

ARTICLES OF INCORPORATION
OF
THE PACE WATER SYSTEM, INC.

ARTICLE I

The name of this corporation shall be "The Pace Water System, Inc.," and the mailing address is Pace, Florida, and shall be a non-profit corporation organized under Chapter 617, Florida Statutes, and shall have all powers given to a non-profit corporation by the provisions of said Chapter 617, Florida Statutes.

ARTICLE II

The nature of the business of the corporation and the objects and purposes for which it is organized are:

(A) To construct, maintain, and operate a water system for the supplying of water for domestic, commercial, agricultural, industrial, and other purposes to its members and for the sale of any surplus water remaining after the needs of its members have been satisfied and to engage in any activity related thereto, including but not limited to the acquisition of water by appropriation, drilling, pumping, and/or purchase, and the purchase, laying, institution, operation, maintenance, and repair of wells, pumping equipment, water mains, pipelines, valves, meters, and all other equipment necessary to the construction, maintenance and operation of a water system.

(B) To construct, maintain, and operate a sewage disposal system for the use and benefit of its members.

ARTICLE III

The members of the corporation shall be the subscribers hereto and all other persons, partnerships, corporations, or other legal entities having a reasonable accessibility to the sources of and who desire to have water and other services supplied for domestic, commercial, agricultural, industrial or other uses from the systems constructed, maintained and operated by the corporation. The corporation shall not be required to admit additional

members if the capacity of its water system is exhausted by the needs of its existing members and such other persons to whom it has been supplying water.

ARTICLE IV

This corporation shall have perpetual existence.

ARTICLE V

The names and residences of the subscribers to these Articles of Incorporation, are as follows:

Ed Fortune, P. O. Box 1050, Pace, Florida
Bobby Murphy, P. O. Box 1070, Pace, Florida
Charles King, Jr., 136 Church Street (Pace), Milton, Florida
Robert Weekley, 625 West Highway 90 (Pace), Milton, Florida
R. L. Carruth, 22 Hilltop Avenue (Pace), Milton, Florida
Sam Dixon, P. O. Box 1002, Pace, Florida
Howard Nowling, 151 East Highway 90 (Pace), Milton, Florida
Gilbert Weekley, 502 Floridatown Highway (Pace), Milton, Florida

ARTICLE VI

The affairs of the corporation are to be managed by a board of directors of not less than three nor more than nine members. The number of directors shall be determined by the by-laws. They shall be elected at the annual meeting of the members and shall hold office for one year or until their successors are elected.

ARTICLE VII

The officers who shall serve until the first election or until their successors are elected shall be as follows:

Ed Fortune	President
Bobby Murphy	Vice-President
Charles King	Secretary
Robert Weekley	Treasurer

The term of office of the foregoing officers shall be for a period of one year or until their successors are elected. The officers shall be elected by the board of directors.

ARTICLE VIII

The first board of directors shall consist of eight members who shall serve until the first election or until their successors are elected.

The names and addresses of the members of the first board of directors are as follows:

Ed Fortune, P. O. Box 1050, Pace, Florida
Bobby Murphy, P. O. Box 1070, Pace, Florida
Charles King, Jr., 136 Church Street (Pace), Milton, Florida
Robert Weekley, 625 West Highway 90 (Pace), Milton, Florida
R. L. Carruth, 22 Hilltop Avenue (Pace), Milton, Florida
Sam Dixon, P. O. Box 1002, Pace, Florida
Howard Nowling, 151 East Highway 90 (Pace), Milton, Florida
Gilbert Weekley, 502 Floridatown Highway (Pace), Milton, Florida

ARTICLE IX

The by-laws of the corporation shall be made and may be altered or rescinded by a vote of a majority of the membership.

ARTICLE X

Amendments to these Articles of Incorporation may be proposed to the board of directors by a majority vote of the members of the corporation. A majority of the members of the board of directors may approve, amend, or reject such proposals and shall have final authority to adopt any amendment.

ARTICLE XI

The assets and income of this non-profit corporation shall be utilized to promote its purposes. No salaries or fees shall be paid to the directors or officers of this corporation, but nothing herein shall prevent the hiring of employees or engaging of others to perform services for the corporation or to prevent the reimbursement of any person who makes outlays for the reasonable expenses of the corporation. Provided, however, that should this corporation be dissolved, nothing herein shall prevent the distribution of the assets of the corporation to its members or the return of such assets as may have been donated to the corporation to the donors thereof.

IN WITNESS WHEREOF, we have made and subscribed these
Articles of Incorporation, this 16th day of November, 1964.

Ed Fortune
Ed Fortune

Bobby Murphy
Bobby Murphy

Charles E. King, Jr.
Charles King, Jr.

Robert Weekley
Robert Weekley

R. L. Carruth
R. L. Carruth

Sam Dixon
Sam Dixon

Howard Nowling
Howard Nowling

Gilbert Weekley
Gilbert Weekley

STATE OF FLORIDA
COUNTY OF SANTA ROSA

Before me, the undersigned authority, personally appeared Ed Fortune, Bobby Murphy, Charles King, Jr., Robert Weekley, R. L. Carruth, Sam Dixon, Howard Nowling, and Gilbert Weekley, who each being first duly sworn, depose and say that they are natural persons, each over the age of twenty-one years, and are competent to contract, and hereby acknowledge that each of the said subscribers to the foregoing Articles of Incorporation executed the same for the uses and purposes therein expressed.

Sworn to and subscribed to before me this the 16th day of
November, 1964.

[Signature]
Notary Public
My commission expires Feb. 19, 1967
Notary Public, State of Florida at Large
Bonded by American Surety Co. of N. Y.

ARTICLES OF AMENDMENT
OF
THE PACE WATER SYSTEM, INC.

FILED
1992 FEB 27 PM 4:19
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

THE
The name of this corporation is/PACE WATER SYSTEM, INC.

On January 30 1992, the members of the PACE WATER SYSTEM, INC. adopted all of the amendments to the Articles of Incorporation of The Pace Water System, Inc. set forth in these Articles of Amendment, and the number of votes cast by the members for these amendments was sufficient for approval.

The amendments to the Articles of Incorporation of The PACE WATER SYSTEM, INC. approved by the members on January 30, 1982, are as follows:

(A) All Articles previously set forth in the Articles of Incorporation of the PACE WATER SYSTEM, INC. are hereby deleted.

(b) The following Articles represent the text of each amendment as adopted by the members and shall be the Amended Articles of the Pace Water System, Inc.:

ARTICLE I

THE
The name of this corporation shall be/PACE WATER SYSTEM, INC., and the mailing address is 4559 Chumuckla Highway, Pace, Florida; and ^{THE}PACE WATER SYSTEM, INC., shall be a corporation not for profit organized under Chapter 617, Florida Statutes, and shall have all powers given to a corporation not for profit by the provisions of said Chapter 617, Florida Statutes.

ARTICLE II

The nature of the business of the corporation and the objects and purposes for which it is organized are:

(A) 1. To construct, maintain and operate a utility system to supply water, sewage, and other public services to the Pace community and other areas of Santa Rosa County, Florida, on a not for profit basis for domestic, commercial, agricultural and industrial members;

2. To sell public utility support upon approval by the Board of Directors;

3. To engage in any activity necessary to perform its public service functions;

4. To engage in any and all other lawful business; and

(B) The above operations will be further defined in the bylaws and implemented by the Board of Directors.

ARTICLE III

The members of this corporation shall be assigned membership in accordance with Florida Statutes. Membership shall be defined in the bylaws of this corporation.

ARTICLE IV

This corporation shall have perpetual existence.

ARTICLE V

The affairs of this corporation are to be managed by a Board of Directors of not less than three (3) nor more than nine (9) members. The number of directors shall be determined by the

bylaws. They shall be elected by the members and shall hold office for three (3) years as outlined in the bylaws.

ARTICLE VI

The officers who are presently serving until their successors are elected shall be as follows:

Cooley, Harold	President
Warrick, Danny	Vice-President, whose address is 3909 Rodella St., Pace, FL 32571.
Fowler, Marvin	Treasurer
Odom, Crawford	Secretary

The term of office of the foregoing officers shall be for a period of one (1) year or until their successors are elected. The officers shall be elected by the Board of Directors.

ARTICLE VII

Amendments to the bylaws of the corporation may be made as follows:

(A) The Board of Directors shall adopt a resolution setting forth the proposed amendment(s), directing that the resolution be submitted to a vote at an annual meeting of the members or at a special meeting of the members called for that purpose.

(B) Notice of the proposed amendment(s) or a summary of the proposed amendment(s) to the bylaws shall be given to each member entitled to vote thereon. This notice requirement shall be satisfied by mailing notice to each member and through publication in a locally-distributed newspaper at least ten (10) days prior to the meeting.

(C) The proposed amendment(s) to the bylaws shall be adopted upon receiving the affirmative vote of the majority of the votes cast by the members who attend such meeting.

ARTICLE VIII

Sec. 1

Amendments to the Articles of Incorporation of the corporation may be made as follows:

(A) The Board of Directors shall adopt a resolution setting forth the proposed amendment(s), directing that the resolution be submitted to a vote at an annual meeting of the members or at a special meeting of the members called for that purpose.

(B) Notice of the proposed amendment(s) or a summary of the proposed amendment(s) to the Articles of Incorporation shall be given to each member entitled to vote thereon. This notice requirement shall be satisfied by mailing notice to each member and through publication in a locally-distributed newspaper at least ten (10) days prior to the meeting.

(C) The proposed amendment(s) to the Articles of Incorporation shall be adopted upon receiving the affirmative vote of the majority of the votes cast by the members who attend such meeting.

ARTICLE IX

The assets and income of this corporation not for profit shall be used to promote its purposes. No dividend shall be paid and no part of the income of this corporation shall be distributed to its

members. Upon dissolution or final liquidation of this corporation, distributions may be made to its members as permitted by the Court having jurisdiction.


IN WITNESS WHEREOF, we have made and subscribed these Articles of Amendment of ^{The} Pace Water System, Inc. this 26 day of February, 1992.



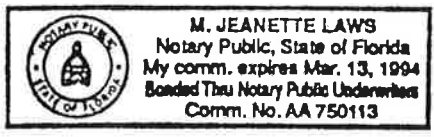
HAROLD COOLEY, President

STATE OF FLORIDA
COUNTY OF SNATA ROSA

The foregoing instrument was acknowledged before me this 26 day of February, 1992, by Harold Cooley, as President of ~~Pace Water~~ The Pace Water system, Inc., a Florida corporation, on behalf of said corporation. He is personally known to me or has produced N/A as identification and did not take an oath.



Notary Public
My commission expires: 3-13-94
Commission No. _____



708129

ARTICLES OF AMENDMENT
OF
THE PACE WATER SYSTEM, INC.

FILED
93 NOV 12 AM 9:16
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

The name of this corporation is **THE PACE WATER SYSTEM, INC.**

On October 12, 1993, the members of **THE PACE WATER SYSTEM, INC.** adopted the following Amendments to the Articles of Incorporation of **THE PACE WATER SYSTEM, INC.**, as previously amended, as set forth in these Articles of Amendment, and the number of votes cast by the members for these amendments was sufficient for approval.

The amendments to the Articles of Incorporation of **THE PACE WATER SYSTEM, INC.** approved by the members on October 12, 1992, are as follows:

(a) Article V of the Articles of Incorporation of **THE PACE WATER SYSTEM, INC.**, as previously amended, is hereby deleted in its entirety.

(b) The following shall be the text of Article V of the Articles of **THE PACE WATER SYSTEM, INC.**, as previously amended:

ARTICLE V

The affairs of this corporation are to be managed by a Board of Directors of not less than three (3) nor more than nine (9) members. The number of directors shall be determined by the bylaws. They shall be elected by the members and shall hold office for two (2) years as outlined in the bylaws.

(c) All other provisions of the Articles of Incorporation of **PACE WATER SYSTEM, INC.**, as previously amended not specifically deleted or changed in this amendment, shall remain in full force and effect and shall not be changed.

IN WITNESS WHEREOF, we have made and subscribed these Articles of Amendment of **THE PACE WATER SYSTEM, INC.** this 12th day of October, 1993.

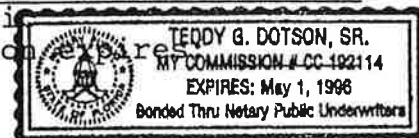
Sue Pardue
Sue Pardue, President of The
Pace Water System, Inc.

James B. White
James White, Secretary of The
Pace Water System, Inc.

STATE OF FLORIDA
COUNTY OF SANTA ROSA

The foregoing instrument was acknowledged before me this 12th day of OCTOBER, 1993, by **Sue Pardue**, as President of **THE PACE WATER SYSTEM, INC.** a Florida corporation, on behalf of said corporation. She is personally known to me or has produced FDL license as identification.

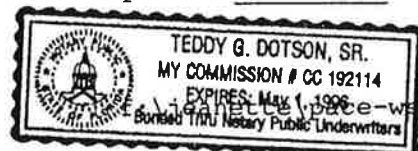
Teddy G. Dotson Sr.
Notary Public
My commission expires:



STATE OF FLORIDA
COUNTY OF SANTA ROSA

The foregoing instrument was acknowledged before me this 12th day of OCTOBER, 1993, by **James White**, as Secretary of **THE PACE WATER SYSTEM, INC.** a Florida corporation, on behalf of said corporation. He is personally known to me or has produced FLORIDA DL as identification.

Teddy G. Dotson Sr.
Notary Public
My commission expires:



BYLAWS

PACE WATER SYSTEM, INC.

OCTOBER 12, 1993

BYLAWS OF PACE WATER SYSTEM, INC.

ARTICLE I

General Purposes:

The purposes for which this Corporation is formed, and the powers it may exercise are set forth in the Articles of Incorporation of this Corporation.

ARTICLE II

Name and Location:

Section 1: The name of this Corporation is Pace Water System, Inc.

Section 2: The principal office of this Corporation shall be located within the water Franchise area of the Pace Water System, Inc. County of Santa Rosa, State of Florida. This Corporation may maintain branch offices as deemed necessary by the Board of Directors.

ARTICLE III

Seal:

Section 1: The seal of this Corporation shall have inscribed thereon the name of this Corporation and the year of its organization, and shall contain the words, "Corporation Not For Profit."

Section 2: The Secretary shall have custody of the seal.

Section 3: The seal may be used by causing it to be impressed or affixed.

ARTICLE IV

Fiscal Year:

The fiscal year of this Corporation shall begin the first day of January.

ARTICLE V

Membership:

Section 1: Membership shall be granted to those persons who have:

- A: Applied for and who have been approved for services from the Pace water system, Inc.
- B: Signed appropriate agreements and paid required deposits as determined by the Board of Directors.

Section 2: A. A person desiring the services of this Corporation will be required to sign a Customer Agreement and pay a refundable Meter Deposit based on rates set by the Board of Directors.

- B. A one-time non-refundable tap-on fee will be paid when initial services to a given location (residence, store, etc.) are requested. This fee to be set by the Board of Directors.
- C. One vote may be exercised by a member for each serviced location. When more than one member owns or resides at a serviced location the vote for each serviced location shall be exercised as they determine, but in no event shall more than one vote be cast for each serviced location. Each water tap for which a separate tap-on fee has been paid shall be considered a separate serviced location. Each membership will represent one vote.
- D. If any adult child (18 years or older) resides with a parent(s) who is a member, the parent may designate this adult child to vote on his/her behalf. Proper notification must be given to this Corporation. The notice must be on file at this Corporation's main office no later than fifteen (15) days prior to an election.
- E. When a member ceases to purchase the services of this corporation, the membership shall be deleted from the Membership Book.

- F. In arrears shall be defined as usage charges billed to a member and unpaid sixty (60) days after the date of the invoice. The Membership of a member in arrears shall be removed from this Corporation's current records and placed in delinquent records until such usage charges have been paid and the account brought up to date. The Board of Directors shall establish any fees involved in re-establishing the Membership in this Corporation's current records. All membership rights shall be denied until re-established in this Corporation's current records.
- G. If a member fails to be eligible for membership or willfully fails to comply with the Bylaws and/or Rules and Regulations of this Corporation, the Board of Directors may terminate the membership by resolution. Any member so terminated may appeal the action to the Board of Directors.
- H. Only current members in good standing may qualify to be elected to the Board of Directors of this Corporation.
- I. There shall be no membership dues as such.
- J. All members who cast a vote must be at least 18 years old.
- K. No member shall be allowed to cast more than one vote regardless of the number of separate serviced locations that member has purchased services for.

ARTICLE VI

Membership Records:

Section 1: This Corporation shall not have capital stock, but its capital shall be represented by membership recorded in accordance with the Florida Statutes.

Section 2: All memberships shall be numbered consecutively and recorded in a permanent Membership Book or alternative record system.

ARTICLE VII

Elections:

- Section 1: The Annual Election of the Board of Directors when required shall be held on the third (3rd) Thursday of February.
- Section 2: Voting shall be at the main corporate office from 7:00 A.M. to 7:00 P.M.
- Section 3: Qualification of candidates for the Board of Directors are:
- A. They must fulfill membership requirements as per Article Five (5) of the Bylaws and reside in the District they wish to represent.
 - B. All candidates applying (including incumbents) shall present notification of intent endorsed by five sponsoring members.
 - C. No employee of this Corporation shall be eligible to serve on the Board of Directors.
 - D. Candidate applications must be personally filed at the main corporate office no later than thirty (30) days prior to the election.
 - E. If only one candidate application is received for a District, he/she is automatically elected.
 - F. If required three candidates shall be elected annually to the Board, one from each district. Each new member elected shall serve a term of two (2) years.
 - G. In case of a tie in any District the candidates involved shall cast lots to be supervised by the election official.
 - H. The franchise area shall remain in three Districts. The three Districts shall be reviewed every two (2) years to maintain population balance.
- Section 4: The three newly elected Directors and the three (3) remaining Board members shall elect President, Vice President, Secretary and Treasurer, from among the Board, to be announced at the Annual Meeting of Members. Those officers shall constitute the Executive Board for the ensuing year.

ARTICLE VIII

Meetings:

Section 1: Annual Meeting of Members:

- A. The Annual Meeting of Members shall be held at a designated place and time on the fourth (4th) Thursday in February.
- B. The Members of this Corporation shall be given notice of the Annual Meeting of Members by a notice published in a locally distributed newspaper not more than thirty (30) days nor less than ten (10) days prior to the meeting. Members will also be informed via a notice printed on their January bills.
- C. Thirty-Five (35) members (including available Board Members) must be present to constitute a quorum for purposes of conducting business at the Annual Membership Meeting.
- D. Annual election results will be announced to the members.
- E. Announcement will be made of the newly elected Executive Officers
- F. Cancellation or postponement of the Annual Meeting of Members must be done by giving members a minimum of ten (10) days advance notice by mail.

Section 2: Monthly Board Meeting:

- A. The Monthly Board Meeting shall be held on the second (2nd) Tuesday of each month.
- B. Members of this Corporation will be given notice of the Monthly Board Meeting by a notice printed on the bill and/or by an advertisement placed in a locally distributed newspaper.
- C. Four (4) Board Members (including at least two Executive Officers) must be present to constitute a quorum.
- D. Cancellation or postponement of the Monthly Board Meeting must be done by giving members not less than five (5) days advance notice in a locally distributed newspaper.
- E. Members are entitled to submit business for consideration at the Monthly Meetings. To appear on the agenda of the Monthly Meeting, a member must give at least five (5) days notice at this Corporation's main office in Pace.

ARTICLE VIII CON'T - Meetings

Section 3: Special meeting of the Board:

- A. Special meetings of the Board of Directors may be called as needed. A minimum of three days notice shall be given each member. The senior office holder present at any Special Board Meeting shall insure the minutes reflect the efforts made to inform each Board Member of the Special Board Meeting. To transact any business at the Special Board Meeting requires the presence of at least four (4) Board Members two of whom must be officers.
- B. Any action taken by the Board between Monthly Meetings shall be ratified at the next Monthly Meeting.

Section 4: Executive Board Meeting:

- A. The Executive Board Meetings shall meet not less than once a quarter.
- B. Members of the Executive Board shall be given three (3) days notice prior to a meeting. (Except in emergency cases).
- C. Three (3) Executive Board Members must be present to constitute a quorum.

Section 5: Special Meetings of Members:

- A. Special Meetings of Members shall be held at this Corporation's office in Pace or at a designated place.
- B. Special Meetings of Members shall be called when a petition signed by at least ten percent (10%) of the members is received by the Secretary. A meeting must be called within thirty (30) days of receiving a petition.
- C. Thirty-Five (35) members (including available Board Members) must be present to constitute a quorum.
- D. The members of this Corporation shall be given notice of a Special Meeting through a notice published in a locally distributed newspaper and/or by mail at least ten (10) days in advance of the meeting. The topic shall be clearly stated and will be the only topic discussed.

ARTICLE IX

Order of Business:

Section 1: Robert's Rules of Order shall be the Parliamentary Procedure used at all meetings.

Section 2: Annual Meeting of Members:
a. Call meeting to order.
b. Verify quorum and announce.
c. Read and approve minutes.
d. Election results.
e. Announcement of Executive Officers.
f. Annual reports.
g. Unfinished business.
h. New Business.
i. Adjournment.

Section 3: Monthly Board Meetings:

a. Call meeting to order.
b. Verify quorum and announce.
c. Read and approve minutes.
d. Action on pre-approved requests for recognition.
e. Ratification of action taken since prior meeting.
f. Reports from:
1. Officers
2. Executive Committee
3. Standing Committees
4. Special Committees
g. Unfinished business.
h. New Business.
i. Adjournment.

Section 4: Special Meetings:

a. Call meeting to order.
b. Verify quorum and announce.
c. Stated business.
d. Adjournment.

ARTICLE X

Directors and Officers:

Section 1: The Board of Directors of this Corporation shall consist of six (6) elected members as outlined in Article VII - "Elections".

Section 2: In the event of a vacancy on the Board of Directors, at the next Monthly Meeting, the remaining Directors shall appoint a successor, from the same District to complete the term.

Section 3: Directors and Officers may be removed from office as follows:

ARTICLE X CON'T - Directors and Officers

- A. Removal of a Director by the Board:
Written legitimate charges presented at a Special Meeting of the Board called by the Executive Board and/or Directors. The Board of Directors shall vote whether or not to proceed with removal action. A majority vote decides. A Special Meeting of the Members shall be called as outlined in Article VIII, Section 4 of the Bylaws (Special Meeting of the Members).
 - B. Removal of a Director(s) by the Members:
A petition signed by at least ten percent (10%) of the members and fulfilling the requirements in Article VIII, Section 4, Paragraph "B" of the Bylaws. Separate petitions must be filed for each Director. Upon verification of the signatures by the Corporation's Secretary, the President shall call a Special Meeting of the Members as provided in Article VIII, Section 4. A majority vote of the members present will decide.
 - C. If a Director of the Board is absent from three (3) consecutive scheduled regular monthly meetings without an acceptable reason, he/she shall be removed. The Board, by a majority vote, shall determine the justification of the absence.
 - D. A Director of the Board who moves out of the Corporation's franchise area and/or District shall be removed.
- Section 4: The Officer or Director against whom such legitimate charges have been presented shall receive written notice at least fifteen (15) days prior to the Special Meeting.
- Section 5: If the removal of a Director and/or Officer is successful, Article X, Section 2 will apply to appoint a successor.

ARTICLE XI

Duties of the Board:

- Section 1: The Board of Directors shall be subject to and exercise all duties as required by local, state, and federal laws and regulations and this Corporation's Articles of Incorporation and these Bylaws. The Board of Directors shall have power and authority to exercise the following:
- A. Accept qualified applications for membership as submitted by the Manager at each Monthly Meeting.
 - B. Approve, by majority vote, the number of employees, including managers and supervisors, to assure continuous business operation and control.

ARTICLE XI CON'T- Duties of the Board

- C. Approve professional services recommended by the Manager and/or a Committee.
- D. Authorize employment duties, compensation and termination of all employees.
- E. Set all fees, rates and charges as deemed appropriate.
- F. To borrow money, goods and/or services, issue notes and other negotiable and transferable instruments, mortgages, deed of trust, and trust agreements to effectuate the smooth running of this Corporation.
- G. Select and/or change one or more financial institutions to act as depositories of this Corporation's funds. All selected firms must have all monies protected by an agency of the United States of America, such as F.D.I.C. Monies in each firm selected, shall not exceed the federal insured dollar amount.
- H. Approve the next year's budget at the December Monthly Meeting.
- I. Require that all officers, managers, supervisors and any other employee having financial duties be bonded. Bonding shall be an expense of the Corporation.
- J. Order an audit of this Corporation by a Certified Public Accountant. Audit to be yearly or as deemed necessary by the Board of Directors.
- K. Approve necessary expansions and improvements that may be proposed to fulfill this Corporation's obligation to its members.
- L. Allocate utility services as deemed necessary. Notice shall be given to members.
- M. Appoint such committees as may be deemed necessary for the efficient operation of this Corporation.
- N. Approve and/or change, by majority vote, written Standard Rules and Regulations governing the administration and operation of this Corporation.

ARTICLE XII

Duties of Officers:

Section 1: The Executive Board shall ensure compliance of the Bylaws.

Section 2: Duties of President.

The President shall:

- A. Preside over meetings of this Corporation as listed in Article VIII of these Bylaws. In the event he/she is unable to attend, the Vice-President shall preside. If both the President and the Vice-President are absent, the Secretary shall preside.
- B. Ensure that the order of business of all meetings shall be as outlined in Article IX.
- C. Chair the meeting as prescribed in Robert's Rules of Order.
- D. Appoint a Parliamentarian, if necessary to assist with the orderly conduct of meetings.
- E. Not vote on a motion except in the case of a draw in which case the President shall have the tie-breaking vote.
- F. Recommend the formation of various committees and appoint chairpersons for those committees.
- G. Sign such papers and documents of this Corporation as he/she may be authorized and directed to sign by the Board of Directors.
- H. Perform such other duties as may be authorized by the Board of Directors and Standard Rules and Regulations.
- I. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

Section 3: Duties of the Vice-President:

- A. The Vice-President shall:
Perform the duties normally carried out by the President in his/her absence.
- B. Preside over Standing Committee Meetings.
- C. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

ARTICLE XII CONT'D - Duties of Officers:

Section 4: Duties of the Secretary.

The Secretary shall:

- A. Keep a permanent record of all the proceedings of this Corporation.
- B. Keep on file all Committee Reports.
- C. Be responsible for the Membership Records.
- D. Make available the minutes and records of this Corporation upon request from members.
- E. Notify officers and committee members of their election or appointment.
- F. Furnish committees with documents required for the performance of their duties.
- G. Be responsible for maintaining permanent record books in which the Articles of Incorporation, Bylaws, Special Rules of Order, Standing Rules and Amendments to such are properly recorded.
- H. Be responsible for notifying members of meetings as outlined in Article VIII.
- I. Sign such documents as may be required by the Board of Directors.
- J. Be responsible for the corporate seal, records of this Corporation and affix the seal to all documents requiring such.
- K. Be responsible for all reports required by law and such duties as may be required by the Board of Directors.
- L. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

NOTE: ALL PERMANENT RECORDS SHALL BE ON FILE AT THE CORPORATION'S MAIN OFFICE AND AVAILABLE FOR INSPECTION FIVE WORKING DAYS AFTER RECEIPT OF WRITTEN NOTICE.

ARTICLE XII CONT'D - Duties of Officers:

Section 5: Duties of the Treasurer.

The Treasurer shall:

- A. Have general charge and supervision of the financial books and records of this Corporation.
- B. Sign such documents as may be required by the Board of Directors.
- C. Upon the election of a successor, hand over all books and other property belonging to this Corporation that may be in his/her possession.

ARTICLE XIII

Responsibilities:

Section 1: This Corporation:
Shall install, maintain and operate utility services, as available, to the property line of each member of this Corporation. In the case of a new subdivision, the Corporation shall connect to the subdivision infrastructure upon receipt of title and easement to same.

Section 2: Each member:
Shall be responsible for installing and maintaining associated facilities to receive this Corporation's services on his/her property.

ARTICLE XIV

Distribution of Surplus Funds:

Section 1: Any net earnings available at the end of the fiscal year shall be accumulated in a surplus fund. Surplus funds shall be used for expanding and upgrading of services to be determined by the Board of Directors.

ARTICLE XV

AMENDMENTS

Section 1. Amendments to the Bylaws of the corporation may be made as follows:

- A: The Board of Directors shall adopt a resolution setting forth the proposed amendment(s), directing that the resolution be submitted to a vote at an annual meeting of the members or at a special meeting of members called for that purpose.

ARTICLE XV CON'T - AMENDMENTS

- B: Notice of the proposed amendment(s) or a summary of the proposed amendment(s) to the Bylaws shall be given to each member entitled to vote thereon. This notice requirement shall be satisfied by mailing a notice to each member and through publication in a locally-distributed newspaper at least ten (10) days prior to the meeting.
- C: The proposed amendment(s) to the Bylaws shall be adopted upon receiving the affirmative vote of the members who attend such meeting.

Section 2: The members shall not have the power to change the purposes of this Corporation so as to decrease its rights and powers under the laws of the State, or to waive any requirements of bond or other provision for the safety and security of the property and funds of this corporation or its members.

THESE BYLAWS WILL REPLACE ALL PREVIOUS BYLAWS AND AMENDMENTS

She Pardue
President

Martin Fowler
Vice President

James B. Webb
Secretary

Clare Casey
Treasurer

Ray Donaldson
Board Member

ATK H
Board Member

Phillip A. Moon
Board Member

Board Member

Jimmy Hancock
Board Member

State of Florida



Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of PACE PROPERTY FINANCE AUTHORITY, INC., a corporation organized under the Laws of the State of Florida, filed on March 16, 1990, as shown by the records of this office.

The document number of this corporation is N37125.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
16th day of March, 1990.



Jim Smith
Secretary of State

ARTICLES OF INCORPORATION
OF
PACE PROPERTY FINANCE AUTHORITY, INC.
A Florida corporation not for profit

FILED
1990 MAR 16 PM 4:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLE 1

NAME

The name of this corporation is: Pace Property Finance Authority, inc.

ARTICLE 2

DURATION

The duration of this corporation is perpetual. The date and time of commencement of the corporate existence is the time of filing of the articles of incorporation by the Department of State of the State of Florida.

ARTICLE 3

GENERAL PURPOSES

(a) The Authority is organized for the purpose of acquiring, owning, holding, leasing and selling real or personal property to or for the benefit of Santa Rosa County, Florida (the "County") for and in furtherance of its public purposes, and collecting, receiving, borrowing, lending or otherwise obtaining and lending funds to or for the use of the County or to others for the County's public purposes, to the extent necessary and appropriate in the establishment and administration of lawfully created governmental programs and activities ("Approved Programs") that are from time to time approved by ordinance or resolution duly adopted by the Board of County Commissioners of the County, all to be done and accomplished by the Authority as the duly constituted and authorized authority and instrumentality of the County acting on its behalf and for the benefit and welfare of the public.

(b) In the fulfillment of its purposes, the Authority may exercise all powers granted under Chapter 617 of Florida Statutes, as amended (the "Act"), subject to such limitations thereon as may be contained herein or in any ordinance or resolution duly adopted by the Board of County Commissioners of the County.

ARTICLE IV
MEMBERS

The sole member of the corporation shall be Santa Rosa County, Florida. It's qualification is as a home rule county properly established by the Florida legislature.

ARTICLE V
REGISTERED OFFICE AND AGENT

The street address of the initial registered office of the corporation is 800 Caroline Street, Milton, Florida 32570. The name of the initial registered agent of thje corporation at such address is David Moye.

ARTICLE VI
DIRECTORS

The number of directors constituting the initial board of directors shall be at least three and no more than nine and shall consist of the members of the Board of Directors of The Pace Water System, Inc. as from time to time may be elected. The names, addresses and the expiration of the respective terms of the initial directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>EXPIRATION Of Term</u>
Harold Cooley	118 Struth Lane Pace, FL 32571	Feb. 1992
Danny Warrick	115 Pace Road Pace, FL 32571	Feb. 1992
William Fillingim	617 Grant Street Pace, FL 32571	Feb. 1991
Marvin Fowler	855 Serry Lane Pace, FL 32571	Feb. 1991
James White	405 Avenida Del Fuego Pace, FL 32571	Feb. 1991
Crawford Odom	1 Marcus Circle Pace, FL 32571	Feb. 1992
Danny Lamberdozzi	513 N. Island Road Pace, FL 32571	Feb. 1993
Charles King	102 Longleaf Drive Pace, FL 32571	Feb. 1993
Clearence Ballou	Rt. 8, Bōx 100 Milton, FL 32570	Feb. 1993

The number and qualifications of directors may be changed from time to time by the by-laws.

ARTICLE VII

AMENDMENT

These Articles of Incorporation may at any time and from time to time be amended by either of the following methods: (a) the members of the Board of Directors of the Authority may file with the Board of County Commissioners of the County a written application seeking permission to amend these Articles of Incorporation, specifying in such application the amendment proposed to be made, and if the Board of County Commissioners finds and determines that it is advisable that the proposed amendment be made and approves the form and substance of the amendment and authorizes the same to be made, the Board of Directors may amend these Articles of Incorporation by adopting such amendment and delivering articles of amendment to the Secretary of State of the State of Florida; or (b) the Board of County Commissioners of the County, in its sole discretion and at any time, may adopt an amendment to these Articles of Incorporation and direct the Board of Directors to amend the same, whereupon the Board of Directors shall amend the same by filing articles of amendment with the Secretary of State of the State of Florida.

ARTICLE VIII

DIVIDENDS

(a) No dividends shall ever be paid by the Authority, and no part of its net earnings (beyond the necessary for retirement of the indebtedness of the Authority or to implement the public purposes of the County for which the Authority has been created) shall be distributed to or inure to the benefit of its directors or officers or any private person, firm, corporation or association except in reasonable amounts for services rendered. In the event the Board of Directors of the Authority determines that sufficient provision has been made for the full payment of the expenses, bonds, notes and other obligations of the Authority issued to finance the costs of any Approved Program, any net earnings of the Authority thereafter accruing with respect to that Approved Program shall be paid to the County.

(b) No substantial part of the Authority's activities shall be carrying on propaganda or otherwise attempting to influence legislation, and it shall not participate or intervene (including the publishing or distributing of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IX

POWERS OF BOARD OF COUNTY COMMISSIONERS

(a) In addition to the power to amend these Articles of Incorporation, as provided elsewhere herein, the Board of County Commissioners of the County, in its sole discretion and at any time, may alter the structure, organization, programs or activities of the Authority or terminate and dissolve the Authority, subject only to any limitations provided by the laws of the State of Florida or of the United States of America, including provisions prohibiting the impairment of contracts entered into by the Authority.

(b) If the Board of Directors determines that the purposes for which the Authority was formed have been substantially accomplished and that all expenses, bonds, notes and other obligations theretofore issued or incurred by the Authority have been fully paid or payment has been provided therefor, the Board of Directors, upon approval by the Board of County Commissioners of the County, thereupon shall dissolve the Authority in the manner provided by law, subject to the same limitations referred to in paragraph (a) of this Article IX pertaining to a dissolution directed by the County.

(c) The initial bylaws of the Authority and all amendments thereto shall be subject to the approval of the Board of County Commissioners of the County.

ARTICLE X

INCORPORATOR

The name and address of the incorporator of this corporation are as follows:


Theodore E. Mack
Cobb Cole & Bell
Suite 500
315 S. Calhoun Street
Tallahassee, FL 32301

ARTICLE XI

INITIAL MEMBERS

The name of the initial member of this corporation is Santa Rosa County, Florida.

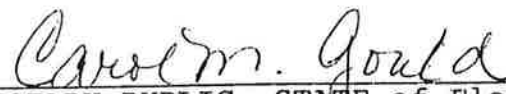
IN WITNESS WHEREOF, the undersigned incorporator does hereby execute and acknowledge these articles this 16th day of March, 1990.



TED MACK
Incorporator

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 16 day of March, 1990.



NOTARY PUBLIC, STATE of Florida
at Large

My Commission Expires:
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES SEPT. 28, 1990.

CERTIFICATE DESIGNATING REGISTERED AGENT AND
STREET ADDRESS FOR SERVICE OF PROCESS

FILED
1990 MAR 16 PM 4:30
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

Pursuant to Section 48.091, Florida Statutes, Pace Property Finance Authority, Inc., hereby designates David Moye at 800 Caroline Street, Milton, Florida 32570, as its registered agent and the street address of its registered office, respectively, for service of process within the State of Florida.

PACE PROPERTY FINANCE AUTHORITY, INC.

By: *Paul Mark*
Incorporator

ACCEPTANCE OF DESIGNATION

I hereby accept the foregoing designation as registered agent of Pace Property Finance Authority, Inc. for service of process within the State of Florida.

David Moye
David Moye

BYLAWS
OF
PACE PROPERTY FINANCE AUTHORITY, INC.

ARTICLE I

Principal Office

The principal office for the transaction of the business of the Authority shall be located at the offices of The Pace Water Systems, Inc., Post Office Drawer H, Pace, Florida 32570. The board of directors may at any time or from time to time change the location of the principal office.

ARTICLE II

Membership

Section 1. Members.

The sole member of the Authority shall be Santa Rosa County, Florida.

Section 2. Annual Meeting.

The annual meeting of the members of this Authority shall be held during the month of March of each year at the principal office of this Authority, or at any other time or at any other place determined by the board of directors. Annual meetings at any other date, time or place shall be noticed by sending a copy of the notice of the date, time and place of said meeting to the Chairman of the Board of County Commissioners, Santa Rosa County Courthouse, Milton, Florida 32570, Attention: County Manager.

Section 3. Special Meetings.

Special meetings of the members of the Authority for any purpose or purposes may be called at any time by the Chairman of the board of directors.

Written notice of the date, time and place of special meetings of the members shall be given in the same manner as for annual meetings of the members.

Section 4. Waiver and Consent.

The transactions of any meeting of the board of directors of this Authority however called and noticed, shall be as valid as though had at a meeting held after regular call and notice if a quorum is present, and if, either before or after the meeting, each of the members of the board of directors not present signs a written waiver of notice, or a consent to holding the meeting or an approval of the minutes. All the waivers, consents, or approvals shall be filed with the corporate records or be made a part of the minutes of the meeting.

Section 5. Quorum.

A quorum for any meeting of the members shall be a majority of the members of the board of directors.

Section 6. Liabilities of Members.

No person who is now, or who later becomes an officer, trustee or member of the board of directors of this Authority shall be personally liable for any indebtedness or liability, and any and

all creditors of this Authority shall look only to the assets of this Authority for payment.

ARTICLE III

Board of Directors

Section 1. Number of Directors.

The affairs and business of this Authority shall be managed by a board of directors consisting of at least three (3) but no more than nine (9). The number of members of the board of directors may be increased or decreased by the board of directors except that at no time shall the board be comprised of less than three (3) members. The members of the board of directors of the corporation shall be the members of the board of directors of the Pace Water System, Inc.

Section 2. Quorum.

A majority of the directors shall constitute a quorum for the transaction of business.

Section 3. Powers of Directors.

Subject to the limitations of the articles of incorporation, other sections of the bylaws, and of the laws of the State of Florida, all corporate powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the Authority shall be controlled by, the board of directors. The board of directors shall have all powers permitted a board of directors by the laws of the State of Florida unless restricted by the Articles of Incorporation or these bylaws.

Section 4. Election, Qualifications, and Term of Office.

The term of office of each director shall be the same as his or her term of office as a member of the board of directors of The Pace Water System. Each director shall serve until his successor shall have been elected and qualified or until his earlier resignation, removal from office, or death. Elections of the directors shall be held at the annual meeting of the members of this Authority. All directors shall subscribe to the purposes of the Authority. If a member of the board of directors shall be removed from office by the County such action shall not act to remove such member from the board of directors of The Pace Water System, Inc.

Section 5. Vacancies.

Vacancies in the board of directors shall be filled by a majority of the remaining directors then in office even though less than a quorum. A successor director so elected shall serve for the unexpired term of his predecessor.

Section 6. Principal Place of Business and Depository of Corporate Records.

The principal place of business shall be the offices of the Pace Water System, Inc., Pace, Florida, and all records of the Authority shall be maintained with the officer in charge thereof. The directors may from time to time designate a different principal place of business or depository of the records of the Authority by majority vote of the directors.

Section 7. Place of Meeting.

Regular meetings of the board of directors shall be held at any place, within or without the state, that has been designated from time to time by resolution of the board of directors or by written consent of all members of the board of directors. In the absence of this designation regular meetings shall be held at the principal office of the Authority. Special meetings of the board of directors may be held either at a place designated or at the principal office.

Section 8. Organizational Meeting.

Immediately following each annual meeting of members, the board of directors shall hold a regular meeting for the purposes of organization, election of officers, and the transaction of other business. No notice of such organizational meeting need be given.

Section 9. Special Meetings.

Special meetings of the board of directors for any purpose or purposes may be called at any time by the president or by a majority of the directors.

Written notice of the time and place of special meetings shall be delivered personally to each director or sent to each director by mail or by other form of written communication, charged prepaid, addressed to him at his address as it is shown on the records or if it is not so shown on the records or is not readily ascertainable, at the place at which the meetings of the directors are regularly held. The notice shall be mailed reasonably prior to the time of the holding of the meeting.

Section 11. Action Without a Meeting.

Any action by the board of directors may be taken without a meeting if all members of the board of directors individually or collectively consent to this action. Such consents if not in writing shall be reduced to writing and all consents shall be filed with the minutes of the proceedings of the board of directors.

Section 12. Compensation.

The directors shall receive no compensation for their services as directors.

Section 13. Removal.

A director may be removed from office, for cause, by the County Council of Santa Rosa County, Florida (the "County Council") or by the vote of a majority of the remaining directors.

ARTICLE IV

Officers

Section 1. Officers.

The officers of this Authority shall be a president, vice president, secretary, and treasurer, and such other offices as the board of directors may appoint. One person may hold two or more offices, except the offices of president and secretary. All officers shall be members of the board of directors unless a specific individual is excluded from this requirement by an affirmative vote of a majority of the board of directors.

Section 2. Election.

The board of directors shall elect all officers of the Authority for terms of one (1) year, or until their successors are elected and qualified.

Section 3. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled by the board of directors.

Section 4. President.

Subject to the control of the board of directors and the County Council, the president shall have a general supervision, direction, and control of the business and affairs of the Authority. The president shall preside at all meetings of the members and directors, and shall have such other powers and duties as may be prescribed from time to time by the board of directors.

Section 5. Vice-President.

In the absence or disability of the president, the vice president shall perform all the duties of the president and in so acting shall have all the powers of the president. The vice-president shall have such other powers and duties as may be prescribed from time to time by the board of directors.

Section 6. Secretary.

The secretary shall keep a full and complete record of the proceedings of the board of directors, shall keep the seal of the Authority and affix it to such papers and instruments as may be required in the regular course of business, shall make service

of such notices as may be necessary or proper, shall supervise the keeping of the records of the Authority, and shall discharge such other duties of the office as prescribed by the board of directors.

Section 7. Treasurer.

The treasurer shall receive and safely keep all funds of the Authority and deposit them in the bank or banks that may be designated by the board of directors. Those funds shall be paid out only on checks of the Authority signed by any two (2) officers, one being the treasurer, or by such officers as may be designated by the board of directors as authorized to sign them. The treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the board of directors.

ARTICLE V

Amendment of Bylaws

These bylaws may be amended or repealed and new bylaws adopted by the board of directors and as provided in the Articles of Incorporation.

ADOPTED: June 4, 1990


President, Board of Directors