

BY-LAWS
OF
SILVER LAKES OF PASCO HOMEOWNERS' ASSOCIATION, INC.

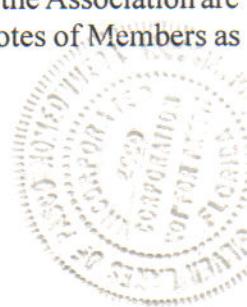
ARTICLE I
General

Section 1. Definition and Operation. Express reference is here made to the Declaration of Covenants, Conditions and Restrictions of Silver Lakes (the "Declaration") recorded in the Pasco County Public Records where necessary to interpret, construe and apply the provisions of these By-Laws. Without limitation:

- (a) Definitions. All terms defined in the Declaration have the same meaning when used in these By-Laws.
- (b) Consistency. By adopting these By-Laws, the Board intends them to be consistent with the provisions of this Association's Articles of Incorporation (the "Articles") and with those of the Declaration.
- (c) Conflict. These By-Laws are to be interpreted, construed and applied with the Articles and the Declaration to avoid inconsistencies of conflicting results, but, if such conflict necessarily results, the provisions of the Articles or the Declaration control anything to the contrary in these By-Laws.

Section 2. Membership and Voting Rights. Membership and voting rights in the Association are set forth in Articles IV of the Articles and in Article III of the Declaration and all votes of Members as herein set forth shall be subject to the same.

Section 3. Seal. This Association has a seal in circular form having within its circumference the words "SILVER LAKES OF PASCO HOMEOWNERS' ASSOCIATION, INC., " "Florida" and "Corporation Not for Profit 2000", an impression of such seal appearing in the margin here.



Section 4. Fiscal Year. This Association's fiscal year begins on the first day of January of each calendar year.

Section 5. No Vested Rights. No Member of this Association has any vested right, interest, or privilege of, in, or to the assets, functions, affairs, or franchises of this Association, nor any right, interest, or privilege that is transferrable or inheritable except as an incident to the transfer of title to such Member's Lots, as provided in Articles II and III of the Declaration, and in Articles IV and IX of the Articles.

Section 6. Amendment. These By-Laws may be altered, amended, or rescinded in the manner set forth in Article VII of the Articles.

ARTICLE II
Members' Meetings

Section 1. Annual Meetings. The annual meeting of this Association is to be held each year [on the second Tuesday in March, beginning March 13, 2001, at such time and place in Pasco County, Florida, or elsewhere, as the Board determines.

Section 2. Special Meetings. Special membership meetings may be called at any time by: (i) the President; or (ii) the Board; or (iii) by the written request of Members entitled to cast fifty percent (50%) of all votes eligible to be cast by Members. The agenda at special meetings shall be confined to the subject matter for which the meeting was called.

Section 3. Notice. Written notice of each Members' meeting shall be given by or at the direction of the Secretary. All notices must specify the place, day and hour of the meeting and, in the case of special meetings, its purpose.

Section 4. Manner of Notice. Notice of all meetings must be given at least fifteen (15) days in advance to each Member either by personal delivery or by mailing a copy of such notice, postage prepaid, addressed to the Member's address last appearing on the books of the Association. Such notice also must be given to Declarant as long as Declarant owns a Lot. Mailing or delivery of notice to any co-owner of a Lot is effective upon all co-owners of such Lot, unless any co-owner has requested the Association in writing to give notice to such co-owner and furnished the Association with the address to which such notice may be given by mail.

Section 5. Proof of Notice. An affidavit by the person or persons actually giving notice of any meeting, and attested by the Secretary under this Association's seal, is conclusive upon any person without actual knowledge of any defect in notice as to the regularity of any notice.

Section 6. Waiver of Notice. Notice of any meeting may be waived in writing or at any time before, at, or after such meeting; and neither the business transacted at, nor the purpose of, any regular or special meeting need be specified in any written waiver. A Member's attendance at any meeting constitutes a waiver of all defects in notice unless such Member expressly objects at the beginning of such meeting to the transaction of any business because the meeting is not regularly called.

Section 7. Quorum. The presence of Members entitled to cast thirty four percent (34%) of the votes eligible to be cast by the Membership constitutes a quorum for all purposes except consideration of any action which requires the presence of Members entitled to cast sixty seven percent (67%) of the votes eligible to be cast by the membership, in which case at least sixty percent (60%) of the Members shall be present, in person or by proxy. Once established, a quorum is effective for all purposes notwithstanding the subsequent withdrawal of Members. If the required quorum is not present at any meeting duly called, a majority of the Members present have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the required quorum if present, provided such adjournment is taken within one (1) hour following the scheduled time of meeting. If said quorum is still not attained, a second meeting may be called at which the quorum requirement shall be reduced to thirty percent (30%). No such subsequent meeting shall be held more

than sixty (60) days following the preceding meeting.

Section 8. Adjournment. If a meeting otherwise duly called and convened with the requisite quorum present is adjourned to another time or place, notice of the adjourned meeting is not required if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken; and any business may be transacted at the adjourned meeting that might have been transacted at the original meeting without additional notice and without reconstituting a quorum.

Section 9. Record Date. Any notice of any meeting of the membership must be given to each Member as shown upon the Association's books on the date such notice is given. Only those Members shown as Members in good standing upon the Association's books on the eleventh (11th) calendar day preceding a meeting are entitled to vote at such meeting, or its adjournment.

Section 10. Proxies. Any Member may vote in person or by proxy at any meeting. All proxies must be in writing, signed by the Member, and expire eleven (11) months from date unless otherwise expressly provided. A proxy is not revoked by incompetency or death until the Association receives written notice thereof. If a proxy confers authority upon two or more persons and does not otherwise provide a majority of such proxies present at the meeting or, if only one is present, then that one, may exercise all powers conferred by the proxy. A proxy expressly may provide for a right of substitution by written designation of the proxy holder. A Member represented by a valid proxy at any meeting is "present" for all purposes. All proxies must be filed with the Secretary of the Association at least forty-eight (48) hours prior to the meeting to which they pertain, or they shall not be considered for that meeting.

Section 11. Membership List. At least ten (10) days prior to each membership meeting, a complete list of the Members entitled to vote at such meeting, and their respective addresses, must be kept on file at the Association's office, open to inspection by any Member. Such list also must be produced and kept open at the time and place of the meeting for inspection by any Member at any time during the meeting. In the absence of substantial compliance with the requirements of this Section, and upon the demand of any Member present, the meeting must be adjourned until such compliance occurs. If no such demand is made, failure to comply with the requirements of this section does not affect the validity of any action taken at such meeting.

Section 12. Voting Requirements. Every act and decision done or made by a majority of the Members present at a meeting duly called at which a quorum is present is the act of the membership, except with respect to any action requiring sixty seven percent (67%) vote of the membership, as to which the voting requirements of the applicable provisions of the Articles or Declaration govern.

ARTICLE III Board of Directors

Section 1. Number and Composition. Except as expressly provided otherwise, all powers of this Association are exercised by or under the authority of, and the business and affairs of this Association are managed under the direction of a Board of Directors consisting of three (3) members, who, except for the initial Directors and until the Declarant no longer exercises voting power as set forth in the

Declaration, shall be Association Members. Each Director continues in office until a successor has been elected and qualified, unless such Director sooner dies, resigns, is removed, or disqualified or otherwise unable to serve.

Section 2. Standard of Care. Each Director shall perform all duties as a Director, including duties as a committee member, (i) in good faith, (ii) in a manner such Director reasonably believes to be in the best interests of this Association, and (ii) with such care as an ordinary prudent person in a similar position would exercise under similar circumstances.

Section 3. Reliance. A Director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by any of the following, unless such Director has actual knowledge that reliance is unjustified:

- (a) Officers. One or more officers, employees or managers of this Association whom the Director reasonably believes are reliable and competent in the matters presented.
- (b) Professionals. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes are within such person's professional or expert competence.
- (c) Committees. An Association committee upon which such Director does not serve, duly constituted pursuant to the Declaration, the Articles or these By-Laws, as to matters within designated authority, which committee the Director reasonably believes merits confidence.

Section 4. Compensation. Any Director may be reimbursed by the Board for actual expenses incurred in the performance of such Director's duties, but no Director may be paid any compensation by this Association for the service rendered to this Association as a Director.

Section 5. Nomination. Nomination for election by the Board of Directors may be made from among Members or nonmembers by a Nominating Committee or from the floor at the annual meeting of the Members.

Section 6. Election. Election for the Board of Directors must be by ballot. Each Member may cast as many votes for each vacancy as such Member has under the provisions of Article IV of the Articles. The person receiving the largest number of votes for each vacancy is elected. Cumulative voting is not permitted.

Section 7. Removal. Any Director, or the entire Board, may be removed with or without cause by a majority vote of the Members at any meeting called expressly for such purpose.

Section 8. Vacancies. If a Director, dies, resigns, is removed, or is disqualified or otherwise unable to serve, the remaining Directors, even if less than a quorum, may fill such vacancy by majority vote. Any appointed Director serves only the unexpired term of his predecessor, unless such appointee sooner dies, resigns, is removed, or is disqualified or otherwise unable to serve.

ARTICLE IV
Directors' Meetings

Section 1. Regular Meetings. The Board shall meet regularly as and when necessary for the proper conduct of this Association's affairs, on such dates and at such time and place as are determined at the immediate preceding Board meeting or by standing Board resolution. The Board shall meet immediately following the annual meeting in order to elect officers and undertake such other business as it deems to be appropriate. If the date, time and place of a regular meeting are not determined by standing resolution, three (3) days' prior notice is required to any Director who did not attend the meeting at which the date, time, and place of meeting was determined.

Section 2. Special Meeting. Special Board meetings must be held on not less than three (3) days prior notice to each Director when called by (i) the President; or (ii) by any three Directors.

Section 3. Quorum. Except where the provisions of the Declaration require action by a greater percentage, a majority of the Directors shall constitute a quorum for all purposes; and every act and decision done or made by a majority of the Directors present at a meeting duly called at which a quorum is present constitutes the act of the Board. Where any provision of the Declaration or Articles requires approval by two-thirds (2/3) or sixty seven percent (67%) of the Directors, the full Board constitutes a quorum for such action. Once established, a quorum is effective for all purposes, notwithstanding the subsequent withdrawal of one or more Directors.

Section 4. Conflict of Interest. No contract or other transaction between this Association and one or more of its Directors, or any entity in which one or more of this Association's Directors are directors, officers, or financially interested, is void or voidable because of such relationship or interest if:

- (a) Board Disclosure. Such relationship or interest is disclosed or known to the Board of Directors that authorizes, approves, or ratified the contract or transaction by a vote or consent sufficient for such purpose without counting the votes or consents of the interested Directors; or
- (b) Membership. Such relationship or interest is disclosed or known to the Members entitled to vote and they authorize, approve, or ratify such contract or transaction by the requisite vote or written consent; or
- (c) Fairness. Such contract or transaction is fair and reasonable to the Association at the time it is authorized by the Board, or the Members. Common or interested Directors may be present at the meeting of the Board or membership that authorizes, approves, or ratified such contract or transaction and may be counted in determining the presence of a quorum at any such meeting without rendering the contract or transaction void or voidable.

Section 5. Adjournment. A majority of the Directors present at any meeting duly called, regardless of whether a quorum exists, may adjourn such meeting to another time and place, but notice of such adjourned meeting must be given to the Directors not present at the time of adjournment.

Section 6. Presence. Any Director present at a Board Meeting at which action on any matter is taken is presumed to have assented to such action unless such Director (i) votes against such action; or (ii) abstains from voting because of an asserted conflict of interest. A Director's presence at any meeting constitutes a waiver of notice of such meeting and any and all objections to the place or time of such meeting, or the manner in which it has been called or convened, unless such Director at the beginning of such meeting objects to the transaction of business because the meeting is improperly called or convened.

Section 7. Open meetings. All meetings shall be open to Owners, except meetings between the Board and its attorneys with respect to litigation. Secret ballots are permissible only in the election of officers.

Section 8. Notice of Board Meetings. Notice of all Board meetings must be posted in a conspicuous place in the community at least forty eight (48) hours in advance of a meeting, except in an emergency. In the alternative, notice of all Board meetings may be mailed to each Owner at least seven (7) days in advance of a meeting, except in an emergency.

ARTICLE V Powers of Board of Directors

Section 1. General. The Board has the power to exercise for and on behalf of this Association all powers, duties, and privileges vested in or delegated to this Association and not reserved to its Members by any provision of these By-Laws, the Articles, or the Declaration. Without limitation, the Board may employ all managers, independent contractors, professional advisors, and employees and agents as the Board deems advisable and prescribe their duties and fix their compensation, if any.

Section 2. Rules and Regulations. The Board has the power from time to time to adopt, alter, amend, rescind, and enforce reasonable rules and regulations governing the use of all or any portion of the Common Area, the Property and the Association's activities, or either, so long as such rules and regulations are consistent with the rights and duties established by the Articles and The Declaration.

Section 3. Enforcement. For violation of any of its rules and regulations, the Board may (i) suspend any Member's right to services or privileges provided by this Association; or (ii) require any Member to make restitution to this Association for any loss resulting from any violation; or (iii) take any action described in Article VIII of the Declaration.

Section 4. Suspension of Membership Rights. The Board is authorized, without prior notice, to suspend any Member's right to services or privileges provided by this Association, or either, during any period in which such Member is more than thirty (30) days in default in payment of any assessment levied by this Association.

Section 5. Special and Specific Assessments. The Board has the power to determine what, if any, assessments are to be levied pursuant to Article IV of the Declaration.

Section 6. Indemnification. The Board has the power to provide indemnification for this

Association's officers, directors, employees (including volunteer employees), agents, and Members to the extent and in the manner from time to time permitted by the laws of the State of Florida, except that the Board cannot provide such indemnification for criminal intention, or willful misconduct. Except to the extent such determination from time to time is reserved to the membership by the laws of the State of Florida, the Board's determination to provide or refuse indemnification is conclusive.

Section 7. Vacancies. The Board has the power to declare the office of any Director vacant if such Director is absent from three (3) consecutive Board meetings without justification or excuse.

ARTICLE VI Duties of Board of Directors

Section 1. General. The Board shall supervise all of the Association's officers, agents, employees (including volunteer employees), committees and contractors and see that their respective duties are properly performed. The Board shall otherwise manage the affairs of this Association as provided in these By-Laws, the Articles, and the Declaration.

Section 2. Assessments. The Board shall enforce collection of all assessments owed this Association that remain unpaid for a period of thirty (30) days by foreclosure, suit, or such other lawful procedures as the Board deems advisable, in addition to imposing the sanctions provided by Article V, Section 4, of these By-Laws.

Section 3. Estoppel Certificates. Upon request by any interested person, the Board shall cause an appropriate Association officer to issue a certificate as to the status of assessments or Architectural Control, or both, with respect to any Lot. Such certificates shall bind this Association as of the date of issuance when properly executed by an appropriate officer. The Board may make a reasonable, uniform charge for issuing such certificates.

Section 4. Financial. With the assistance of this Association's Treasurer, the Board shall prepare an annual budget and financial statements. The Board also must present a current statement of income and expense when requested in writing by Members entitled to cast at least twenty percent (20%) of the membership votes outstanding. As and when necessary or appropriate, when requested by the membership, the Board from time to time also will cause an audit of this Association's financial affairs to be made by an independent accountant.

Section 5. Insurance. The Board shall procure and maintain in force and effect at all times insurance in compliance with the requirements of the Declaration. The Board also must cause all persons or entities employed, authorized, or contracted with to collect, disburse, and manage this Association's funds, including this Association's officers, directors, and uncompensated volunteers, to be bonded or insured with standard fidelity and errors and omissions coverage for the benefit of this Association. The premiums for the foregoing shall be paid from Association funds.

Section 6. Management. The Board may contract with the Declarant or any other person to manage the Association's affairs, in whole or in part; but no such management contract may be for a term longer than one year and must be terminable by the Association for cause upon not more than

thirty (30) days' prior written notice.

ARTICLE VII

Books and Records

Section 1. Records Enumerated. The Association must keep correct and complete (i) books and records of account; (ii) minutes of the proceedings of its Members and the Board; and (iii) a Membership Record.

Section 2. Formality. No particular formality is required for the minutes of the proceedings of this Association, as long as the nature of the action taken or defeated reasonably can be determined from such record. Failure to maintain proper minutes of any proceedings does not affect its validity if all requirements for any action taken in fact were met.

Section 3. Membership Record. This Association's Membership Record must show (i) the name of each Owner and Co-Owner, if any, (ii) a proper legal description of such Owner's Lot, (iii) whether such Owner's membership is in good standing, and (iv) the address to which notice is to be given such Owner pursuant to these Bylaws.

Section 4. Book of Resolutions. All resolutions of the membership or Board, having more than temporary effect shall be compiled from time to time into a Book of Resolutions and topically indexed for the future guidance of this Association's directors, officers, and Members.

Section 5. Inspection. All books, records, and papers of this Association are open at all times during reasonable business hours for inspection and copying by any Owner, Member, or by the Declarant. Such right of inspection may be exercised personally or by one or more representatives. Upon request, the Association also will furnish to any Owner, Member or the Declarant copies (certified, if requested) of any and all of its books, records and other papers. The Association may make a reasonable, uniform charge for such copies and certification.

Section 6. Official Records. The official Association records shall include:

- (1) Copies of any plans, specifications, permits, and warranties related to improvements constructed on the common areas or other property that the association is obligated to maintain, repair, or replace.
- (2) A copy of the By-Laws of the Association and of each amendment to the By-Laws.
- (3) A certified copy of the Articles of Incorporation of the Association and of each amendment thereto.
- (4) A copy of the Declaration of Covenants, Conditions and Restrictions of Silver Lakes, and a copy of each amendment thereto.
- (5) The copy of the current rules of the Association.

- (6) The minutes of all meetings of the Board of Directors and of the Members, which minutes must be retained for at least seven (7) years.
- (7) A current roster of all Members and their mailing addresses and parcel identification.
- (8) All of the Association's insurance policies or a copy thereof, which policies must be retained for at least seven (7) years.
- (9) A current copy of all contracts to which the Association is a party, including, without limitation, any management agreement, lease or other contract under which the Association has any obligation or responsibility. Bids received by the Association for work to be performed must also be considered official records and must be kept for a period of one (1) year.
- (10) The financial and accounting records of the Association, kept according to good accounting practices. All financial and accounting records must be maintained for a period of at least seven (7) years. The financial and accounting records must include:
 - a. Accurate, itemized, and detailed records of all receipts and expenditures.
 - b. A current account and a periodic statement of the account for each member, designating the name and current address of each member who is obligated to pay assessments, the due date and amount of each assessment or other charge against the member, the date and amount of each payment on the account, and the balance due.
 - c. All tax returns, financial statements, and financial reports of the Association.
 - d. Any other records that identify, measure, record or communicate financial information.

ARTICLE VIII

Officers

Section 1. Enumeration. This Association's regular Officers are a President, Vice President, Secretary and Treasurer, who are elected, at the first Board meeting following each annual meeting, for a term of one year, and until their respective successors are qualified, unless any such officer sooner dies, resigns, is removed, or is disqualified or otherwise unable to serve. Officers must be members of the Board of Directors.

Section 2. Special Officers. The Board may appoint such other officers as it deems advisable, each of whom will hold such offices for such period, have such authority, and perform such duties as the Board from time to time determines.

Section 3. Resignation and Removal. Any officer may be removed by the Board with or without cause. A resignation of any officer need not be accepted to be effective. Vacancies are filled by Board appointment.

Section 4. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person simultaneously may hold more than one other regular office, but any regular officer also may hold one or more special offices.

Section 5. Duties. The duties of the regular officers are as follows:

- (a) President. The President: (i) is entitled to preside at all meetings of the Board and the membership; (ii) sees that orders and resolution of the Board are carried out; and (ii) signs all leases, mortgages, deeds, and other written instruments and, co-signs all checks and promissory notes.
- (b) Vice President. The Vice President shall act in place of the President if the President is absent, unable or refuses to act.
- (c) Secretary. The Secretary: (i) records the votes and keeps the minutes of all meetings and proceedings of the Board and the Members; (ii) keeps the corporate seal of this Association and affixes it on all instruments requiring it; (iii) gives notice of all meetings of the Board and membership; and (iv) keeps the Membership Record as provided in Article VII, Section 3, of these By-Laws.
- (d) Treasurer. The Treasurer: (i) causes the receipt and deposit into appropriate bank accounts of all Association monies and disburses such funds as directed by the Board; (ii) signs all checks and promissory notes of this Association; (iii) keeps proper books of account; (iv) with the assistance of the Board, prepares an annual budget and a statement of income and expense for presentation to the membership at its annual meeting; and (v) reports to the Association on a quarterly basis as to the financial status of the Association. Any officer additionally may exercise such other powers, and discharge such other duties, as the Board from time to time may require or permit.

ARTICLE IX Procedure

Roberts Rules of Order (latest edition) shall govern the proceedings of meetings of the Association, the Board of Directors and its Committees.

ATTESTATION

IN WITNESS WHEREOF, the undersigned Secretary has signed this document for the purpose of authenticating it as the By-Laws of SILVER LAKES OF PASCO HOMEOWNERS' ASSOCIATION, INC. a Florida corporation not for profit, as adopted by its Board of Directors this 17 day of November, 2000.



Robert T. Shanks
Secretary