed on the Common Area or other property that the ASSOCIATION is obligated to maintain, repair or replace.
- (b) A copy of the Bylaws of the ASSOCIATION and of each amendment thereto.
- (c) A copy of the Articles of Incorporation of the ASSOCIATION and each amendment thereto.
- (d) A copy of the Declaration of Covenants, Conditions and Restrictions for Cobblestone at Cordova.
- (e) A copy of the current rules, if any, of the ASSOCIATION.
- (f) The minutes of all meetings of the Board of Directors and of the members and of any committees appointed by the Board which minutes must be retained for at least seven (7) years.
- (g) A current roster of all members and their mailing addresses and lot designations.
- (h) All of the ASSOCIATION's insurance policies, if any, or a copy thereof, which policies must be retained for at least seven (7) years.
- (i) A copy of all contracts to which the ASSOCIATION is a party, including, without limitation, any management agreement, lease, or other contract under which the ASSOCIATION has an obligation or responsibility. Bids received by the ASSOCIATION for work to be performed must also be considered Official Records and must be kept for a period of one (1) year.
- (j) The financial and accounting records of the ASSOCIATION, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:
 - 1. Accurate, itemized and detailed records of all receipts and expenditures.

2. A current account and periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
3. All tax returns, financial statements and financial reports of the ASSOCIATION.
4. Any other records that identify, measure, record, or communicate financial information.

Section 2. The Official Records shall be maintained within the state and must be open to inspection and available for photocopying by members or their authorized agents at reasonable times and places within ten (10) business days after receipt of a written request for access.

Section 3. The Board of Directors may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections, and may impose fees to cover the costs of providing copies of the Official Records, including, without limitation, the cost of copying. The ASSOCIATION shall maintain an adequate number of copies of the recorded governing documents, to insure their availability to members and prospective members, and may charge only its actual costs for reproducing and furnishing these documents to those persons who are entitled to receive them.

Section 4. Each Member shall have the right to audit the books and records of the ASSOCIATION during normal business hours upon reasonable advance notice to the Board of Directors. The auditing Member shall bear the cost of such audit unless the audit indicates that the ASSOCIATION has overstated the expenses of the Association by more than five percent (5%), in which event the ASSOCIATION shall reimburse the auditing Member for the cost of the audit. In the event such audit reveals such an overstatement, the assessment paid by the auditing Member shall be adjusted accordingly.

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 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 fifteen (15) days after the due date, the assessment shall bear interest from the date of delinquency at the highest rate allowed by law. If the assessment is not paid within thirty (30) days after the due date, the Board of Directors, through its officers, may cause to be filed in the public records of Escambia County, Florida, a lien certificate evidencing the lien against the lot as provided for in the Declaration. The ASSOCIATION may bring an action at law against the member obligated to pay the assessment or foreclose the lien against the property, or both, and all interest, costs and reasonable attorney's fees of either such action shall be added to the amount of such assessment and shall be included in the lien. No member

may waive or otherwise escape liability for the assessments provided for herein by non-use of the common properties or abandonment of his lot.

Article XI - Corporate Seal

The ASSOCIATION shall have a seal in circular form having within its circumference the words: COBBLESTONE AT CORDOVA OWNERS ASSOCIATION, INC., a Florida Corporation Not for Profit.

Article XII - Amendments

Section 1. These Bylaws may be amended by a vote of three fourths (3/4) of the membership, at a regular or special meeting duly called for this purpose, provided that the three fourths (3/4) majority required by this Article shall mean three fourths (3/4) of all votes that can be cast by all members, as opposed to those members present at the meeting.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflicts between the Declaration and these Bylaws, the Declaration shall control.

Article XIII - Committees

The ASSOCIATION shall appoint an architectural control committee as provided in the Declaration and a nominating committee as provided in these Bylaws. The initial members of the architectural control committee shall be as set forth in the Declaration and they shall continue to serve until removed by the Board of Directors, subject to the limitations and provisions set forth in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate to carry out its purposes.