

HEATHER PROPERTY OWNERS ASSOCIATION

BY-LAWS

ARTICLE 1. NAME

**This Association shall be known as
The Heather Property Owners Association,
a not for profit Florida Corporation hereinafter
referred to as the "Association".**

ARTICLE II. MEETINGS

Section 1. Annual Meeting. The annual meeting of the membership of the Association shall be held in Hernando County, Florida, during the month of March each year. The time and place of said meeting shall be set by the Board of Directors and included in the notice of the Annual Meeting. (Section 3)

Section 2. Special Meeting. Special meetings may be held at the call of the President, by written request of a majority of the members of the Board of Directors or by written request of a majority of the members on the current Qualified Voters List (Article II, Section 5) of the Association.

Section 3. Notice. At least thirty (30) days notice, in writing shall be required to hold the Annual Meeting referred to in Section 1. At least thirty (30) days notice, in writing shall be required to hold a Special Meeting of the Association (Section 2). However, if the Special Meeting is for the purpose of amending

the Articles of Incorporation or these By-Laws, then forty-five (45) days notice shall be required. The written notice shall be mailed to each member of the Association to the address listed on the records of the Association, and shall contain an enumeration of the items of business to be transacted at such meeting.

Section 4. Order of Business.

- a) Call to order
- b) Certification of Quorum
- c) Reading of notice of meeting
- d) Reading of minutes of previous meeting
- e) Report of President
- f) Report of Treasurer
- g) Report of Secretary
- h) Reports of Committees
- i) Election of Directors
- j) Transaction of other business mentioned in the notice
- k) Adjournment

Section 5. Voting. Every member of the Association shall have such right to vote as the same is specifically set forth in Article III, Section 2 of the Articles of Incorporation of this Association except that those members whose assessment fees are more than ninety (90) days in arrears shall not have the right to vote. *State Statutes 617.305 (3)*. A Qualified Voter List shall be established prior to any regular or special meeting of the Association and will include all those eligible to vote at such meeting and/or election. All such persons qualified to vote

therein provided, shall have the right and be entitled to vote upon every proposal mentioned in the Notice of Meeting and properly submitted to a vote of the members at any such meeting of the Association. Members shall be entitled to only one vote for each lot, tract, parcel or living unit owned, providing they are paying the required monthly assessment. Voting may be by actual presence of the member of the Association at such meeting, written proxy or a vote by mail. The proxy may be made by any person entitled to vote and shall be valid only for the particular meeting designated in the proxy and must be filed with the Secretary before the appointed time of the meeting or any adjournment of the meeting. (amended October 24, 1989, October 6, 1997, and April 17, 2000) *State Statutes 617.305 (3)*

Section 6. Quorum. Attendance of twenty percent (20%) at a meeting of the members entitled to vote (Article II, Section 5) by attendance, by proxy or vote by mail shall constitute a quorum for the transaction of business except where the business to be transacted includes amending of the By-Laws or the Articles of Incorporation, where the quorum shall be fifty-one percent (51%) of the members entitled to vote by attendance, proxy or vote by mail, but if at any meeting there shall be less than a quorum, a

majority of those present who are entitled to vote may adjourn the meeting from time to time and place to place.

(Amended April 17, 2006)

If a quorum is present, a vote by attendance, proxy or vote by mail, shall constitute an act of the membership, unless otherwise specified in these Bylaws.

(Amended October 24, 1989)

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number. The business, property, assets, and affairs of the Association shall be managed by a Board of Directors composed of not less than three (3) nor more than five (5) persons, all of whom shall be members of this Association. The number of Directors may be changed from time to time by the then current Board of Directors, provided however, if the number of Directors is to be increased, such action shall be taken at least ninety (90) days before an Annual Meeting of the Association. Vacancies thus created shall be filled by election at the next Annual Meeting of the Association.

Section 2. Terms of Directors. Directors shall be elected by the members of the Association at the Annual Meeting. Beginning with the Annual Meeting in 1988, an even number of Directors, two (2) if the Board consists of five (5) members, shall

be elected for a two (2) year term and an odd number of Directors shall be elected for a one (1) year term. Thereafter, all Directors shall be elected to a two (2) year term. Each Director so elected shall hold office for the term for which they are elected and until their successor is elected. Directors may succeed themselves, however, no Director may be eligible to serve more than two (2) consecutive full terms. Less than a full term shall not be considered as a term served.

Section 3. Qualifications. All members of the Board of Directors shall be members of the Association.

Section 4. (a) Duties of the Board. The Board of Directors shall elect the Officers of the Association from among themselves or appoint as prescribed in Article IV, Section 1, and Article V, Section 1, to transact the business of the Association. They may adopt such rules and regulations for the conduct of their meetings and management of the Officers of the Association as they deem proper, so long as the rules are not inconsistent with (1) the laws of the State of Florida, (2) the Declaration of Restrictions, (3) the Articles of Incorporation, (4) these By-Laws and (5) Robert's Rules of Order (Latest Edition). They shall determine the policies and operate the Association within the above guidelines through the Officers and Committees of the Association. Using the recommendations of the Budget Committee (Article VII, Section 4) they shall prepare an Annual

Budget to be submitted for vote of the membership at the Annual Meeting.

(b) The Board of Directors shall have the sole responsibility to dispose/sell surplus assets, such as furnishings, equipment, office equipment, docks, etc., belonging to the Heather Property Owners Association. This responsibility is exclusive of disposal or sales of common property and structures thereon. All surplus assets and manner of disposal will be made public by inclusion in the minutes of the meetings of the Board of Directors and so posted. (Amended July 20, 1998)

(c) The Heather Property Owners Association (HPOA) may levy reasonable fines on members, member's tenants, guests, and invitees for violations of the rules of the Heather Property Owners Association and the Declaration of Restrictions of the Heather Property Owners Association.

Any fines levied pursuant to this provision may not exceed \$100 per violation against any members, member's tenant, guest or invitee. A fine may be levied on the basis of each day of a continuing violation, with a single notice and an opportunity for a hearing, except no such fine shall exceed \$1,000 in the aggregate.

A fourteen (14) day notice shall be given to the person sought to be fined and an opportunity for a hearing before a Committee of at least three (3) members appointed by the Board who are not officers, directors, or employees of the Association or the

spouse, parent, child, brother, or sister of an officer director or employee. A majority vote of the appointed Committee is required to approve the proposed fine.

The requirements of this section do not apply to the imposition of suspensions or fines upon any member because of the failure of the member to pay assessments or other charges when due (amended January 4, 1999)

Section 5. Elections of Directors. Election of Directors shall be held at the Annual Meeting of the membership of this Association (Article II, Section 1). A Nominating Committee of not less than five (5) and no more than nine (9) shall be appointed by the President and approved by the Board of Directors no less than ninety (90) days prior to the Annual Meeting of the Association. This Nominating Committee shall be charged with the duty of nominating one or more persons for each vacancy to be filled. Additional nominations for the Board of Directors may be submitted to the Nominating Committee at least forty-five (45) days prior to the Annual Meeting. Such additional nominations shall be by petition signed by at least ten percent (10%) of the Association members qualified to vote (Article II, Section 5) one signature for each lot, tract, parcel or living unit owned, and shall be accepted by the Nominating Committee for inclusion the official ballot of nominees. Further, additional nominations shall be received from the floor prior to the actual election held at the Annual Meeting.

The election of Directors shall be by ballot and by a plurality of the votes cast. Each person voting is entitled to cast a vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

Section 6. Vacancy. Any vacancy in the Board of Directors occurring because of resignation or inability to serve shall be filled by appointment, by a majority of the Board of Directors at any regular meeting or special meeting called for such purpose, with a quorum present. A Director so elected shall serve until the next Annual Meeting of the Association at which time a Director shall be elected to serve the balance of the unexpired term (if any).

Any member of the Board of Directors may be removed from office by a two-thirds (2/3) vote of the membership qualified to vote (Article II, Section 5) present at a Special Meeting of the Association (Article II, Section 2) called for such purpose wherein a quorum by attendance or proxy exists. The vacancy in the Board of Directors so created shall be filled by nomination and election at said meeting for the unexpired term of the Director so removed. A plurality of votes cast shall constitute an election.

Section 7. Upon completion of term of office, the immediate past president of the Board of Directors may serve in an advisory position to the incoming Board of Directors for a period of one

year. The past president, serving as an advisor, shall not have the right to vote. (Amended March 9, 1992)

ARTICLE IV. MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Organizational Meetings. A meeting of the newly elected Board of Directors shall be held at 9 a.m. on the day following the Annual Meeting of the Association, or immediately after the Annual Meeting. Such meeting shall be held at the Community Building of the Association for the purpose of organizing the newly elected Board, which shall take office on the first day of the fiscal year. At this meeting or any adjourned meeting thereof, the Board of Directors will elect a President, three Vice Presidents from the members of the Board, a Secretary, and a Treasurer who may or may not be members of the Board. The Board of Directors shall have the power to appoint such other officers and employees as the Board may deem necessary for the transaction of the business of the Association.

Section 2. Regular Meetings. The Board of Directors shall meet on a regular basis. The day, time and place shall be determined from time to time by a majority of the Directors. If circumstances dictate, the Board of Directors may meet as frequently as necessary. Notice of regular meetings shall be given to each Director personally, by mail, or telephone at least

ten (10) days prior to the day named for such meeting and posted on the bulletin board.

Section 3. Special Meetings. A Special Meeting of the Directors may be called by the President and must be called by the Secretary at the written request of one-third (1/3) of the Directors. Not less.

Section 4. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 5. Quorum. A Quorum at any meeting of the Board of Directors shall consist of a majority of the entire Board of Directors. Officers, unless also a Director, shall not count in the establishment of a quorum. The acts approved by a majority of those voting at a meeting at which a quorum exists shall be the acts of the Board of Directors. An Officer, unless also a Director, shall not have the right to vote.

Section 6. Adjourned Meetings. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. No further notice need be given of an adjourned meeting.

Section 7. Directors Fees. The Directors shall not be entitled to any fees or compensation for their services as a Director. They may receive compensation for any services which they

perform for the Association outside the scope of their positions as Directors of the Association as long as there is no conflict of interest.

ARTICLE V. OFFICERS

Section 1. Officers. The principal Officers of the Association shall be a President, Three Vice-Presidents, a Secretary, a Treasurer and such Assistant Secretaries and Assistant Treasurers as the Board of Directors may from time to time deem necessary.

Section 2. Election of Officers. The Officers of the Association shall be elected annually at the Organizational Meeting of each new Board of Directors (Article IV, Section 1). All Officers shall be members of the Association. The Board of Directors may from time to time elect such other officers as the Board may deem necessary. All officers shall serve and hold office at the pleasure of the Board of Directors. Any person may hold two (2) or more offices except that the same person shall not hold the offices of the President and Vice President or President and Secretary.

Section 3. Removal of Officers. Any officer may be removed by the Board of Directors whenever, in the judgment of the Board, the best interest of the Association shall be served thereby and a successor elected at any Regular Meeting of the

Board or any Special Meeting of the Board called for such purpose. However, in the event the President shall be so removed, the designated Vice President shall assume that office for the remainder of the term (Article VI, Section 2). A majority vote of the entire Board of Directors shall be necessary to so remove any officer. (Amended October 6, 1997)

ARTICLE VI. DUTIES OF OFFICERS

Section 1. President. The President shall be the Chief Executive Officer of the Association and shall have all the powers and duties usually vested in the Office of President including but not limited to the power to appoint committees, with the approval of the Board of Directors, from the members of the Association.

Section 2. Vice President (s). The Vice President(s) shall in order of designation, preside in the absence of the President and shall assist the President generally and exercise such other powers and perform such other duties as shall be prescribed.

Section 3. Secretary. The Secretary shall keep the minutes of all proceedings of the Board of Directors and Annual and Special Meetings of the Association. The Secretary shall attend to the giving and 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 affix it to instruments

requiring a seal when duly signed. The Secretary shall keep the records of the Association, except those of the Treasurer and shall perform all other duties incident to the office of Secretary of an Association and as may be required by the Directors or the President. The Assistant Secretary, if any, shall perform the duties of the Secretary when the Secretary is absent and shall otherwise assist the Secretary.

Section 4. Treasurer. The Treasurer shall have custody of the records relating to the property of the Association, including funds, securities, and evidences of indebtedness, and shall keep the books of the Association in accordance with good accounting principles. The Treasurer shall prepare and present an Annual Report of the fiscal year up to that date at the Annual Meeting of the Association. The Treasurer shall be responsible for assuring that the Association is following good accounting principles and meeting all appropriate deadlines in filing all tax reports. The Treasurer shall be bonded in an amount determined by the Board of Directors at the expense of the Association. The Assistant Treasurer, if any, shall perform the duties of the Treasurer when the Treasurer is absent and shall otherwise assist the Treasurer.

Section 5. Compensation. The Officers of the Association shall not be entitled to any fees or compensation for their services as an Officer. They may receive compensation for any

services they perform for the Association outside the scope of their position as an Officer of the Association, as long as there is no conflict of interest.

ARTICLE VII. COMMITTEES

Section 1. General. The President, with the approval of the Board of Directors, shall annually appoint the Committees listed herein. In addition, the President may appoint such other committees as is deemed desirable. All members of a Committee shall be members of the Association. A majority of the whole committee shall constitute a quorum and the act(s) of a majority of the members present at a meeting at which a quorum exists shall be the act(s) of the Committee. A Board Member shall be an ex-officio member for each committee and shall serve as an advisor to said committee.

Section 2. Nominating. A Nominating Committee of no less than five (5) and no more than nine (9) shall be appointed no less than ninety (90) days prior to the Annual Meeting of the Association (Article III, Section 5). If possible, this committee shall be representative of the various units of the Association. The Nominating Committee will find one or more candidates for each vacancy on the Board of Directors.

Section 3. Architecture and Design. Three (3) or more persons shall be appointed to the Committee of the Association

(Article V of the Declaration of Restrictions). This Committee shall receive, study, and investigate all requests and complaints relative to Architecture and Design and violations of restrictions, and in so far as possible, resolve said complaint within established guidelines, reporting the results on a periodic basis to the Board of Directors. They shall also report their recommendations for legal action to the Board of Directors who shall take appropriate action in accordance with the Declaration of Restrictions.

Section 4. Budget. This committee shall consist of no less than five (5) nor more than nine (9) members, one of whom shall be the Treasurer and shall be appointed no less than ninety (90) days prior to the Annual Meeting (Article II, Section 1). This Committee shall prepare a recommended budget for the next fiscal year including projected income and expenditures and a recommended annual assessment for the members. Said recommended budget shall be submitted to the board of Directors for review, revision, and/or approval as the Operating Budget to be presented to the membership for adoption at the Annual Meeting.

Section 5. Financial Review Committee. Financial Review Committee shall consist of not less than three (3) nor more than five (5) members, none of whom shall be members of the Board of Directors. This committee shall review all of the financial

transactions for the fiscal year and report the results of the review to the membership within sixty (60) days after the end of the fiscal year. The Board of Directors shall employ an accounting firm to review the financial records of the Association. (Amended March 9,1989)

Section 6. Vacancies. Vacancies in the membership of any committee shall be filled by appointment in the same manner as provided in the case of the original appointment.

ARTICLE VIII. FISCAL YEAR

Section 1. The fiscal year of the Association shall be from May 1st of one year to April 30th of the following year.

ARTICLE IX. PARLIAMENTARY RULES

Section 1. Roberts Rules of Order (Latest Edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration of Restrictions, Articles of Incorporation or these By-Laws.

ARTICLE X. AMENDMENTS

Section 1. These By-Laws may be amended by a majority vote of the Board of Directors at any regularly scheduled meeting or any Special Meeting called for that purpose wherein the required quorum exists.

Section 2. Notice. In the event the proposed amendment is to be considered at a regularly scheduled meeting, a copy of the proposed amendment shall be presented to all Board Members at one meeting for consideration at the next regularly scheduled meeting of the Board of Directors. In the event the proposed amendment is to be considered at a Special Meeting of the Board of Directors, at least ten (10) days' notice shall be given personally or by mail, which notice shall state the time, place, purpose of the meeting and a copy of the proposed amendment.

Section 3. Unless otherwise specified, an amendment to these By-Laws shall be effective immediately upon adoption.

ARTICLE XI. ASSESSMENTS

Section 1. Purpose. The assessments levied by the Association shall be for the purpose of promoting the recreation, health, safety and welfare of the residents of the Properties (Declaration of Restrictions, Article 1, Section 1b; Article IV, Section 2; and Articles of Incorporation, Article VIII) to improve and maintain the Common Properties (Declaration of Restrictions, Article 1, Section 1c) and improvements thereon and to maintain adjacent non-common property for beautification.

Section 2. Establishment of Annual Assessments. The Board of Directors shall approve and establish all sums which

shall be payable by the members of the Association in accordance with the following procedure:

- a. Annual assessments shall be established after the adoption of an Operating Budget (Article VII, Section 4) by the members of the Association entitled to vote (Article II, Section 5) at the Annual Meeting. Any surplus monies from the previous fiscal year exceeding ten percent (10% of the proposed budget shall be used to reduce the succeeding budget and thereby reduce the Annual Assessment. Said ten percent (10%) shall become the contingency fund for the next fiscal year.
- b. The Board of Directors shall send written notice of the amount of the Annual Assessment and date of commencement thereof, to each member not less than thirty (30) days in advance of the first due date thereof.

Section 3. Special Assessments for Capital Improvements.

In addition to the Annual Assessments authorized in Section 2, herein, the Association may levy in any assessment year a special assessment for the purpose of defraying (in whole or in part) the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Properties (Declaration of Restrictions, Article 1, Section 1c) including the necessary fixtures and personal property related thereto. Fifty-one percent (51%) of the total membership qualified to vote shall be required to adopt such Special

Assessment, voting in person, by proxy, or vote by mail (Article II, Section 5) at a meeting duly called for that purpose. Written notice for such meeting shall be sent to all members at least forty-five (45) days in advance, setting forth the purpose of the meeting. (Amended March 25, 1991)

Section 4. Effect on Non-Payment of Assessment. In the event any assessment (regular or special) or any installment thereof remains unpaid for a period of thirty (30) days or more from its due date, the Board of Directors shall impose a late charge of five dollars (\$5.00) for each unpaid assessment or installment. The aforesaid late charge shall be payable as to each successive thirty (30) day period following the applicable assessment due date until all assessments and late charges are paid in full. (Amended November 29, 1993)

The late charges provided for herein shall be enforced and secured by the lien provided for, the foreclosure thereof and/or personal action for recovery of sums due including reasonable attorney's fees and costs, all as provided for in Declaration of Restrictions, Article IV, Covenant for Maintenance Assessments, Sections 1, 3, and 4.

All references to interest on overdue assessments contained in the Declaration of Restrictions shall be deemed to be changed to refer to the late charges provided for herein Amendment to Declaration of Restrictions, C.2., dated May 14, 1986).

Section 5. Exempt Property. The following property shall be exempted from the assessments, charges, and liens created herein: a.) all properties dedicated and accepted by the local public authority and devoted to public use, b.) all properties which are owned by the Association and, c.) all properties exempted from taxation by the laws of the State of Florida. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges, or liens.

ARTICLE XII

Whenever the provisions of these By-Laws, the Articles of Incorporation, or the Declaration of Restrictions shall conflict, then the Declarations shall prevail. In the event of a conflict between the By-Laws and Articles, then the Articles shall prevail.

ARTICLE XIII. INDEMNIFICATION

Section 1. Indemnity. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that they are or were a director, employee, officer or agent of the Association, against expenses (including attorney's fees and costs and appellate

attorney's fees and costs), judgments, fines and amounts paid in settlement actually and reasonable incurred by them in connection with such action, suit or proceeding, unless (a) a court of competent jurisdiction determines, after all available appeals have been exhausted or not pursued, that the indemnitee did not act in good faith or acted in a manner they reasonable believed to be not in or opposed to, the best interest of the Association and with respect to any criminal action or proceeding, that they had reasonable cause to believe their conduct was unlawful, and (b) such court further specifically determines that indemnification should be denied. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith or did act in a manner which they reasonable believed to be not in or opposed to the best interest of the Association and with respect to any criminal action or proceeding, that they had reasonable cause to believe that their conduct was unlawful.

Section 2. Advances. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Association in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the affected director, officer, employee or agent to repay such

amount unless it shall ultimately be determined that they are entitled to be indemnified by the Association as authorized in this Article XIII.

Section 3. Miscellaneous. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled un any by-law, agreement, vote of members or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee, or agent, (but who otherwise would have a right of indemnification if such person remained in this position) and shall inure to the benefit of the heirs and personal representative of such person.

Section 4. Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association, as a director officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against them and incurred by them in any such capacity or arising out of their status as such, whether or not the Association would have the power to indemnify them against such liability under the provisions of this Article.

Section 5. Amendment. Anything to the contrary herein notwithstanding the provisions of this Article XIII may not be amended without the prior written consent of all persons whose interest would be adversely affected by such amendment.

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Amendments

These By-laws were adopted and became effective on February 4, 1988 with Article X amended and effective as of April 14, 1988.

Article VII, Section 2 amended on July 18, 2016.