

**SCHEDULE OF AMENDMENTS
TO
DECLARATION OF CONDOMINIUM FOR
HEATHER HILL APARTMENTS NO. 1**

1. Paragraph 3 of the Declaration of Condominium for Heather Hill Apartments No. 1 recorded in Pinellas County Official Records Book 3501, Page 945, and as amended in Pinellas County Official Records Book 7522, Page 675-678, is hereby amended to read as follows:

"3. Condominium Association Name - The name of the Condominium Association herein formed shall be ~~HEATHER HILL MASTER ASSOCIATION, INC~~ HEATHER HILL APARTMENTS NO. 1 CONDOMINIUM 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 hereto as Exhibits "~~A~~" and "~~B~~" "I" and "II", respectively, hereto and incorporated herein by reference. Said instruments may be amended from time to time in the manner set forth therein."

2. Paragraph 9, B, 1, of the Declaration of Condominium for Heather Hill Apartments No. 1 recorded in Pinellas County Official Records Book 3501, Page 945, and as amended in Pinellas County Official Records Book 7522, Page 675-678, is hereby amended to read as follows:

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

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**ARTICLES OF INCORPORATION
OF
HEATHER HILL APARTMENTS NO. 1 CONDOMINIUM ASSOCIATION, INC.
A FLORIDA CORPORATION NOT FOR PROFIT**

The undersigned incorporators by these Articles associate themselves for the purpose of forming a corporation not for profit under the laws of the State of Florida, and adopt the following Articles of Incorporation:

ARTICLE I. NAME

The name of this corporation is HEATHER HILL APARTMENTS NO. 1 CONDOMINIUM ASSOCIATION, INC. For convenience, the corporation shall be referred to in this instrument as the "Association," these Articles of Incorporation as the "Articles," and the Bylaws of the Association as the "Bylaws."

ARTICLE II. TERM OF EXISTENCE

The Association shall have perpetual existence.

ARTICLE III. PURPOSE

This Association is organized for the purpose of providing an entity under the Florida Condominium Act ("the Act") for the operation of a condominium located in Pinellas County, Florida, and known as HEATHER HILL APARTMENTS NO. 1, a Condominium ("the Condominium").

ARTICLE IV. PRINCIPAL OFFICE

The initial principal office of the corporation will be located at 1016 DeSoto Drive, Dunedin, Florida 34698.

ARTICLE V. MEMBERS

The qualification of members and the manner of their admission shall be as regulated by the Bylaws.

**ARTICLE VI. INITIAL REGISTERED OFFICE
AND REGISTERED AGENT**

The street address of the initial registered office of this corporation is Roman & Roman, 2196 Main Street, Suite L, Dunedin, Florida 34698 and the name of the initial registered agent of this corporation at that address is Roman & Roman, 2196 Main Street, Suite L, Dunedin, Florida 34698.

ARTICLE VII. POWERS OF THE CORPORATION

The Association shall have full powers as permitted under Florida law for a corporation not-for-profit which do not conflict with these Articles, the Declarations of Condominium for Heather Hill Apartments No. 1, a condominium and the Bylaws, or the Act. The Association shall also have those powers reasonably necessary to carry out its responsibilities for the operation of the condominium in accordance with the Declaration of Condominium and the Bylaws, which powers shall include, but not necessarily 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 Condominium.
- b) To buy, sell, trade, lease or encumber property, real or personal, and to construct additional improvements on the Condominium property.
- c) To maintain, repair, replace, reconstruct after casualty, operate and manage the Condominium property or any property owned or leased by the Association for use by the member unit owners.
- d) To acquire and pay for insurance on the Condominium property and for the protection of the Association and its unit owners.
- e) To make and amend reasonable rules and regulations for the use and appearance of all property in the Condominium 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 Declaration of Condominium or the Bylaws.
- g) To enforce through legal means the Act the Declaration of Condominium, the Bylaws of the Association, these Articles and any rule or regulation as contemplated by subparagraph (e) above.
- h) To contract for management of the Condominium and also to contract for the management or operation of those portions of the common element which are susceptible to such management or operation, or 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 Condominium.
- j) To perform all acts and to exercise all powers now or hereafter authorized by the laws of the State of Florida.

ARTICLE VIII. 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.

ARTICLE IX. 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:

NAME	ADDRESS
Durrell Wachs	1025 DeSoto Drive Dunedin, Florida 34698
Ernie Brownson	1016 DeSoto Drive Dunedin, Florida 34698
Don Paettie	1004 DeSoto Drive Dunedin, Florida 34698

ARTICLE X. 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.

ARTICLE XI. AMENDMENT OF ARTICLES

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. No amendment shall change the qualification for membership, voting or property rights for members, the Association's obligation under Article V 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 V 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.

ARTICLE XII. INCORPORATOR

The name and address of the Incorporator of this Corporation is:

NAME	ADDRESS
ROMAN & ROMAN	2196 Main Street, Suite L Dunedin, Florida 34698

ARTICLE XIII. INITIAL REGISTERED OFFICE AND REGISTERED AGENT

The initial registered agent and its address at the registered office of the Corporation is:
Roman & Roman, P.A., 2196 Main Street, Suite L, Dunedin, Florida 34698.

Acknowledgment of Registered Agent

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

ROMAN & ROMAN
By: Paula C. Roman
Paula C. Roman, Vice President

ARTICLE XIV. 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 address of the Officers who shall serve until such time as the Board of Directors appoint successors are as follows:

OFFICE	NAME	ADDRESS
President	Durrell Wachs	1025 DeSoto Drive Dunedin, Florida 34698
Vice President	Ernie Brownson	1016 DeSoto Drive Dunedin, Florida 34698
Secretary/Treasure	Don Paettie	1004 DeSoto Drive Dunedin, Florida 34698

IN WITNESS WHEREOF, the undersigned, as Incorporator, hereby executes these Articles of Incorporation this 4th day of December, 1998.

ROMAN & ROMAN

By: *Paula C. Roman*
Paula C. Roman, Vice President

STATE OF FLORIDA
COUNTY OF PINELLAS

Sworn to and subscribed before me this 4th day of December, 1998, by Paula C. Roman, Vice President of Roman & Roman who is personally known to me.

My commission expires:

[Signature]

Notary Public

Diane A. Britton

Printed or Stamped Name of Notary

OR Produced Identification _____



Diane A. Britton
MY COMMISSION # CC650012 EXPIRES
May 22, 2001

Personally Known OR Produced Identification

Type of Identification Produced _____

FILED
SECRETARY OF STATE
DIVISION OF CORPORATIONS
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BYLAWS

OF

HEATHER HILL APARTMENTS NO. 1 CONDOMINIUM ASSOCIATION, INC. a Florida Corporation Not-for-Profit

I. IDENTITY

These are the Bylaws of HEATHER HILL APARTMENTS NO. 1 CONDOMINIUM ASSOCIATION, INC., a corporation not for profit under the laws of the state of Florida ("the Association"), organized for the purpose of operating that certain condominium located in Pinellas County, Florida, and known as HEATHER HILL APARTMENTS NO. 1, A CONDOMINIUM ("the Condominium").

1.1 Principal Office. The principal office of the Association shall be at 1018 DeSoto Drive, Dunedin, Florida 34698, or at such other place as may be designated by the Board of Directors.

1.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

1.3 Seal. The seal of the Association shall bear the name of the corporation, the word "Florida," the words "Corporation Not for Profit," and the year of incorporation.

1.4 Definitions. For convenience, these Bylaws shall be referred to as "the Bylaws"; the Articles of Incorporation of the Association as "the Articles"; and the Declaration of Condominium for the Condominium as "the Declaration." The other terms used in these Bylaws shall have the same definitions and meanings as those in F.S. Chapter 718, the Condominium Act ("the Act"), as well as those in the Declaration and the Articles, unless otherwise provided in these Bylaws or unless the context otherwise requires.

II. MEETINGS OF MEMBERS AND VOTING

2.1 Annual Meeting. The annual meeting of the members shall be held on the date and at the place and time determined by the Board of Directors from time to time, provided that there shall be an annual meeting every calendar year and no later than 13 months after the last annual meeting. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the members.

2.2 Special Meetings. Special meetings of the members shall be held at such places as provided for annual meetings and may be called by the President or by a majority of the Board of

2.8 Quorum. A quorum at meetings of members shall consist of persons entitled to exercise, either in person or by proxy, a majority of the voting interests of the entire membership.

2.9 Voting.

a. Number of Votes. In any meeting of members, each Unit shall have one voting interest. The vote of a Unit is not divisible.

b. Majority Vote. The acts approved by a majority of the voting interests present in person or by proxy at a meeting at which a quorum is present shall be binding on all Unit Owners for all purposes unless the Act, the Declaration, the Articles, or these Bylaws require a larger percentage, in which case that larger percentage shall control.

2.10 Membership-Designation of Voting Member. Persons or entities shall become members of the Association on the acquisition of fee title to a Unit in the Condominium. Membership shall be terminated when a person or entity no longer owns a Unit in the Condominium. If a Unit is owned by more than one natural person (other than a husband and wife), or a corporation, partnership, or other artificial entity, the voting interest of that Unit shall be exercised only by the natural person named in a voting certificate signed by all the natural persons who are owners or by the chief executive officer of the artificial entity and filed with the Secretary of the Association in its official records.

2.11 Proxies; Powers of Attorney. Voting interests may be exercised in person or by proxy. Each proxy shall set forth specifically the name of the person voting by proxy, the name of the person authorized to vote the proxy for him or her, and the date the proxy was given. Each proxy shall contain the date, time, and place of the meeting for which the proxy is given. If the proxy is a limited proxy, it shall set forth those items that the holder of the proxy may vote and the manner in which the vote is to be cast. The proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings. No proxy shall be valid for more than 90 days after the date of the first meeting for which it was given, and may be revoked at any time at the pleasure of the Unit Owner executing it. The proxy shall be signed by the Unit Owner or by the designated person mentioned in Section 2.10, or the duly authorized attorney-in-fact of that person or entity (provided the power of attorney is filed with the Secretary of the Association). The proxy shall be filed with the Secretary before or at the meeting for which the proxy is given. One holding a power of attorney from a Unit Owner, properly executed and granting the authority, may exercise the voting interest of that Unit. If the proxy expressly provides, any proxy holder may appoint, in writing, a substitute to act in his or her place. If this provision is not made, substitution is not authorized.

2.12 Adjourned Meetings. If any meeting of members cannot be organized because a quorum is not present, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present; except that when meetings have been called to consider the enactment of a budget to replace a proposed budget that exceeds 115% of the

assessments for the preceding year, the meetings may not be adjourned for lack of a quorum and if a quorum is not present the excessive budget shall go into effect as scheduled. The time and place to which the meeting is adjourned shall be announced at the meeting at which the adjournment is taken and a notice shall be posted in a conspicuous place on the Condominium property as soon thereafter as may be practical stating the time and place to which the meeting is adjourned.

2.13 Waiver of Notice. Unit owners may waive their right to receive notice of any meeting, whether annual or special, by a writing signed by them to that effect. The waiver shall be filed with the Secretary of the Association either before, at, or after the meeting for which the waiver is given.

2.14 Action by Members Without a Meeting. Unit owners may take action by written agreement without a meeting, provided written notice is given to the Unit Owners in the manner prescribed elsewhere in these Bylaws appropriate to the subject matter to be agreed on, unless that notice is waived as provided in these Bylaws. The decision of a majority of the Unit Owners, or a larger percentage vote as otherwise may be required by the Act, the Declaration, the Articles, or these Bylaws (the decision to be evidenced by written response to be solicited in the notice), shall be binding on the membership. The notice shall set forth a time period within which responses must be made by the members, and responses received after that shall not be considered.

2.15 Minutes of Meetings. The minutes of all meetings of Unit Owners shall be kept in a book open to inspection at all reasonable times by any Association member, any authorized representative of the member, and Board members. The minutes shall be retained by the Association for a period of not less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies at the reasonable expense, if any, of the Association member.

2.16 Order of Business. The order of business at annual meetings of members and, as far as practical, at other members' meetings, shall be:

- a. Call to order.
- b. Election of a chairman of the meeting, unless the President or Vice President is present, in which case he or she shall preside.
- c. Calling of the roll, certifying of proxies, determination of a quorum.
- d. Proof of notice of meeting or waiver of notice.
- e. Reading and disposal of any unapproved minutes.
- f. Reports of Officers.
- g. Reports of committees.

- h. Appointment of inspectors of election.
- i. Determination of number of Directors.
- j. Election of Directors.
- k. Unfinished business.
- l. New business.
- m. Adjournment.

2.17 Actions Specifically Requiring Unit Owner Approval. The following actions require approval by the Unit Owners and may not be taken by the Board of Directors acting alone:

- a. Amendments to the Declaration.
- b. Merger of two or more independent condominiums of a single complex to form a single condominium.
- c. Purchase of land or recreation lease.
- d. Exercise of option to purchase recreational or other commonly used facilities lease.
- e. Providing no reserves, or less than adequate reserves.
- f. Recall of members of Board of Directors.
- g. Other matters contained in the Declaration, the Articles, or these Bylaws that specifically require a vote of the members.

III. DIRECTORS.

3.1 Number and Qualifications. The affairs of the Association shall be managed initially by a Board of three Directors and, thereafter, the Board shall be composed of any odd number of Directors that the Board may decide. The number of Directors, however, shall never be less than three. Directors must be either individual Unit Owners, officers of a corporate Unit Owner, or partners of a partnership Unit Owner. No Director shall continue to serve on the Board after ceasing to meet those requirements.

3.2 Election of Directors. Directors shall be elected at the annual meeting in the following manner:

3.14 Presumed Assent. A Director present at any Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he or she votes against the action or abstains from voting because of an asserted conflict of interest.

3.15 Joinder in Meeting by Approval of Minutes. A Director may join in the action of a meeting by signing and concurring in the minutes of that meeting. That concurrence, however, shall not constitute the presence of that Director for the purpose of determining a quorum.

3.16 Attendance by Conference Telephone. When telephone conference is used, a telephone speaker shall be attached so that the discussion may be heard by the Board members and by any Unit Owners present in an open meeting. Board members utilizing telephone conference calls may be counted toward obtaining a quorum and may vote over the telephone.

3.17 Meetings Open to Members. Meetings of the Board of Directors shall be open to all Unit Owners to attend, observe, and speak with reference to all designated agenda items. 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 set out the nature of the assessments.

3.18 Presiding Officer. The presiding Officer at Board meetings shall be the President or, in his or her absence, the Vice President, and in his or her absence, the Directors present shall designate any one of their number to preside.

3.19 Minutes of Meetings. The minutes of all meetings of the Board of Directors shall be kept in a book open to inspection by any Association member or the authorized representative of the member and Board members at all reasonable times. The Association shall retain these minutes for a period of not less than seven years. Association members and their authorized representatives shall have the right to make or obtain copies, at the reasonable expense, if any, of the Association member.

3.20 Executive Committee. The Board of Directors, by resolution, may appoint an executive committee to consist of three or more members of the Board. The executive committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board insofar as may be permitted by law. The executive committee, however, shall not have power to: (1) determine the common expenses required for the operation of the Condominium; (2) determine the assessments payable by the Unit Owners to meet the common expenses of the Condominium; (3) adopt or amend rules and regulations covering the details of the operation and use of the Common Elements; (4) purchase, lease, or otherwise acquire Units in the Condominium in the name of the Association; (5) approve any actions or proposals required by the Act, the Declaration, the Articles, or these Bylaws to be approved by Unit Owners; or (6) fill vacancies on the Board of Directors. Meetings of the executive committee shall be open to Unit Owners and shall be noticed in the same manner as a regular board meeting.

3.21 Compensation. Directors shall serve without pay but shall be entitled to reimbursement for expenses reasonably incurred in the discharge of their duties.

3.22 Order of Business. The order of business at meetings of Directors shall be:

- a. Calling of roll.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading and disposal of any unapproved minutes.
- d. Reports of Officers and committees.
- e. Unfinished business.
- f. New business.
- g. Adjournment.

3.23 Failure to Elect Director Quorum. If the Association or the Board of Directors fails to fill vacancies on the Board of Directors sufficient to constitute a quorum, any Unit Owner may apply to the circuit court within whose jurisdiction the Condominium is situated for the appointment of a receiver to manage the affairs of the Association, in the manner prescribed in the Act. If a receiver is appointed, the Association shall be responsible for the salary of the receiver, court costs, and attorneys' fees. The receiver shall have all the powers and duties of a duly-constituted Board of Directors and shall serve until the Association fills vacancies on the Board sufficient to constitute a quorum.

IV. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Act, the Declaration, the Articles, and these Bylaws shall be exercised exclusively by the Board of Directors, or its duly authorized agents, contractors, or employees, subject only to the approval by Unit Owners when that approval specifically is required. The powers and duties of the Board shall include, but shall not be limited to, the following:

4.1 Maintenance, Management, and Operation of Condominium Property.

4.2 Contract, Sue, or be Sued. The Association may institute, maintain, settle, or appeal actions or hearings in its name on behalf of all Unit Owners concerning matters of common interest, including but not limited to the common elements and commonly-used facilities.

4.3 Right of Access to Units. The Association has the irrevocable right of access to each Unit during reasonable hours as necessary for the maintenance, repair, or replacement of any common elements or for making emergency repairs necessary to prevent damage to the common elements or to another Unit or Units.

4.4 Make and Collect Assessments.

4.5 Lease, Maintain, Repair, and Replace the Common Elements.

4.6 Lien and Foreclosure for Unpaid Assessments. The Association has a lien on each Condominium parcel for any unpaid assessments with interest and for reasonable attorneys' fees, costs, and expenses incurred in the collection of the assessment or enforcement of the lien. It also has the power to purchase the Condominium parcel at the foreclosure sale and to hold, lease, mortgage, or convey it.

4.7 Purchase Unit. In addition to its right to purchase Units at a lien foreclosure sale, the Association generally has the power to purchase Units in the Condominium and to acquire, hold, lease, mortgage, and convey them.

4.8 Grant or Modify Easements. The Association, without the joinder of any Unit Owner, may grant, modify, or move any easement if the easement constitutes part of or crosses common elements.

4.9 Purchase Land or Recreation Lease. Any land or recreation lease may be purchased by the Association on the approval of two thirds of the voting interests of the Association.

4.10 Acquire Use Interest in Recreational Facilities. The Association may enter into agreements, acquire leaseholds, memberships, and other possessory or use interest in lands or facilities, such as country clubs, golf courses, marinas, and other recreational facilities, whether contiguous to the Condominium property or not if (1) they are intended to provide enjoyment, recreation, or other use or benefit to the Unit Owners and (2) if they exist or are created at the time the Declaration was recorded and are fully stated and described in the Declaration.

4.11 Acquire Title to Property. The Association has the power to acquire title to property or otherwise hold property for the use and benefit of its members.

4.12 Authorize Certain Amendments. If it appears that through a drafter's error in the Declaration that the common elements, common expenses, or common surplus has been stated or distributed improperly, an amendment to the Declaration correcting that error may be approved by the Board of Directors or a majority of the voting interests.

4.13 Adopt Rules and Regulations. The Association may adopt reasonable rules and regulations for the operation and use of the common elements, common areas, and recreational facilities serving the Condominium.

4.14 Maintain Official Records. The Association shall maintain all of the records, when applicable, set forth in Article VIII of these Bylaws, which shall constitute the official records of the Association.

4.15 Obtain Insurance. The Association shall use its best efforts to obtain and maintain adequate insurance to protect the Association, the Association property, and the Condominium property.

4.16 Furnish Annual Financial Reports to Members.

4.17 Give Notice of Liability Exposure. If the Association may be exposed to liability in excess of insurance coverage in any legal action, it shall give notice of the exposure to all Unit Owners, who shall have the right to intervene and defend.

4.18 Provide Certificate of Unpaid Assessment. Any Unit Owner or unit mortgagee has the right to request from the Association a certificate stating all assessments and other monies owed to the Association with respect to the Condominium parcel.

4.19 Pay Annual Fee to the Division of Florida Land Sales, Condominiums, and Mobile Homes for Each Residential Unit Operated by the Association.

4.20 Approve or Disapprove Unit Transfer and Impose Fee. The Association may charge a preset fee of up to \$100 in connection with the approval or disapproval of any proposed mortgage, lease, sublease, sale, or other transfer of a Unit in the Condominium as provided in the Declaration.

4.21 Contract for Operation, Maintenance, and Management of the Condominium.

4.22 Pay Taxes or Assessments Against the Common Elements or Association Property.

4.23 Pay Costs of Utilities Service Rendered to the Condominium and Association Property and Not Billed Directly to Individual Unit Owners.

4.24 Employ Personnel. The Association may employ and dismiss personnel as necessary for the maintenance and operation of the Condominium property and may retain those professional services that are required for those purposes.

4.25 Impose Fines. The Board of Directors may impose fines on Unit Owners in reasonable sums as the Board may deem appropriate, not to exceed \$50 for violations of the Declaration, these Bylaws, or lawfully adopted rules and regulations, by Owners, their guests, invitees, or tenants. See Section 7.9.

4.26 Suspend Approval for Delinquent Unit Owner. The Board of Directors may disapprove the prospective tenant of any Unit Owner as long as the Unit Owner is delinquent in the payment of assessments for Common Expenses.

4.27 Authorize Private Use of the Common Elements. The Board of Directors may authorize Unit Owners or others to use portions of the Common Elements, such as social rooms and meetings rooms, for private parties and gatherings. Reasonable charges may be imposed provided a lease is entered into between the Association and the Unit Owner.

4.28 Repair or Reconstruct Improvements After Casualties.

V. OFFICERS

5.1 Executive Officers. The executive Officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Treasurer, a Secretary, and an Assistant Secretary. The Officers shall be elected annually by the Board of Directors and may be removed without cause at any meeting by a vote of a majority of all of the Directors. A person may hold more than one office except that the President may not also be the Secretary or Assistant Secretary. No person shall sign an instrument nor perform an act in the capacity of more than one office. The Board of Directors from time to time shall elect other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

5.2 President. The President shall be the chief executive Officer of the Association. He or she shall have all of the powers and duties that usually are vested in the office of President of an association, including but not limited to the power to appoint committees from among the members to assist in the conduct of the affairs of the Association as he or she may determine appropriate. The President shall preside at all meetings of the Board.

5.3 Vice President. The Vice President shall exercise the powers and perform the duties of the President in the absence or disability of the President. He or she also shall assist the President and exercise those other powers and perform those other duties as shall be prescribed by the Directors.

5.4 Secretary and Assistant Secretary. The Secretary shall keep the minutes of all proceedings of the Directors and the members. He or she shall attend to the serving of all notices to the members and Directors and other notices required by law. The Secretary shall have custody of the seal of the Association and shall affix it to instruments requiring the seal when duly signed. He or she shall keep the records of the Association, except those of the Treasurer, and shall perform all

other duties incident to the office of the Secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary shall support the Secretary and shall perform the Secretary's duties in the Secretary's absence.

5.5 Treasurer. The Treasurer shall have custody of all property of the Association, including funds, securities, and evidences of indebtedness. He or she shall keep books of account for the Association in accordance with good accounting practices, that, together with substantiating papers, shall be made available to the Board of Directors for examination at reasonable times. The Treasurer shall submit a treasurer's report to the Board at reasonable intervals and shall perform all other duties incident to the office of treasurer. All money and other valuable effects shall be kept for the benefit of the Association in such depositories as may be designated by a majority of the Board.

5.6 Compensation. The compensation, if any, of all Officers and other employees of the Association shall be fixed by the Board of Directors. This provision shall not preclude the Board from employing a Director as an employee of the Association or preclude contracting with a Director for the management of the Condominium.

VI. FISCAL MANAGEMENT

6.1 Board Adoption of Budget. The Board of Directors shall adopt a budget for the common expenses of the Association in advance of each fiscal year at a special meeting of the Board called for that purpose at least 45 days before the end of each fiscal year.

6.2 Budget Requirements. The proposed annual budget of common expenses shall be detailed and shall show the amount budgeted by accounts and expense classifications, including, when applicable, but not limited to:

- a. Administration of the Association.
- b. Management fees.
- c. Maintenance.
- d. Rent for recreational and other commonly used facilities.
- e. Taxes on Association property.
- f. Taxes on leased areas.
- g. Insurance.
- h. Security provisions.

- i. Other expenses.
- j. Operating capital.
- k. Fees payable to the Division of Florida Land Sales, Condominiums, and Mobile Homes.

l. Reserve accounts for capital expenditures and deferred maintenance, including, but not limited to, roof replacement, building painting, and pavement resurfacing. The amount to be reserved shall be computed by means of a formula based on estimated remaining useful life and estimated replacement cost of each reserve item. Reserves must be included in the proposed annual budget but may be removed from the final budget if by vote of the majority of the members present at a duly called meeting of the Association they shall determine for a fiscal year to provide no reserves or reserves less adequate than required by F.S. 718.112(2)(f). If a meeting of the Unit Owners has been called to determine to provide no reserves or reserves less adequate than required, and the result is not attained or a quorum is not attained, the reserves, as included in the budget, shall go into effect.

6.3 Notice of Budget Meeting. The Board of Directors shall mail a meeting notice and copies of the proposed annual budget to the Unit Owners not less than 14 days before the meeting at which the budget will be considered. The meeting shall be open to all the Unit Owners.

6.4 Member Rejection of Excessive Budget. If a budget adopted by the Board of Directors requires assessments against the Unit Owners in any fiscal year exceeding 115% of the assessment for the previous year, the Board, on written application of 10% of the voting interests shall call a special meeting of the Unit Owner within 30 days. The special meeting shall be called on not less than 10 days written notice to each Unit Owner. At the special meeting, Unit Owners shall consider and adopt a budget, which adoption requires an affirmative vote of not less than a majority of all voting interests. If at the special meeting, a quorum is not attained or a substitute budget is not adopted by the Unit Owners, the budget adopted by the Board of Directors shall go into effect as scheduled. Provisions for reasonable reserves for repair or replacement of the Condominium property, nonrecurring expenses, and assessments for betterment to the Condominium property shall be excluded from the computation in determining whether assessments exceed 115% of similar assessments in the previous year.

6.5 Alternative Budget Adoption by Members. At its option, for any fiscal year, the Board of Directors may propose a budget to the Unit Owners at a meeting of members or in writing. If the proposed budget is approved by the Unit Owners at the meeting or by a majority of all voting interests in writing, the budget shall be adopted.

6.6 Accounting Records and Reports. The Association shall maintain accounting records in the county in which the Condominium is located, according to good accounting practices. The records shall be open to inspection by any Association member or the authorized representative of the member at all reasonable times. The records shall include, but are not limited to:

- a. Accurate, itemized, and detailed records of all receipts and expenditures.
- b. A current account and a monthly, bimonthly, or quarterly statement of the account for each Unit designating the name of the Unit Owner, the due date and amount of each assessment, the amount paid on the account, and the balance due.
- c. All audits, reviews, accounting statements, and financial reports of the Association or Condominium.
- d. All contracts for work to be performed. Bids for work to be performed shall also be considered official records and shall be maintained for a period of one year. Within 60 days after the end of each fiscal year, the Board of Directors shall mail or furnish by personal delivery to each Unit Owner a complete financial report of actual receipts and expenditures for the previous 12 months.

6.7 Depository. The depository of the Association shall be those banks or savings and loan associations, state or federal, located in Florida, as shall be designated from time to time by the Board of Directors and in which the money for the Association shall be deposited. Withdrawal of money from those accounts shall be only by checks or other withdrawal instruments signed by those persons authorized by the Board of Directors.

6.8 Fidelity Bonding. Each Officer and Director of the Association, as well as any employee or contractor of the Association who controls or disburses its funds shall be bonded by a fidelity bond. The cost of bonding shall be at the expense of the Association. The amount of the bond shall be no less than that required by F.S. 718.111(11)d.

VII. ASSESSMENTS AND COLLECTION

7.1 Assessments, Generally. Assessments shall be made against the Units not less frequently than quarterly in the discretion of the Board of Directors. The assessments shall be made in an amount no less than required to provide funds in advance for payment of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred. The assessment funds shall be collected against Units in the proportions or percentages provided in the Declaration.

7.2 Special Assessments. The specific purpose or purposes of any special assessment, including emergency assessments, that cannot be paid from the annual assessment for common expenses, as determined by the Board of Directors, shall be set forth in a written notice of the assessment sent or delivered to each Unit Owner. The notice shall be sent or delivered within the time

before the payment or initial payment thereunder shall be due, as may be reasonable or practicable in the circumstances. Special assessments shall be paid at the times and in the manner that the Board may require in the notice of the assessment. The funds collected under a special assessment shall be used only for the specific purpose or purposes set forth in the notice, or returned to the Unit Owners. Excess funds may be used to reduce the next year's annual assessments. On completion of the specific purpose or purposes, however, any excess funds shall be considered common surplus.

7.3 Charges for Other than Common Expenses. Charges by the Association against individual members for other than common expenses shall be payable in advance and the billing and collection thereof may be administered by the Association. Charges for other than common expenses may be made only after approval of a member or when expressly provided for in the Declaration or other Condominium documents. These charges may include, without limitation, charges for the use of the Condominium property or recreation area, maintenance services furnished at the expense of a member, and other services furnished for the benefit of a member.

7.4 Liability for Assessments. Each Unit Owner, regardless of how his or her title has been acquired, including by purchase at a foreclosure sale or by deed in lieu of foreclosure, is liable for all assessments that come due while he or she is the Unit Owner. The Unit Owner and grantee are jointly and severally liable for all unpaid assessments that came due up to the time of transfer of title. A Unit Owner's liability for assessments may not be avoided by waiver of the use or enjoyment of any common element or by abandonment of the unit for which the assessments are made.

7.5 Assessments; Amended Budget. If the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board of Directors. Unpaid assessments for the remaining portion of the year for which an amended assessment is made shall be payable in as many equal installments as there are installment payment dates remaining in the budget year as of the date of the amended assessment. The budget shall not be amended for emergency or special nonrecurring expenses.

7.6 Collection: Interest, Late Fees, Application of Payment. Assessments and installments on them, if not paid within 10 days after the date they become due, shall bear interest at the rate of 18% per year until paid. All assessment payments shall be applied first to interest and then to the assessment payment due.

7.7 Lien for Assessment. The Association has a lien on each Condominium parcel to secure the payment of assessments. The lien is effective for one year after the claim of lien is recorded in the public records of Pinellas County unless, within that time, an action to enforce the lien is commenced. The claim of lien shall secure all unpaid assessments that are due and that may accrue after the recording of the claim of lien and before the entry of a certificate of title, as well as interest, late fees and all reasonable costs and attorney's fees incurred by the Association incident to the collection process.

7.8 Collection: Suit, Notice. The Association may bring an action to foreclose any lien for assessments in the manner that a mortgage of real property is foreclosed. It also may bring an action to recover a money judgment for the unpaid assessment without waiving any claim of lien. The Association shall give notice to the Unit Owner of its intention to foreclose its lien at least 30 days before the foreclosure action is filed. The notice shall be given by delivery of a copy of it to the Unit Owner or by certified or registered mail, return receipt requested, addressed to the Unit Owner at the last known address.

7.9 Fines. Before levying a fine under Section 4.25, the Board of Directors shall afford an opportunity for hearing to the party against whom the fine is sought to be levied, after reasonable notice of not less than 14 days. The notice shall include:

- a. a statement of the date, time and place of the hearing;
- b. a statement of the provisions of the Declaration, these Bylaws, and lawfully adopted rules and regulations that have allegedly been violated; and
- c. a short and plain statement of the matters asserted by the Association.

The party against whom the fine may be levied shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved to the Board of Directors and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Association. Each day of violation shall be a separate violation. The affected Unit Owner, whether the offending party or not, shall always be given notice of the hearing. No fine shall become a lien against a Unit. No fines may be levied against unoccupied Units.

VIII. ASSOCIATION OFFICIAL RECORDS

The Association, from its inception, shall maintain each of the following items when applicable, which shall constitute the official records of the Association:

- a. A copy of the plans, permits, warranties, and other items provided by the Developer under F.S. 718.301(4).
- b. A photocopy of the recorded Declaration of each Condominium operated by the Association and all amendments thereto.
- c. A photocopy of the recorded Bylaws of the Association and all amendments thereto.
- d. A certified copy of the Articles of Incorporation of the Association and all amendments thereto.
- e. A copy of the current rules of the Association.

f. A book or books containing the minutes of all meetings of the Association, of the Board of Directors, and of Unit Owners, which minutes shall be retained for a period of not less than seven years.

g. A current roster of all Unit Owners, their mailing addresses, Unit identifications, voting certifications, and, if known, telephone numbers. Additionally, the Association may require a copy of the deed or other instrument showing each Unit's ownership, together with a copy of any mortgage on the Unit and any satisfaction of that mortgage.

h. All current insurance policies of the Association and Condominiums operated by the Association.

i. A current copy of any management agreement, lease, or other contract to which the Association is a party or under which the Association or the Unit Owners have an obligation or responsibility.

j. Bills of sale or transfer for all property owned by the Association.

k. The accounting records required in Section 6.6.

l. Ballots, sign-in sheets, and voting proxies, which shall be maintained for a period of one year from the date of the election, vote, or meeting to which the proxy relates.

m. All rental records when the Association is acting as agent for the rental of Condominium Units.

n. A copy of the current Frequently Asked Questions and Answers Sheet in a form adopted by the Division of Florida Land Sales, Condominiums, and Mobile Homes.

o. All other records of the Association not specifically included in the foregoing that are related to the operation of the Association.

The official records of the Association shall be maintained within the state of Florida and shall be open to inspection by any Association member or the authorized representative of the member at all reasonable times. The right to inspect the records includes the right to make or obtain copies, at the reasonable expense, if any, of the Association member. The Association shall provide the records within 10 working days after receipt of a written request. The failure to permit inspection of the Association records as provided herein entitles any person prevailing in an enforcement action to recover reasonable attorneys' fees from the person in control of the records who, directly or indirectly, knowingly denied access to the records for inspection. Copies of the Declaration, Articles of Incorporation, Bylaws, rules, and all amendments to each of the foregoing, as well as the question and answer sheet provided for in F.S. 718.504, shall be kept on the Condominium property and/or by the Association's property, management company, if any, and shall be made available to Unit

Owners and prospective purchasers on payment by Unit Owners and prospective purchasers of the actual costs for preparing and furnishing these documents to those requesting the same:

IX. OBLIGATIONS OF OWNERS

9.1 Violations, Notice, Actions. In the case of a violation (other than the nonpayment of an assessment) by a Unit Owner of any of the provisions of the Act, the Declaration, the Articles, these Bylaws, or any lawfully adopted rules and regulations, the Association by direction of its Board of Directors may transmit to the Unit Owner by certified mail, return receipt requested, a notice of the violation. If the violation shall continue for a period of 30 days from the date of the notice, the Association shall have the right to treat the violation as an intentional and material breach of the provision cited in the notice. It then, at its option, may take the following actions:

- a. File an action to recover for its damages on behalf of the Association or on behalf of other Unit Owners.
- b. File an action for injunctive relief requiring the offending Unit Owner to take or desist from taking certain actions.
- c. File an action for both damages and injunctive relief.

A Unit Owner may bring an action against the Association or any Director for damages, injunctive relief, or both, if the Association or a Director willfully and knowingly fails to comply with the provisions of the Act, the Declaration, the Articles, these Bylaws, or the rules and regulations.

The foregoing action may be taken in addition to the Association's right to impose fines under Section 4.25 of these Bylaws.

9.2 Attorneys' Fees. In any action brought under the provisions of Section 9.1, the prevailing party is entitled to recover reasonable attorneys' fees.

9.3 No Waiver of Rights. Neither a Unit Owner nor the Association may waive a provision of the Act if that waiver would adversely affect the rights of a Unit Owner or the purposes of the provision, except that Unit Owners or Board members may waive notice of specific meetings in writing.

X. ARBITRATION OF INTERNAL DISPUTES

All issues or disputes that are recognized by the Act or by administrative rules promulgated under the Act as being appropriate or required for mediation or arbitration shall be resolved through the alternative dispute resolution procedures instead of civil litigation.

XI. LIABILITY SURVIVES MEMBERSHIP TERMINATION

Termination of membership in the Association shall not relieve or release a former member from any liability or obligation incurred with respect to the Condominium during the period of membership nor impair any rights or remedies that the Association may have against the former member arising out of membership and his or her covenants and obligations incident to that membership.

XII. LIMITATIONS ON UNIT OWNER LIABILITY FOR USE OF COMMON ELEMENTS

Each Unit Owner may be personally liable for the acts or omissions of the Association relating to the use of the Common Elements. That liability shall be shared with other Unit Owners in the same percentages as their respective interests in the Common Elements. No individual Unit Owner's liability shall exceed the value of his or her Unit.

XIII. PARLIAMENTARY RULES

ROBERT'S RULES OF ORDER (latest edition) shall govern the conduct of the Association's meetings when not in conflict with the Act, the Declaration, the Articles, or these Bylaws.

XIV. RULES AND REGULATIONS

14.1 Board May Adopt. The Board of Directors from time to time may adopt and amend reasonable rules and regulations governing the details of the use and operation of the Common Elements, Association property, and recreational facilities serving the Condominium.

14.2 Posting and Furnishing Copies. A copy of the rules and regulations adopted from time to time by the Board of Directors, and any amendments to existing rules and regulations, shall be posted in a conspicuous place on the Condominium property and a copy furnished to each Unit Owner. No rule, regulation, or amendment shall become effective until 30 days after posting, except in the case of an emergency, in which case the rule, regulation, or amendment shall become effective immediately on posting.

14.3 Limitations on Authority. The Board of Directors may not unreasonably restrict any Unit Owner's right to peaceably assemble or to invite public officers or candidates for public office to appear and speak in Common Elements, Association property, common areas, and recreational facilities. The Board may not deny any resident of the Condominium, whether tenant or owner, access to any available franchised or licensed cable television service or exact a charge or anything of value in excess of charges normally paid for like services by residents of single-family homes within the same franchise or license area.

14.4 Reasonableness Test. Any rule or regulation created and imposed by the Board of Directors must be reasonably related to the promotion of the health, happiness, and peace of mind of the Unit Owners and uniformly applied and enforced.

XV. RESTRICTIONS ON AND REQUIREMENTS FOR USE, MAINTENANCE, AND APPEARANCE OF UNITS

15.1 Where Contained. Restrictions on the use, maintenance, and appearance of the individual Condominium Units shall be as stated in the Declaration and no amendments to the restrictions shall be contained elsewhere than in the Declaration as adopted by a vote of the Unit Owners conducted in the manner prescribed in these Bylaws.

15.2 Tests for Validity of Restrictions. Restrictions contained in the Declaration and any amendments duly adopted by a vote of the Unit Owners shall be valid and in the nature of covenants running with the land, unless it is shown that they (1) are wholly arbitrary in their application; (2) are in violation of public policy; or (3) abrogate some fundamental constitutional right.

XVI. PRIORITIES IN CASE OF CONFLICT

In the event of conflict between or among the provisions of any of the following, the order of priorities shall be, from highest priority to lowest:

- a. The Act, as it existed on the date of recording the Declaration.
- b. The Declaration.
- c. The Articles.
- d. These Bylaws.
- e. The rules and regulations.

XVII. INDEMNIFICATION

Every Officer and Director of the Association shall be indemnified by the Association against all expenses and liabilities, including reasonable attorneys' fees incurred and imposed in connection with any proceedings to which he or she may be a party, or in which he or she may become involved by reason of being or having been an Officer or Director of the Association, whether or not an Officer or Director at the time the expenses are incurred. The Officer or Director shall not be indemnified if adjudged guilty of gross negligence or willful misconduct or if he or she shall have breached the fiduciary duty to the members of the Association. The Association shall not be liable, however, for payment of a voluntary settlement unless it is first approved by the Board of Directors. The foregoing rights shall be in addition to and not exclusive of all other rights to which the Director or Officer may

be entitled.

XVIII. DEFECTIVE CONDOMINIUM DOCUMENTS; CURATIVE PROVISIONS

Under F.S. 718.110(10), the Association or a Unit Owner may petition the circuit court having jurisdiction in the county in which the Condominium property is situated to correct an error or omission in the Declaration or any other documents required to establish the Condominium, affecting its valid existence, and which errors or omissions are not correctable by the amendment procedures in the Declaration or the Act. In any case, after three years from the filing of the Declaration, it shall be deemed to be effective under the Act to create a Condominium, whether in fact it substantially complies with the mandatory requirements of the Act or not.

XIX. AMENDMENTS

Amendments to these Bylaws shall be proposed and adopted in the following manner:

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

19.2 Adoption. An amendment may be proposed either by a majority of the Board of Directors or by not less than one third (1/3) of the voting interests of the Association. The amendment shall be adopted if it is approved by not less than two thirds (2/3) of the voting interests of the Association.

19.3 Limitation. No amendment shall be made that is in conflict with the Act or the Declaration, nor shall any amendment abridge, alter, or amend the rights of the Developer or mortgagees of Units without their consent.

19.4 Recording. A copy of each amendment shall be attached to or included in a certificate certifying that the amendment was duly adopted as an amendment of the Bylaws. The certificate, which shall identify the first page of the book and page of the public records where the Declaration of each Condominium operated by the Association is recorded, shall be executed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed. The amendment shall be effective when the certificate and copy of the amendment are recorded in the public records of the county where the Declaration is recorded.


19.5 Format. Proposals to amend existing Bylaws shall contain the full text of the Bylaws to be amended. New words shall be underlined and words to be deleted shall be lined through with hyphens. If the proposed change is so extensive that this procedure would hinder rather than assist understanding, a notation must be inserted immediately preceding the proposed amendment saying "SUBSTANTIAL REWORDING OF BYLAW. SEE BYLAW NUMBER FOR PRESENT TEXT."

XX. CONSTRUCTION

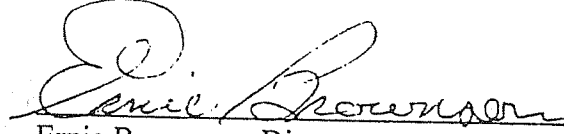
Whenever the context permits or requires, the singular shall include the plural, the plural shall include the singular, and the use of any gender shall be deemed to include all genders.

The foregoing were adopted as the Bylaws of HEATHER HILLS APARTMENTS NO. 1 CONDOMINIUM ASSOCIATION, INC., on JANUARY 28, 1999

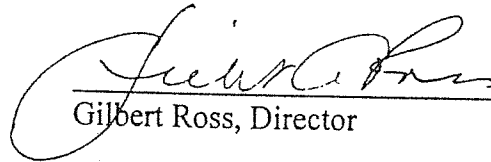
HEATHER HILL APARTMENTS NO. 1 CONDOMINIUM ASSOCIATION, INC.



Don Paettie, Director



Ernie Brownson, Director



Gilbert Ross, Director