

**JOINT RESOLUTION
TO AMEND
DECLARATION OF CONDOMINIUM,
FORM NEW ASSOCIATION,
AND ADOPT BYLAWS**

PINELLAS COUNTY FLA.
OFF. REC. BK 7522 PG 676

WHEREAS, HEATHER HILL APARTMENTS NOS. 1 THROUGH 4 ASSOCIATIONS are the Associations formed as the Condominium Associations for HEATHER HILL APARTMENTS, condominiums established in Dunedin, Florida; and

WHEREAS, the members of said Associations desire to dissolve each said Association and to substitute therefor, a single Florida Corporation Not for Profit, to become the governing authority for all HEATHER HILL Condominiums, (these being: HEATHER HILL APARTMENTS NOS. 1, 2, 3 and 4, A CONDOMINIUM); and the new corporation shall be known as HEATHER HILL MASTER ASSOCIATION, INC.; and

WHEREAS, the members of said all Associations further desire to adopt the Bylaws attached hereto as Bylaws of said Corporation;

NOW, THEREFORE, BE IT RESOLVED, by the owners of more than seventy-five (75%) percent of the units of each of the four HEATHER HILL CONDOMINIUMS, that each of the four Declarations of Condominium be and the same are hereby amended as follows:

PARAGRAPH 3 of each said Declaration presently reads:

3. CONDOMINIUM ASSOCIATION NAME - The name of the Condominium Association herein formed shall be HEATHER HILL APARTMENTS NO. (1 through 4, respectively) ASSOCIATION. This Association shall exist, without incorporation, as a legal entity pursuant to Chapter 711, Laws of Florida, 1963, Section 12, as amended. The Association shall have all of the powers and duties set forth in the said Condominium Act, except as limited by this Declaration and By-Laws, and shall have all of the powers and duties reasonably necessary to operate this Condominium. The power of this Association to purchase and apartment of the Condominium shall be unlimited. The operation of this Association shall be governed by the By-Laws attached hereto as Exhibit "A" and incorporated herein by reference.

SAID PARAGRAPH 3 is hereby amended in its entirety to read as follows:

3. CONDOMINIUM ASSOCIATION NAME - The name of the Condominium Association for this Condominium shall be HEATHER HILL MASTER ASSOCIATION, INC. This Association shall be a Florida Corporation Not For Profit. The Articles of Incorporation and Bylaws for this Association shall be those attached as Exhibits "A" and "B" hereto and incorporated herein by reference. Said instruments may be amended from time to time in the manner set forth therein.

EACH SAID DECLARATION refers in numerous places to: "BOARD OF GOVERNORS." All such words, wherever found and in whatever context used, are hereby replaced by the words: "BOARD OF DIRECTORS."

PARAGRAPH 9, B, 1 of each said Declaration presently reads:

The By-laws of the Association - Exhibit "A" attached hereto and made a part hereof, sets forth the By-Laws by which the Association shall be governed, and the By-Laws may be amended in accordance with provisions of this Declaration of Condominium.

PARAGRAPH 9, B, 1 of each said Declaration is hereby amended in its entirety to read as follows:

The Bylaws of the Association - Exhibit "A" attached to this Certificate of Amendment and made a part hereof, sets forth the Bylaws by which the Association shall be governed, and the By-Laws may be amended in accordance with provisions of contained in said Bylaws.

PARAGRAPH 19 of each said Declaration presently reads:

19. **BOARD OF GOVERNORS** - The Board of Governors of the Condominium Association, which shall consist of not less than four (4) and not more than seven (7) persons who shall be owners of a Condominium parcel and/or who shall be Owners of a leasehold estate having an original term of ten (10) years or more, shall be elected in accordance with the provisions of the By-Laws and shall serve for a period of one (1) year, provided that the first Board of Governors, notwithstanding such ownership of a Condominium Parcel, shall consist of the following three persons:

NAME	ADDRESS
Daniel A. Engelhardt	P.O. Box 609 Dunedin, FL 33528
Daisy Lee Engelhardt	P.O. Box 609 Dunedin, FL 33528
John J. Mark	704 E. Layton Ave Milwaukee, WI 53207

and the above named individuals, or any successor thereof during the first ten (10) years, need not be an owner, and said individuals shall serve for a period of ten (10) years from the date of filing of this Declaration of Condominium, notwithstanding the provisions of paragraph 5, sub-paragraph K of the By-Laws, and thereafter, until their successors are duly elected in accordance with the terms of the Declaration of Condominium and By-Laws. The above named individuals, or any successor thereof within the first ten (10) years, may be re-elected from time to time to the Board of Governors, notwithstanding ownership of a Condominium parcel. Vacancies in the original Board of Governors may be filled by appointment by the remaining governors to serve the unexpired term.

SAID PARAGRAPH 19 of each said Declaration is hereby deleted in its entirety with no substitution made therefor.

BE IT FURTHER RESOLVED, that the Board of Directors of all HEATHER HILL APARTMENTS ASSOCIATIONS be, and the same hereby are authorized and directed to form a Florida Corporation Not For Profit, to be known as HEATHER HILL MASTER ASSOCIATION, INC., which shall hereafter be the governing entity for this and the three other HEATHER HILL Condominiums.

BE IT FURTHER RESOLVED, that the all Bylaws and Bylaw provisions now and existing for each HEATHER HILL APARTMENTS NO. ASSOCIATION shall be and the same ar hereby rescinded in their entirety; and the Bylaws of HEATHER HILL MASTER

ASSOCIATION, INC. attached to this Resolution, which are incorporated herein by reference, are hereby adopted as the Bylaws of HEATHER HILL MASTER ASSOCIATION, INC.

BE IT FURTHER RESOLVED, that the President and the Secretary of the Condominium Association for each of the four Heather Hill Condominiums are hereby authorized and directed to execute and record among the Public Records of Pinellas County, Florida, a Certificate of Amendment prepared in accordance with Florida Laws to effectuate the provisions of this Resolution.

IN WITNESS WHEREOF, the undersigned, as President and Secretary, respectively, of all of said Associations, do hereby certify that this Resolution was duly passed and adopted in accordance with all applicable provisions of the Declaration of Condominium and By-Laws of said Association, this 10th day of December, 1990, by vote of more than seventy-five (75%) percent of the total voting number of condominium unit owners.

WITNESSES:

HEATHER HILL APARTMENTS
NOS.1 through 4 ASSOCIATIONS

By:

President

Secretary

STATE OF FLORIDA
COUNTY OF PINELLAS

BEFORE ME, personally appeared ALFRED KRETCHMAN and JANE RICE, to me well known, and known to me to be the individuals described in and who executed the foregoing Resolution as President and Secretary of the above named Condominium Association, and severally acknowledged to and before me that they executed such instrument as such President and Secretary, respectively, of said Association, and that said instrument is the free act and deed of the members of said Association.

WITNESS my hand and official seal this 8th day of January, 1991.

Notary Public
Commission Expiration & Seal

State of Florida

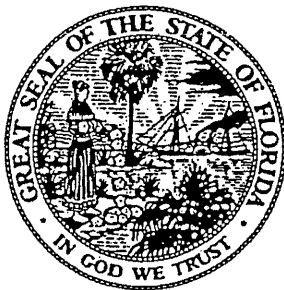


Department of State

I certify that the attached is a true and correct copy of the Articles of Incorporation of HEATHER HILL MASTER CONDOMINIUM ASSOCIATION, INC., a corporation organized under the Laws of the State of Florida, filed on January 17, 1991, as shown by the records of this office.

The document number of this corporation is N41719.

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
18th day of January, 1991.



CR2EO22 (6-88)

A handwritten signature in cursive script that reads "Jim Smith".

Jim Smith
Secretary of State

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91 JAN 17 AM 9:29
SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF INCORPORATION

HEATHER HILL MASTER CONDOMINIUM ASSOCIATION, INC.

The undersigned incorporations associate themselves through these Articles in order to form a corporation not-for-profit under the laws of the State of Florida, and do hereby adopt the following Articles of Incorporation.

1. **Name and Initial Registered Office.** The name of this Corporation is HEATHER HILL MASTER ASSOCIATION, INC., hereinafter referred to as the "Association". The initial principal place of business of the corporation is: Heather Hill Clubhouse, 1020 DeLeon Drive, Dunedin, Florida 34698. Mailing Address: c/o Florida Central Management, 28163 U.S. 19 North, Suite 202, Clearwater, Florida 34621.

2. **Term of Duration of Corporation.** The period of duration for the Corporation is perpetual.

3. **Principal Purpose of Corporation.** The purpose of the Corporation is to provide an entity, in accordance with the Florida Condominium Act, Chapter 718, to operate HEATHER HILL APARTMENTS NO. 1, a Condominium, HEATHER HILL APARTMENTS NO. 2, a Condominium, HEATHER HILL APARTMENTS NO. 3, a Condominium, and HEATHER HILL APARTMENTS NO. 4, a Condominium. Hereinafter these Condominiums are referred to as the "Condominiums".

4. **Definition and Meaning of Terms.** All terms used in these Articles of Incorporation have the same meaning as designated in the Declarations of Condominium for the Condominiums, unless these Articles provide otherwise.

5. **Powers of Corporation.** The Association shall have full powers permitted a corporation not-for-profit under Florida law which do not conflict with these Articles, the Declarations of Condominium of the Condominiums, and Association Bylaws, or the Condominium Act. The Association shall also have those powers reasonably necessary to carry out its responsibilities for the operation of the condominiums in accordance with the Declarations of Condominium of the Condominiums and the Association Bylaws, which powers shall include, but not be limited to the following:

a. To make and collect assessments against members as unit owners for the purpose of exercising its powers and carrying out its responsibilities for the operation of the Condominiums.

b. To buy, sell, trade, lease or encumber property, real or personal, and to construct additional improvements of the Condominiums' property.

c. To maintain, repair, replace, reconstruct after casualty, operate and manage the Condominiums' property or any property owned or leased by the Association for use by member unit owners.

d. To acquire and pay for insurance on the Condominiums' property and for the protection of the Association and member unit owners.

e. To make and amend reasonable rules and regulations for the use and appearance of all property in the Condominiums for the benefit, health, safety, welfare and happiness of member unit owners.

f. To approve or disapprove the leasing, transfer, mortgaging, ownership or possession of units in the manner provided for in the Declarations of Condominium or the Association Bylaws.

g. To enforce through legal means the Condominium Act, the Declarations of Condominium, the Bylaws of the Association, these Articles and any rule or regulation as contemplated by Section 5e of these Articles.

h. To contract for management of the Condominiums and also to contract for the management or operation of those portions of the common elements which are susceptible to such management or operation, or to enter leases for such common elements for the same purpose.

i. To hire employees to perform the services needed for the proper operation of the Condominiums.

j. To perform all acts and to exercise all powers now or hereafter authorized by the laws of the State of Florida.

The Association shall, in exercising these and all other powers, be subject to and act in accordance with the Condominium Act, the Declarations of Condominium, the Association Bylaws and these Articles. The Association shall distribute no part of its income to its members, directors or officers, and if the Association is dissolved, all its assets shall be transferred only to another nonprofit corporation or a public agency. All funds and all titles of any properties acquired by the Association and any proceeds therefrom shall be held in trust for the unit owners in accordance with Chapter 718, Florida Statutes, the Declaration of Condominium, the Association, Bylaws and these Articles.

6. **Membership and Voting.** The Bylaws describe the persons who are members of the Association, and upon termination of the Association members at the time of the termination and their successors and assigns shall be members. Members' shares in the funds and assets of the Association may not be assigned, hypothecated or transferred in any member except as an appurtenance to the unit for which the share is held. In all matters on which the membership is entitled to vote, each member of the Association shall have a vote as provided for in the Declarations of Condominium and the Association Bylaws. The manner in which a vote is to be cast or exercised shall be determined by the Declarations of Condominium and the Association Bylaws.

7. **Board of Directors.** The business and affairs of the Association shall be managed by a Board consisting in number and composition of members determined as set forth in the Bylaws. The method of election and replacement of Directors shall be as provided for in the Bylaws. The names and addresses of the first Board of Directors who shall hold office until their successors are elected and have qualified or until removed, are

as follows:

<u>NAME</u>	<u>ADDRESS</u>
<u>EARLE JOHNSON</u>	<u>821 DeLeon Court, Apt. 202, Dunedin, FL 34698</u>
<u>RUSSELL BEARD</u>	<u>821 DeLeon Court, Apt. 109, Dunedin, FL 34698</u>
<u>HERBERT RIXON</u>	<u>1020 DeSoto Drive, Dunedin, FL 34698</u>
<u>CHARLES BURK</u>	<u>869 DeSoto Court, Dunedin, FL 34698</u>
<u>ALFRED KRETCHMAN</u>	<u>1020 DeLeon Drive, Dunedin, FL 34698</u>
<u>MARY NEVIN</u>	<u>821 DeLeon Court, Apt. 201, Dunedin, FL 34698</u>
<u>JANE RICE</u>	<u>821 DeLeon Court, Apt. 306, Dunedin, FL 34698</u>

8. **Initial Corporate Officers.** The affairs of the Association shall be administered by the officers provided for in the Bylaws. At the first meeting of the Board of Directors following the Association annual meeting, the Board shall elect the Officers who will thereafter serve at the pleasure of the Board. The names and addresses of the Officers who shall serve until such time as the Board of Directors appoints successors are as follows:

<u>OFFICE</u>	<u>NAME</u>	<u>ADDRESS</u>
President	EARLE JOHNSON	821 DeLeon Court, Apt. 202 Dunedin, FL 34698
Vice President	RUSSELL BEARD	821 DeLeon Court, Apt. 109 Dunedin, FL 34698
Secretary	JANE RICE	821 DeLeon Court, Apt. 306 Dunedin, FL 34698

9. **Indemnification By Corporation.** The Association shall indemnify Directors, Officers, members, employees or agents of the Association against all expense and liabilities including attorney's fees, costs, judgments, fines and settlements reasonably incurred or imposed as a result of any proceeding to which any Director, Officer, member, employee or agent of the Association may have been a party or may have been otherwise involved by reason of his serving or previously having served the Association at its request. However, unless the Board of Directors approves indemnification as being in the best interest of the Association and places in the minutes of the meeting at which such decision is made reasons therefor, no indemnification shall be permitted where a court of competent jurisdiction decides that the party seeking indemnification was guilty of willful misfeasance or malfeasance in the performance of his duties. The right of indemnification shall not be exclusive of any rights to which a person seeking indemnification might be entitled.

10. **Amendment of Articles of Incorporation.** The Articles may be amended as follows. Notice of the subject of a proposed amendment must be included in the notice of the meeting at which the amendment is to be considered. A resolution for the adoption of the amendment may be proposed by either the Board of Directors or any member of the Association. Any Director or member of the Association not present in person or by proxy at the meeting may express his approval in writing provided that the approval must be in the possession of the Secretary of the Association at the meeting. Amendments may be approved by a vote of two-thirds (2/3) of all members of the Association and two-thirds (2/3) of the Owners of all fee interests of Condominium parcels and at least fifty-one percent (51%) of all Mortgagees holding mortgages on units within the Condominium. No amendment shall change the qualification for membership, voting or property rights for members, the Association's obligation under Article 5 of these Articles to exercise its powers in accordance with the Condominium Act, the Declarations of Condominium, the Bylaws, and these Articles, or its obligation under Article 5 concerning distribution of Association income, dissolution, and the holding of all funds and titles to properties acquired by the Association for the benefit of unit owners, without written approval by all members and the joinder of all record owners of mortgages on units. No amendment may be made which conflicts with the Declarations of Condominium or the Condominium Act. A copy of any amendment which is adopted shall be accepted and certified by the Secretary of State and be recorded in the Public Records of Pinellas County, Florida.

11. **Amendment of Bylaws.** The Bylaws may be amended in the manner provided for the Bylaws.

12. **Incorporators.** The names and addresses of the Incorporators of this Corporation are:

<u>NAME</u>	<u>ADDRESS</u>
<u>EARLE JOHNSON</u>	<u>821 DeLeon Court, Apt. 202, Dunedin, FL 34698</u>
<u>RUSSELL BEARD</u>	<u>821 DeLeon Court, Apt. 109, Dunedin, FL 34698</u>
<u>HERBERT RIXON</u>	<u>1020 DeSoto Drive, Dunedin, FL 34698</u>
<u>CHARLES BURK</u>	<u>869 DeSoto Court, Dunedin, FL 34698</u>
<u>ALFRED KRETCHMAN</u>	<u>1020 DeLeon Drive, Dunedin, FL 34698</u>
<u>MARY NEVIN</u>	<u>821 DeLeon Court, Apt. 201, Dunedin, FL 34698</u>
<u>JANE RICE</u>	<u>821 DeLeon Court, Apt. 306, Dunedin, FL 34698</u>

13. **Initial Registered Office and Resident Agent.** The initial registered office of this Corporation shall be located at 28163 U.S. 19 North, Suite 202, Clearwater, Florida 34621, and the

initial registered agent at that address is ART LeBLANC.

IN WITNESS WHEREOF, the undersigned Incorporators have affixed their signatures below at Pinellas County, Florida, on the 16 day of October, 1990.

WITNESSES AS TO ALL PARTIES:

Lester E. Finley
William S. Gray

Earle Johnson
EARLE JOHNSON

Russell Beard
RUSSELL BEARD

Frank Schott II
FRANK SCHOTT II

Charles Burk
CHARLES BURK

Alfred Kretchman
ALFRED KRETCHMAN

Mary N. Nevin
MARY NEVIN

Jane Rice
JANE RICE

STATE OF FLORIDA
COUNTY OF PINELLAS

The foregoing instrument was freely and voluntarily acknowledged before me by the persons specifically described in paragraph 12 of these Articles, who are well known to me to be the persons described in the Articles of Incorporation.

IN WITNESS WHEREOF, I have set my hand and seal at Pinellas County, Florida, this 16 day of October, 1990.

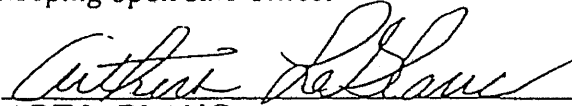
Arthur LeBlanc
NOTARY PUBLIC
My Commission Expires:

Notary Public
State of Florida at Large
My Commission Expires:
July 10, 1993

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ACCEPTANCE BY REGISTERED AGENT

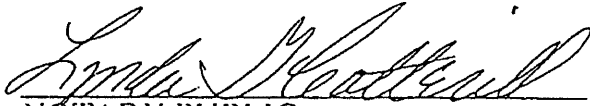
Having been named to accept service of process for the above stated Corporation at the place designated herein, I hereby accept to act in this capacity, and agree to comply with the provisions of said Act relative to keeping open said office.


ART LeBLANC

STATE OF FLORIDA
COUNTY OF PINELLAS

I hereby certify that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgments, ARTHUR LeBLANC, to me well known and known to me to be the individual described in and who executed the foregoing, and acknowledged before me that the same was freely and voluntarily executed for the purposes therein expressed.

Witness my hand and official seal at Pinellas County and State of Florida, this 16th day of October, 1990.


NOTARY PUBLIC
My Commission Expires:
Victory Pastor, State of Florida
My Commission Expires Aug. 12, 1993
By Appointment, My Public Notary Service, Inc.

**CERTIFICATE OF AMENDMENT
TO THE DECLARATIONS OF CONDOMINIUM
OF
HEATHER HILL APARTMENTS NOS. 1, 2 3 AND 4, CONDOMINIUMS**

THIS CERTIFICATE is made and executed this 8th day of January, 1991, by and through Alfred Kretchman, as President, and Jane Rice, as Secretary, of HEATHER HILL APARTMENTS NOS. 1 THROUGH 4, ASSOCIATIONS, the governing entities for HEATHER HILL APARTMENTS NOS. 1 THROUGH 4, CONDOMINIUMS, for the purposes herein expressed.

WITNESSETH:

THE SAID Alfred Kretchman and Jane Rice do hereby each certify and represent that they are the President and Secretary, respectively, of all four unincorporated condominium associations known as HEATHER HILL APARTMENTS NOS. 1 THROUGH 4, ASSOCIATIONS, which Associations are the governing entities for HEATHER HILL APARTMENTS, NOS. 1 THROUGH 4, CONDOMINIUMS created by the following Declarations recorded the Public Records of Pinellas County, Florida, to wit:


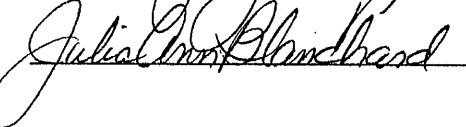
<u>CONDOMINIUM</u>	<u>O.R. BOOK</u>	<u>PAGES</u>
HEATHER HILL APTS NO. 1	3317	490-522.
HEATHER HILL APTS NO. 2	3458	918-955
HEATHER HILL APTS NO. 3	3582	144-174
HEATHER HILL APTS NO. 4	3827	746-775

THE SAID Alfred Kretchman and Jane Rice, as such President and Secretary, respectively, of said Associations, do further certify that the Joint Resolution attached hereto and hereby incorporated as a part of this Certificate of Amendment by reference, was duly passed by vote of more than than seventy-five (75%) of the whole number of unit votes of each of the four said Associations taken in accordance with all applicable provisions of the Declaration and Bylaws for each said Condominium at the Annual Meetings of the members of said Associations, which meetings were held on December 10, 1990.

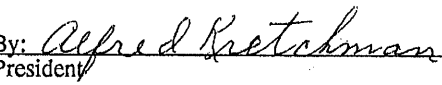
NOW, THEREFORE, the said Alfred Kretchman and Jane Rice, as President and Secretary, respectively, of each of said Associations, do hereby make, declare, execute and record this Certificate to amend applicable parts of each of the above described Condominium Declarations as stated in the attached Joint Resolution; to confirm the substitution and replacement of the governing Associations by a single, newly formed association known as HEATHER HILL MASTER CONDOMINIUM ASSOCIATION, INC., a Florida Corporation Not for Profit the Articles of Incorporation for which are attached as "Exhibit A" to the Joint Resolution; and to confirm the adoption of the Bylaws of said Corporation attached as "Exhibit B" to the Joint Resolution.

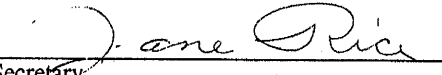
IN WITNESS WHEREOF, the said Alfred Kretchman and Jane Rice do hereby execute this Certificate of Amendment in their respective capacities for the purposes herein expressed.

WITNESSES:

HEATHER HILL APARTMENTS
 NOS. 1, 2, 3 AND 4 ASSOCIATIONS

By: 
 President

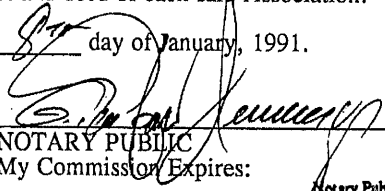

 Secretary

STATE OF FLORIDA
COUNTY OF PINELLAS

BEFORE ME, personally appeared ALFRED KRETCHMAN and Jane Rice, to me well known, and known to me to be the individuals described in and who executed the foregoing instrument as President and Secretary of each of the above named Condominium Associations, and severally acknowledged to and before me that they executed such instrument as such President and Secretary, respectively, of each said Association, and that the seal affixed to the foregoing instrument is the corporate seal authority, and that said instrument is the free act and deed of each said Association.

WITNESS my hand and official seal this 8th day of January, 1991.

THIS INSTRUMENT PREPARED BY
AND RETURN TO:
G. PENFIELD GERRARD
1400 DAVENPORT BLVD.
LARGO, FLORIDA 34680


 NOTARY PUBLIC
 My Commission Expires:

Notary Public, State of Fla.
 My Commission Exp. 2/1993
 Bonded thru Troy Falm Ins.

BYLAWS
OF
HEATHER HILL MASTER ASSOCIATION, INC.

ARTICLE I

General

The provisions of this document constitute the Bylaws of HEATHER HILL MASTER ASSOCIATION, INC., which Bylaws shall be utilized to govern the management and operation of the Association.

ARTICLE II

Members

Section 1. Qualifications of Members. Those individuals, corporations, partnerships, trusts or other legal entities who own a recorded vested present fee simple interest in a Unit shall become members.

Section 2. Manner of Admission. Each Owner designated in a deed or other instrument establishing title to a Unit duly recorded in the Public Records of Pinellas County, Florida, shall automatically become a member upon delivery to the Association of a copy of such instrument and receipt of a written acknowledgement of said delivery signed by the President or Secretary.

Section 3. Members' Rights. Every member shall have all the rights set forth in the Declarations and these Bylaws, including, but not limited to, the following:

- A. The right to receive notice of every meeting of the membership;
- B. The right to attend every meeting of the membership and every meeting of the Board;
- C. The right to one (1) vote per condominium unit on each matter brought before the membership;
- D. The right to be nominated from the floor as a candidate for Board membership;
- E. The right to receive annually a written summary of the accounting records of the Association;
- F. The right to inspect all books and records of the Association.
- G. The members will have all rights of owners under Chapter 718, Florida Statutes.

Section 4. Obligations of Members.

A. It is the obligation of every member to take an active part in the governance of the Condominium and in the activities and affairs of the Association. Every

member is expected to attend all annual and special meetings of the membership and to participate in the voting process at those meetings. If a member should be unable to attend a meeting, the member should arrange for someone else to be his or her spokesman, through the use of a proxy.

B. Every member shall be subject to the obligations and duties set forth in the Declarations, these Bylaws and the Rules and Regulations of the Condominiums, as the same are now or may hereafter be constituted.

Section 5. Transferability of Membership. Membership in this Association is transferred only as an incident to the transfer of the Transferor's Condominium Unit, and such transfers shall be subject to the procedures set forth in the Declarations. Transfers of membership shall be made only on the books of the Association, and notice of each transfer shall be given in writing as set forth in Section 2 above.

ARTICLE III

Members Meetings

Section 1. Annual Meeting. The annual meeting of the members for the election of Directors to serve on the Board of this Association and the Homeowners' Association and for the transaction of such other business as may properly come before the meeting, shall be held each year in the month of December on such day and at such time as the Board shall direct; provided, however, that said date may be changed by resolution of the Board so long as the annual meeting for any year shall be held not later than thirteen (13) months after the last preceding annual meeting of the members,

Section 2. Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, the Board, or at the written request of not less than ten percent (10%) of the Voting Representatives entitled to vote. Such request shall state the purpose or purposes of the proposed meeting and the date said meeting shall be held; provided however, at least five (5) days notice shall be given to each member except in an emergency. No business other than that specified as the purpose in said notice shall be discussed or transacted at such special meeting.

Section 3. Time and Place of Meetings. All meetings of the membership shall be at the principal office of the Association or at such other place as the Board may from time to time designate, on the date and hour set forth in the notice of said meeting; provided, however, no meeting shall be held on a legal holiday.

Section 4. Notice.

A. Written notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than fourteen (14) nor more than forty (40) days before the meeting, unless otherwise provided in this Article, by or at the direction of the President, the Secretary or other persons calling the meeting. Notice shall be given to each member either personally or by first class mail; provided, however, a member may request the Secretary in writing that notice be given such member by mail and furnish the Secretary with the address to which such notice is to be mailed. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the member at his address as it appears on the books of the Association, with postage thereon prepaid. Delivery of notice pursuant to

which vote shall be cast by the Voting Representative, designated as set forth in Section 2 below. No vote may be divided, no fractional vote shall be cast.

Section 2. Designation of Voting Representative.

A. If title to a Unit is vested in one individual, including title held as trustee, that individual shall automatically be designated as Voting Representative on admission to membership.

B. If title to a Unit is vested in a husband and wife as tenants by the entirety, both persons shall be automatically jointly designated as Voting Representative on admission to membership, and either spouse may cast the Unit's one vote without further designation. If both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they will lose their right to vote on that subject at that meeting.

C. If title to a Unit is vested in a corporation, its Board of Directors shall designate a director, officer or employee as Voting Representative in a written statement executed by an officer of the corporation and filed with the Secretary of the Association.

D. If title to a Unit is vested in a partnership or any other legal entity, said entity shall designate one partner as Voting Representative in a written statement executed by those persons owning not less than a majority interest in said entity and filed with the Secretary of the Association.

E. If title to a Unit is vested in more than one Owner, said Owners shall designate one owner as Voting Representative in a written statement executed by those Owners owning not less than a majority interest in such Unit and filed with the Secretary of the Association.

F. An administrator, executor, personal representative, guardian or conservator of the Owner of a Unit, without a transfer of title to said Unit into his name, may designate or be designated as Voting Representative in the same manner as the Owner would have been entitled to designate or be designated Voting Representative.

G. Such designation shall be valid until revoked or until changed by a subsequent designation, or until a change in the ownership in the Unit supporting said designation.

Section 3. Failure to Designate. If no Voting Representative is duly designated for a Unit at least five (5) days prior to a membership meeting, such failure shall result in depriving the Owners of the Unit of a vote at such meeting; unless the Board, in its discretion, fixes a later date for determination of Voting Representatives entitled to vote at the meeting. However, a designation can be made or changed any time prior to the appointed time of a meeting called to consider and adopt an annual budget.

Section 4. Records of Membership. The Association shall keep a membership list containing the name and address of each member. This membership list shall be kept on file and at current status at the principal office of the Association; and any member or Voting Representative shall be entitled to inspect the list at any reasonable time. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection at any time during the meeting. However, failure to comply with this

requirement shall not affect the validity of any meeting duly called or the action taken at such meeting.

Section 5. Adjourned Meetings. When a determination of Voting Representatives entitled to vote at any meeting of the membership has been made as provided in this Article, such determination shall apply to any adjournment thereof, unless the Board provides otherwise.

Section 6. Proxies. At any meeting of the members, every Voting Representative having the right to vote shall be entitled to vote in person or by proxy. Such proxy must be in writing and filed with the Secretary at any time before the appointed time of the meeting and shall be effective only for the specific meeting for which it was originally given and any lawfully adjourned meeting thereof. In no event shall any proxy be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at any time at the pleasure of the Voting Representative executing it. The appearance at any meeting of any Voting Representative who has previously designated a proxy shall automatically revoke and terminate said proxy. Each proxy shall specifically set forth the name of the person voting by proxy and the name of the person authorized to vote the proxy for him.

Section 7. Quorum and Voting.

A. Forty percent (40%) of the Voting Representatives entitled to vote, as fixed by these Bylaws, represented in person or by proxy, shall constitute a quorum at any meeting of the membership. If, however, such quorum shall not be present, a majority of the Voting Representatives present in person or represented by proxy shall reschedule said meeting for a date not later than thirty (30) days and adjourn. Notice of the adjourned meeting shall be given as set forth in subsection 6 of Article III. At such rescheduled meeting any business may be transacted which might have been transacted at the meeting originally called, however, thirty-four percent (34%) of the Voting Representatives entitled to vote, represented in person or by proxy, shall constitute a quorum, except for any matter which would materially effect the rights of Mortgagees.

B. If a quorum is present, the affirmative vote of the majority of the Voting Representatives who cast their vote in person or by proxy at the meeting shall be the act of the members unless otherwise provided by law, the Declarations, the Articles of Incorporation or these Bylaws. Election of Directors shall be by a plurality of votes cast in person or by proxy.

C. After a quorum has been established at a membership meeting, the subsequent withdrawal of Voting Representatives, so as to reduce the number of Voting Representatives entitled to vote at the meeting shall not affect the validity of any action taken at the meeting or any adjournment thereof.

ARTICLE V

Directors

Section 1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of the Board of Directors. The Board shall make appropriate delegations of authority to the officers; and, to the extent permitted by law and these Bylaws, by

appropriate resolution, the Board may authorize one or more committees to act on its behalf when it is not in session.

Section 2. Qualification of Directors. The qualifications for becoming and remaining a Director of this Association are as follows:

A. Every Director shall at all times be a member of the Association or a Voting Representative.

B. Directors must be persons who are competent to contract.

Section 3. Duties of Directors.

A. A Director shall be expected to attend all meetings of the Board and of any committee of the Board to which he has been appointed.

B. A Director shall perform his duties as a Director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinary person in a like position would use under similar circumstances.

C. In performing his duties, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by third parties from all sources whatsoever:

D. A person who performs his duties in compliance with this Section shall have no liability by reason of being or having been a Director of the Association.

Section 4. Number and Composition. Directors shall be elected at the annual meeting of the members, and each Director shall serve a term of one (1) year or until his successor shall be elected. The number of Directors of the Association at each annual meeting of the membership shall be determined at said meeting, provided the number shall not be less than four (4) nor more than seven (7). The members of each respective Condominium shall elect their own respective number of Directors, and each such Director shall be an owner of a unit within such Condominium. The Directors shall be selected from the Owners of each Condominium in the following approximate percentages or numbers in the case of a seven (7) person Board:

<u>Condominium</u>	<u>Percentage</u>	<u>If 7-Person Board</u>
HEATHER HILL 1	35.5	Two (2) Directors
HEATHER HILL 2	12.7	One (1) Director
HEATHER HILL 3	27.3	Two (2) Directors
HEATHER HILL 4	24.5	Two (2) Directors

Section 5. Election and Term.

A. Each Director elected under this Article shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, disqualification, removal from office or death.

B. Neither these Bylaws nor any powers granted hereunder shall restrict any Unit Owner desiring to be a candidate for Director from being nominated from the floor.

Section 6. Compensation. At the turnover meeting and thereafter, the membership shall have the authority to fix the compensation, if any, of the Director.

Section 7. Removal of Directors.

A. Any Director who fails to attend three (3) consecutive meetings, whether annual, regular or special, of the Board without an excused absence, may be removed from the Board by a vote of a majority of the remaining Directors, though less than a quorum of the Board so long as a majority of the members consent to such removal. For purposes of this Subsection A, the nature of an absence, whether excused or unexcused, shall be determined by the President of the Association; provided, however, any absence deemed by the President to be unexcused shall be submitted to the Board (without the affected Director being entitled to a vote) for its determination of the nature of the absence, which determination shall be final and binding on all parties concerned.

B. At a special meeting of the Board called expressly for that purpose, any Director may be removed from the Board with or without cause by a vote of two-thirds (2/3) of the remaining Directors, though less than a quorum of the Board so long as a majority of the members consent to such removal.

C. Any Director or the entire Board may be recalled and removed from office with or without cause, by the members; provided, however, the question of removal shall be divided so that the removal of each Director is considered separately. A special meeting of the membership to recall a Director or Directors may be called by ten percent (10%) of the Unit Owners giving notice of the meeting as required for a meeting of the membership, and the notice shall state the purpose of the meeting.

D. Any removal of a Director from the Board shall be without prejudice to any contract rights of the Director so removed.

Section 8. Resignation of Directors. A Director may resign from the Board by providing written notification of such resignation to the President of the Association, and such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

Section 9. Vacancies. Any vacancy occurring in the membership of the Board, including any vacancy created by reason of an increase in the number of Directors, may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board.

ARTICLE VI

Directors' Meetings

Section 1. Annual Meetings. The annual meeting of the Board shall be held without notice immediately after the adjournment of the annual meeting of the members, provided a quorum shall then be present. If a quorum is not present, said annual meeting

shall be held as soon thereafter as may be practicable on notice as provided in Section 7 below.

Section 2. Regular Meetings. The Board may, by resolution duly adopted, establish regular meetings, which shall thereafter be held without further notice until subsequent resolution altering same.

Section 3. Place of Meetings. Meetings of the Board shall be held at the principal office of the Association or at such other place as the Directors may from time to time designate.

Section 4. Open Meetings. Meetings of the Board shall be open to all members and Voting Representatives.

Section 5. Notice of Meetings.

A. Unless otherwise provided, written notice stating the place, day and hour of any meeting of the Board must be given to each Director not less than five (5) nor more than thirty (30) days before the Directors' meeting, by or at the direction of the President, the Secretary or other persons calling the meeting; provided, however, in the case of an emergency, only such notice as is reasonable under the circumstances need be given. Notice must be given either personally or by telegram, cablegram or first class mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the Director at his address as it appears in the records of the Association, with postage thereon prepaid. Except as otherwise specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of any meeting.

B. Additionally, notice of every meeting of the Board, stating the place and time thereof, shall be posted conspicuously on the Condominium Property at least forty-eight (48) hours prior to any such meeting to call the members attention thereto; but, in the event of an emergency such notice shall not be required.

C. Notice of any meeting in which Assessments against Unit Owners are to be considered for any reason shall specifically contain a statement that Assessments will be considered and the nature of any such Assessments.

Section 6. Waiver or Notice. A written waiver of notice signed by any Director, whether before or after any meeting, shall be equivalent to the giving of notice to said Director. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting 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, except when a Director attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Directors need be specified in any written waiver of notice.

Section 7. Presumption of Assent. A Director of the Association who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 8. Adjourned Meeting. A majority of the Directors present, whether or not a quorum exists, may adjourn any meeting of the Board to another time and place. Notice of any such adjourned meeting shall be given to the Directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other Directors.

Section 9. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 10. Voting.

A. Each Director present at any meeting of the Board shall be entitled to one (1) vote on each matter submitted to a vote of the Directors. Proxy voting shall not be permitted.

B. A majority vote by the Directors present at a meeting of the Board at which a quorum is present shall be the act of the Board, unless a greater number is required under any provision of the Declarations, the Articles of Incorporation or these Bylaws.

C. A Director may join by written concurrence in any action taken at a meeting of the Board, and such concurrence may be used for the purposes of creating a quorum.

Section 11. Meeting By Communications Equipment. Any action required or which may be taken at a meeting of the Board at which a proper notice or a waiver thereof has been given pursuant hereto may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. When a telephone conference is used, a telephone speaker shall be attached so that any members or Voting Representatives present may hear the discussion.

Section 12. Recordation of Actions. All actions of the Board shall be recorded in minutes. Upon request, such minutes shall be made available for inspection by members, or their authorized representatives, and Directors, at any reasonable time.

Section 13. Procedure. The Directors may adopt their own rules of procedure which shall not be inconsistent with the Declarations, the Articles of Incorporation, these Bylaws or applicable law.

ARTICLE VII

Officers

Section 1. Executive Officers. The executive officers of the Association shall be a President, a Vice President, and Secretary, all of whom shall be Directors. After the election of the first Board of Directors all officers shall be elected by a majority of the members of the Board of Directors, and no person shall hold more than one office at any one time.

Section 2. The President. The President shall be the chief executive officer of the Association. He shall have all of the powers and duties which are usually vested in the

office of the President of the corporation including but not limited to the power to appoint committees from among the members as he may in his discretion determine appropriate to assist in the conduct of the affairs of the Association.

Section 3. The Vice President. The Vice President shall exercise all powers and duties of the President in his absence and shall exercise such powers and perform such other duties as shall be prescribed by the Directors.

Section 4. The Secretary. The Secretary shall keep minutes of all proceedings of the Directors and of the members of the Association. He shall issue and cause to be served all required notices. He shall have custody of the seal of the Association and shall affix the same to instruments requiring such, when duly signed. He shall keep the records of the Association and perform such other duties incident to the office of the Secretary of an Association or as may be required by the Directors.

Section 5. Election and Term.

A. Each person named as an officer in the Articles of Incorporation shall hold office until the first annual meeting of the Board and until his successor shall have been elected and qualified, or until his earlier resignation, removal from office or death.

B. At each annual meeting of the Board, a majority of the Directors then in office shall elect the officers of the Association for the ensuing year. The Board may elect the same person to fill any two or more offices, and the failure to elect a President, Vice President or Secretary shall not affect the existence of the Association. No officer excepting the President need be a member of the Board, but after the turnover meeting each officer shall be a member or a Voting Representative of the Association.

C. Each officer shall hold office for the term of one (1) year and until his successor shall have been elected and qualified, or until his earlier resignation, disqualification, removal from office or death.

Section 6. Removal of Officers. Any officer or agent elected or appointed by the Board may be removed by the Board, with or without cause whenever in its judgment the best interests of the Association will be served thereby.

Section 7. Resignation of Officers. Any officer or agent elected or appointed by the Board may resign such office by providing written notification of such resignation to the President or to the Secretary of the Association, and such resignation shall become effective immediately upon receipt of said notification or at such later date as may be specified in the notification.

Section 8. Vacancies. Any vacancy, however occurring, in any office, may be filled by the Board. Any officer so elected shall hold office for the unexpired term of the officer he is replacing.

Section 9. Compensation. At any time after the turnover meeting, the Board shall have the authority to fix and pay compensation in a reasonable amount to any of its officers for services rendered by reason of said office.

ARTICLE VIII

Committees

Section 1. Function. Except where specifically delegated authority to act, committees shall serve in an advisory capacity to the Board and the membership, and shall make specific recommendations to the Board and the members regarding those aspects of the business and affairs of the Association to which they have been delegated responsibility.

Section 2. Types of Committees. The Board, by resolution adopted by a majority of the full Board, may appoint such Standing Committees or Ad Hoc Committees as it deems necessary from time to time, including, but not limited to, an Architectural Control Committee.

Section 3. Committee Powers. Any committee shall have and may exercise all the authority granted to it by the Board, except that no committee shall have the authority to:

- A. Fill vacancies on the Board or any committee thereof;
- B. Adopt, amend or repeal the Bylaws;
- C. Amend or repeal any resolution of the Board;
- D. Act on matters committed by Bylaws or resolution of the Board to another committee of the Board.

Section 4. Appointment. The Board shall appoint committee members from among the Directors, members and Voting Representatives of the Association, and shall designate a chairman and a secretary for each committee, which positions may be filled by one or more members.

Section 5. Term. The members and officers of each committee shall be initially appointed at any meeting of the Board, and, thereafter shall be appointed at the annual meeting of the Board. Said appointees shall take office on the day of such Board meeting and shall hold office until the next annual meeting of the Board and until a successor shall have been appointed, or until his earlier resignation, disqualification, removal from office, death, or until such committee shall terminate, whichever first occurs.

Section 6. Removal of Committee Members. Any committee member may be removed from office at any time, with or without cause, by the Board.

Section 7. Resignation of Committee Members. Any committee members may resign therefrom by providing written notification of such resignation to the President of the Association, and any such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

Section 8. Vacancies. Any vacancy occurring in the membership of any committee and any membership thereon to be filled by reason of an increase in the number of members of a committee shall be filled by the Board.

ARTICLE IX

Committee Meetings

Section 1. Regular Meetings. Regular meetings of each Standing Committee shall be held as determined by the chairman of the committee. There shall be no regular meetings of any Ad Hoc Committee unless established by the chairman of said committee.

Section 2. Special Meetings. Special meetings of any committee may be called at any time by the chairman of the committee or by any two (2) members thereof.

Section 3. Place of Meetings. Committee meetings shall be held at the principal office of the Association or at such other place as the chairman of the committee may from time to time designate.

Section 4. Notice of Meetings. Written or oral notice stating the place, day and hour of any regular or special meeting of the committee must be given to each committee member not less than two (2) nor more than thirty (30) days before the committee meeting, by or at the direction of the chairman of the committee, or other persons calling the meeting.

Section 5. Waiver of Notice. A written waiver of notice signed by any committee member, whether before or after any meeting, shall be equivalent to the giving of notice to said committee member. Attendance of a committee member at a meeting shall constitute a waiver of notice of such meeting 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, except when a committee member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose or, any regular or special meeting of a committee need be specified in any written waiver of notice.

Section 6. Adjourned Meeting. A majority of the committee members present, whether or not a quorum exists, may adjourn any meeting of a committee to another time and place. Notice of any such adjourned meeting shall be given to the committee members who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other committee members.

Section 7. Quorum and Voting. Forty percent (40%) of the number of members of any committee shall constitute a quorum for the transaction of business at any committee meeting. Voting shall be as set forth in Article VI of these Bylaws concerning voting by the Board of Directors.

Section 8. Action Without a Meeting.

A. By Written Consent. Any action required or which may be taken at a committee meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed by all of the members of the committee. Such consent shall have the same effect as a unanimous vote.

B. By Communications Equipment. any action required or which may be taken at a committee meeting may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

ARTICLE X

Finances

Section 1. Fiscal Year. The fiscal year of the Association shall be the calendar year. The Board of Directors is expressly authorized to change this fiscal year at any time for the convenience of the Association.

Section 2. Adoption of Budget. The Board of Directors shall adopt a separate budget for each of the four Condominiums comprising the Heather Hill Community, and each budget shall be assessed and collected from the respective unit owners of each Condominium. Expenses which are for common areas owned by the Association shall be proportioned against each separate Condominium according to the percentage of units in each as such bears to the total number of units within the whole Community. The budget shall contain the items required to be budgeted under the Condominium Act of the State of Florida, and notice thereof shall be furnished to each unit owner as required by such Statute.

Section 3. Special Assessments. Special Assessments may be levied by the Board of Directors from time to time as authorized by Florida Statutes and the Declarations of Condominium. Special Assessments shall, however, be levied and collected only against the owners of the Condominium whose units, common elements or condominium property are being affected thereby.

Section 4. Method of Collection of Assessments. Each unit owner shall be notified of such amount, and the same shall be due and payable on the first of each month, in advance, to the Association or its management company delegate, without notice. Special assessments made in accordance with the provisions of the Declarations of Condominium and these Bylaws shall be due and payable in the manner provided by the Board of Directors of the Association.

Section 5. Accounting. The Association shall maintain accounting records as required by Florida law, which shall be open to inspection by unit owners or their authorized representatives with written authorization at reasonable times, and written summaries of such accounting records shall be supplied annually to the unit owners or to their designated representatives.

Section 6. Fidelity Bonds. Fidelity bonds shall be required by the Board of Directors from any officers and employees of the Association, and from any contractor handling or responsible for the Association funds. The amount of such bond shall be determined by the Directors, and the premiums shall be paid by the Association.

ARTICLE XI

Indemnification of Officers and Directors

Section 1. Indemnification for Actions, Suits or Proceedings.

A. The Association shall indemnify any person who was or is a party, or is proposed to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including any appeal thereof, if he acted in good faith and 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, had no reasonable cause to believe this conduct was unlawful. The adverse termination of any action, suit or proceeding by judgment, order, settlement, conviction or a 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 in which he reasonably believed to be in, or not opposed to, the interests of the Association, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

B. The Association shall also indemnify any person who was or is a party, or is proposed to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a Director or officer of the Association, or is or was serving at the request of the Association as a Director or officer of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Association; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for willful misconduct in the performance of his duty to the Association.

C. Before making any such indemnification, the Board shall first determine that the indemnification of the Director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Subsections A or B.

D. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit or proceeding should ordinarily be paid by the Association as and when incurred by the party whose indemnification has been authorized by the Board. However, the Board may elect to defer payment of indemnification if it considers such deferral to be appropriate under the circumstances of a particular situation.

Section 2. Other Indemnification. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaws, agreement, vote of the members or Directors, or otherwise, both as to actions in an official capacity and as to actions in another capacity while holding a

position as officer, Director, committee member or agent of the Association and shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 3. Liability Insurance. The Board the Association may elect to purchase and maintain insurance on behalf of any person who is entitled to be indemnified as set forth in this Article.

ARTICLE XII

Rules and Regulations

Section 1. Purpose. The Rules and Regulations of the Association shall be a list of certain reasonable restrictions on, and requirements for, the use, maintenance and appearance of the Condominium Property or portions thereof and any land or facilities subject to Association powers. Such Rules and Regulations shall be in addition to all other requirements of the Declarations and the Articles of Incorporation and Bylaws of the Association.

Section 2. Modification. The Rules and Regulations may be modified, amended or repealed and new restrictions and requirements may be adopted from time to time by the majority vote of the Board or the membership.

Section 3. Application. Every Unit Owner, occupant, guest and invitee shall be subject to the Rules and Regulations. Copies of such Rules and Regulations as amended shall be furnished by the Association to all Unit Owners and occupants of any Unit on request.

Section 4. Exceptions. The Board may, under special circumstances, waive or vary specific restrictions or requirements in individual cases upon a vote of two-thirds (2/3) of the entire Board. The Board may impose conditions on any waiver or variance.

ARTICLE XIII

Remedies for Violation and Disputes

Section 1. Legal Remedies.

A. In the event of violation of the provisions of the Condominium Act, or the Declarations, Articles of Incorporation, Bylaws or Rules and Regulations of the Association, as the same are now or may hereafter be constituted, the Association, on its own behalf, may bring appropriate action to enjoin such violation or to enforce the provisions of said documents or sue for damages, or take all such courses of action at the same time, or bring appropriate action for such other legal or equitable remedy as it may deem appropriate. Failure by the Association to enforce any such provision shall in no event be deemed a waiver of the right to enforce later violations.

B. In the event of such legal action brought against a Unit Owner, the losing defendant shall pay all costs and expenses, including but not limited to, filing and service of process fees, reasonable attorneys' fees and court costs, incurred by the Association incident to the proceeding and those incurred on appeal.

C. The costs and expenses authorized at paragraph B above shall be assessed against the Unit Owner's Unit as a special assessment collectible in the same manner as any other Assessment of the Association.

Section 2. Hearing Procedures.

A. Purpose. As an alternative to litigation against members who are in violation of the provisions of the Condominium Rules and Regulations, Bylaws, Declarations or Chapter 718 of Florida Statutes, the Board may hold a private hearing upon the matter, and may levy a fine or assessment against a member found to be in violation.

B. Written Complaint. An action under this Section is initiated upon the filing of a written complaint by any member of the Association or by any officer or Director with the Board; provided, however, no such action under this Section may be initiated on any matter which has been or is currently in the process of being arbitrated or litigated. The complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, to the end of that the respondent will be able to prepare his defense. The complaint shall specify the specific provisions of the Condominium Act, the Declarations, Articles of Incorporation, Bylaws or Rules and Regulations which the respondent is alleged to have violated, but shall not consist merely of charges phrased in the language of such provisions without supporting facts.

C. Service of Complaint. Upon the filing of the complaint, the Board shall serve a copy thereon on the respondent by any of the following means: (1) personal delivery or (2) registered or certified mail, return receipt requested, and addressed to respondent, at the address appearing on the books of the Association. Service by mailing or posting shall be deemed delivered and effective two (2) days after such posting and mailing in a regular depository of the United States Postal Service. The complaint shall be accompanied with a postcard or other written form entitled "Notice of Defense", further described at Subsection (d) below, and a "Notice of Hearing" as set forth in Subsection (c) below. No order adversely affecting the rights of the respondent shall be made in any case, unless the respondent shall have been served as provided herein.

D. Notice of Hearing. Along with service of the complaint, the Board shall serve a Notice of Hearing, on all parties, giving at least twenty (20) days notice of said hearing. The Notice to the respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of Directors of the Association at _____ on the day of _____, 19____, at the hour of _____ upon the charges made in the complaint served upon you. You may be present at the hearing, may but need not be represented by counsel. You may present any relevant evidence, and you will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors."

If any of the parties can, within forty-eight (48) hours, show good cause as to why they cannot attend the hearing on the set date and indicate times and dates on which

they would be available, the Board may reset the time and date of hearing and promptly deliver notice of the new hearing date.

E. Notice of Defense. Service of complaint and Notice of Hearing shall be accompanied by a Notice of Defense which shall be signed by respondent, or on behalf of respondent, and returned to the Board within ten (10) after service or respondent shall be deemed to have admitted to the complaint in whole.

The Notice of Defense shall state the respondent may:

1. Attend a hearing before the Board as herein provided;
2. Object to a complaint upon the grounds that it does not state acts or omissions upon which the Board may proceed;
3. Object to the form of the complaint on the grounds that it is so indefinite or uncertain that the respondent cannot identify the violating behavior or prepare his defense; or
4. Admit to the complaint in whole or in part. In such event the Board shall meet to determine appropriate action or penalty, if any.

F. Cease and Desist Orders. The Board may, at its own discretion, issue an immediate cease and desist order along with the complaint statement to respondent such cease and desist order to be substantially in the following form:

"The Board has received the attached complaint."

"By authority of Article _____, Section 2 of the Bylaws, the Board hereby requests that you immediately CEASE AND DESIST such acts or actions until such time, if any, as a ruling of the Board of Directors or court of law permits."

"Failure to comply with this request may result in penalty greater than that which would be imposed for a single violation."

G. Insufficient Complaint. Any objections to the form or substance of the complaint shall be considered by the Board within five (5) days of their receipt. The Board shall make its determination and notify all parties within said five (5) day period. If the complaint is insufficient, the complaining party shall have seven (7) days within which to amend the complaint to make it sufficient. The same procedure as set forth above shall be followed with respect to any amended or supplemental complaint. If it is determined by the Board that the complaint is still insufficient, then the matter shall be dismissed by the Board.

H. Amended or Supplemental Complaints. At any time prior to the hearing date, the Board may file or permit the filing of an amended or supplemental complaint. All parties shall be notified thereof in the manner herein provided. If the amended or supplemental complaint presents new charges, the Board shall afford the respondent a reasonable opportunity to prepare his defense thereto.

I. Discovery. Upon written request to the other party, made prior to the hearing and within fifteen (15) days after service of the complaint by the Board or within ten (10) days after service of any amended or supplemental complaint, either party is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, and (2) inspect and make a copy of any statements, writing and investigative reports relevant to the subject matter of the hearing. Nothing in this Section, however, shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product. Any party claiming his request of discovery has not been complied with shall submit a petition to compel discovery with the Board. The Board shall make a determination and issue a written order setting forth the matters or parts thereof which the petitioner is entitled to discover.

J. Notarized Statements. At any time ten (10) or more days prior to a hearing or a continued hearing, any party shall mail or deliver to the opposing party a copy of any sworn statement which that party proposes to introduce in evidence together with a notice as provided below. Unless the opposing party, within seven (7) days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine such author, or if the opportunity to cross-examine such author is not afforded after request is made as herein provided, the statement may be introduced in evidence, but shall be given only the same effect as hearsay evidence.

K. Constraints on the Board. It shall be incumbent upon each director to make a determination as to whether he is able to function in a disinterested and objective manner in consideration of the case before it. Any member incapable of such objective consideration of the case shall disclose such to the Board and remove himself from the proceedings and have it so recorded in the minutes.

The respondent may challenge any director for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence and testimony at the hearing. In the event of such a challenge, the Board shall meet to determine the sufficiency of the challenge. A majority of the Board may sustain the challenge, removing the director from the proceedings and have it so recorded in the minutes. All the decisions of the Board in this regard shall be final.

In such event, the President shall appoint a member or Voting Representative of the Association to serve as a deputy director to replace the director so removed. The deputy director shall hold office during the time or times of any hearing on the matter. The term of such deputy director shall expire upon the conclusion of such hearing and the removed director shall then be automatically reinstated as director.

L. Hearing.

1. Whenever the Board has commenced to hear the matter and a director is forced to withdraw prior to a final determination, the remaining directors shall continue to hear the case.

2. Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses; and to rebut the evidence against him. Even if the respondent does not testify on his own behalf, he may still be called and examined as if under cross-examination. Oral evidence shall be taken only on oath or affirmation administered by an officer of the Association.

3. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding.

4. The Board shall choose one director who shall serve as hearing officer and preside over the hearing. At the beginning of the hearing, the hearing officer shall explain the rules and procedures by which the hearing is to be conducted. Generally, each principal is entitled to make an opening statement, starting with the complainant. Then each party is entitled to produce evidence, witnesses and testimony and to cross-examine the witnesses and opposing party. Then each party is entitled to make a closing statement. Any party may waive the rights to exercise any part of this process, and the Board is entitled to exercise its discretion as to the specific manner in which the hearing will be conducted, so long as the above rights are protected.

M. Authorized Action. At the conclusion of testimony, the Board shall deliberate the evidence. By a vote of the directors, the Board shall determine whether the allegations as presented constitute a violation of the covenants or rules and regulations. If the Board concludes that a violation has taken place, it shall have the following elections:

1. Reprimand;
2. Levying a fine in such amount as the occasion determines but not exceeding the sum of One Thousand Dollars (\$1,000.00);
3. Authorize the initiation of appropriate action.

N. Fines. Fines levied by the Board pursuant to Subsection 1 shall be considered for collection purposes to be a special assessment against the member, leviable by the Board against the Unit and collectible in the same manner as any other Assessment of the Association.

Section 3. Arbitration. Any internal dispute among Unit Owners, the Association or their agents and assigns concerning the affairs to the condominium may be submitted to voluntary binding arbitration by the Division of Florida Lands and Condominiums pursuant to the rules and regulations promulgated thereby. The decision of arbitration shall be final; however, such decision shall not be deemed final agency action. Nothing in this provision shall be construed to foreclose the parties from proceedings in a trial de novo, and if such judicial proceedings are initiated, the final decision of the arbitration shall be admissible in evidence. Any party may seek enforcement of the final decision of the arbitrator in a court of competent jurisdiction. The hearing procedures set forth at Section 2 above shall not be available in any matter which has been decided by arbitration.

ARTICLE XIV

Non-Profit Operations

This Association shall not authorize nor issue shares of stock. No dividend will be paid, and no part of the income of this Association will be distributed to its members, Directors or officers. However, the Association may pay compensation in a reasonable amount to members, officers or Directors for services rendered, subject to the limitations of Section 6 of Article V.

ARTICLE XV

Corporate Seal

The Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, the year of incorporation and the words "corporation not for profit".

ARTICLE XVI

Legal Actions

All attorneys fees and court costs, whether incurred for trial or appellate litigation or otherwise, which shall be incurred by the Association, its offices and its Board of Directors, whether individually or in their representative capacities, shall be assessable against the members as an ordinary expense of the Association.

ARTICLE XVIII

Amendment of Bylaws

The Bylaws of the Association may be altered, amended or repealed at any regular or special meeting of the members, by a vote of two-thirds (2/3) of all members of the Association and two-thirds (2/3) of the Owners of all fee interests of Condominium parcels and at least fifty-one percent (51%) of all Mortgagees holding mortgages on units within the Condominium, unless a greater percentage vote is required pursuant to the Articles of Incorporation or Florida Statutes, and provided that notice of said membership meeting has been given in accordance with these Bylaws, and that such notice shall contain a full statement of the proposed amendment drafter in accordance with the provisions of Florida Statutes. Amendments to the Bylaws shall be effective upon enactment without recordation; however, recordation shall be made as required by law.

These Bylaws shall be effective as of the date and time on which the corporation

commenced its legal existence.

HEATHER HILL MASTER
ASSOCIATION, INC.

By: Carl R. Johnson
President

ATTEST:

Jim Rice
Secretary