

**BY-LAWS
OF
SILVERSTONE HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I - NAME AND LOCATION

Section 1. Name. The name of the corporation is SILVERSTONE HOMEOWNERS ASSOCIATION, INC. hereinafter referred to as "The Association".

Section 2. Location. The principal office of the Association shall be located at 2020 Clubhouse Drive, Sun City Center, FL 33573, but meetings of members and directors may be held at such places within the State of Florida as may be designated by the Board of Directors.

ARTICLE II - DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of SILVERSTONE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not-for-profit.

Section 2. "Association" shall mean and refer to SILVERSTONE HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 3. "Board" shall mean the Board of Directors of the Association.

Section 4. "By-Laws" shall mean the By-Laws of the Association.

Section 5. "Developer" shall mean and refer to FLORIDA DESIGN COMMUNITIES, INC., a Delaware corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from Developer for the purpose of development, and provided such rights, in whole or in part, are assigned in writing to such successors and assigns.

Section 6. "Declaration" shall mean and refer to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SILVERSTONE recorded in the Office of the Clerk of the Circuit Court of Hillsborough County, Florida, the terms of which are incorporated herein by reference.

Section 7. "Properties" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 8. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties with the exception of the Common Area.

Section 9 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Member" shall mean and refer to those persons entitled to membership in the Association provided in the Declaration.

Section 11. "Voting Member" shall mean the owner authorized to cast the vote for a Lot as set forth in the Declaration.

Section 12. All other terms used herein and defined in the Declaration shall have the definition set forth in the Declaration.

ARTICLE III - MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of Incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held during the same month of each year thereafter, on such day and at such time as may be directed by the Board of Directors from time to time. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A Voting Members.

Section 3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the direction of the Secretary of the Association or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Members' address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of either or both classes of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to

vote at such meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented by proxy.

Section 5. Proxies. Each Voting Member may vote in person or by limited proxy at all meetings of Members. Members may not vote by a general proxy, however, general proxies and limited proxies may be used to establish a quorum. All proxies shall be in writing and filed with the Secretary of the Association. A proxy shall be effective only for the specific meeting for which it was intended or for any lawfully adjourned meeting thereof occurring within sixty (60) days. Every proxy shall be revocable and shall automatically cease as to any Lot upon conveyance by the Member owning such Lot.

Section 6. Place. All members Meetings shall be held within the State of Florida as may be directed by the Board of Directors.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, which so long as Class B membership exists, shall consist of three (3) directors. Directors shall be members of the Association; provided, however, that so long as Class B membership shall exist, Directors need not be Members of the Association. The Members, by majority vote at which a quorum is present at an annual or special meeting, may increase the number of Directors to any odd number up to nine (9); however, there shall never be less than three (3) Directors.

Section 2. Term of Office. The initial Board of Directors designated in the Articles of Incorporation shall serve until Class B membership has ceased and been converted to Class A membership and until the first annual membership meeting thereafter, at which time the members shall elect three (3) directors. Directors elected at the first such annual membership meeting and thereafter shall serve for a period of one year. A Director shall continue in office until his successor shall be elected and qualified, unless he sooner dies, resigns, or is removed, or otherwise disqualified to serve. Provided that so long as there is a Class B member Developer shall have the right to name Directors.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of both classes of membership. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor, providing that so long as there is a Class B membership Developer shall have the right to name successor Directors.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. Prior to termination of Class B Membership, the Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the effect as though taken at a meeting of the Directors. Meetings of the Board of Directors shall be open to all Members. Notice of meetings shall be posted in a conspicuous place on the Properties at least forty-eight (48) hours in advance of the meeting, except in the case of an emergency.

ARTICLE V - NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot unless unanimously waived by the voting members present at the meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI - MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held as the Board may from time to time establish at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) declare the office of a member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote:

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A

reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII - OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. Officers need not be Members of the Association. The Secretary and Treasurer may, in the discretion of the Board, be combined to one office called Secretary/Treasurer.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

(a) **President:** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes and may affix the corporate seal as may be required on any document.

(b) **Vice President:** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it, if the President does not, on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) **Treasurer:** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of accounts, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX - COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out purposes of the Association.

ARTICLE X - BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI - ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessments shall bear interest from the date of delinquency at the highest contract rate of interest permitted by Florida law from time to time, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-usage or abandonment of his Lot.

ARTICLE XII - CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association, the year and state of incorporation and the words "Corporation not for profit".

ARTICLE XIII - AMENDMENT

Section 1. These By-Laws may be amended, from time to time, at a regular or special meeting of the members, by the assent of a majority of the aggregate Class A votes and Class B votes outstanding and duly qualified to vote at the time such amendment is made.

Section 2. Amendments to these By-Laws may be proposed in writing, by the Board of Directors or by a written resolution signed by not less than ten (10) Class A members. HUD/VA, for so long as there is a Class B membership, shall have the right to veto amendments to these By-Laws, provided approval has been sought from HUD/VA.

ARTICLE XIV - CERTIFICATION

An instrument signed by any executive officer of the Association and attested by the Secretary of the Association under the seal of the Association, is conclusive evidence that any required approval has been obtained as to persons without actual knowledge to the contrary.

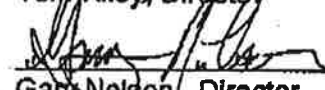
ARTICLE XV - CONFLICTS

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

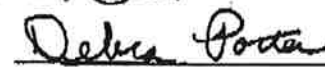
IN WITNESS WHEREOF, we, being all of the Directors of SILVERSTONE HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 9th day of January, 1995.



Tom Riley, Director



Gary Nelson, Director



Deborah Porter, Director

CERTIFICATION

I, Deborah Porter, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of SILVERSTONE HOMEOWNERS ASSOCIATION, INC., a Florida corporation not for profit, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 9th day of January, 1995.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 9th day of January, 1995.



Deborah Porter, Secretary

(Corporate Seal)

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