

**SILVER CREEK OF CUMBERLAND
HOMEOWNERS ASSOCIATION, INC.
BYLAWS**

**ARTICLE I
MEETINGS OF MEMBERS**

Section 1: The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association or at the discretion of the directors, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter.

Section 2: Special meetings of the members may be called at any time by the president or the executive board, or upon written request of forth percent (40%) of the members.

Section 3: Written notice of each meeting shall be given by, or at the direction of the secretary or person(s) authorized to call the meeting, by hand delivering or mailing a copy of such notice, postage prepaid, at least ten (10) days and not more than fifty (50) days before such meeting to each member.

Section 4: Within thirty (30) days after adoption of any proposed budget for the Association, the executive board shall provide a summary of the budget to all the members. The budget shall be considered at a meeting of the lot owners.

Section 5: The presence at the meeting of members or proxies entitled to cast ten percent (10%) of the votes shall constitute a quorum for any action except as otherwise provided by law.

Section 6: Every lot owner shall be entitled to one vote for each lot owned; provided that a lot owned by more than one person shall have only one vote.

Section 7: Votes allocated to a lot may be cast pursuant to a dated written proxy signed by a lot owner. A lot owner may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates one (1) year after its date, unless it specifies a shorter term.

**ARTICLE II
OFFICERS AND EXECUTIVE BOARD: SELECTION: TERM OF OFFICE**

Section 1: The affairs of the Association shall be managed by an executive board of three (3) members, who shall be entitled to act on behalf of the Association.

At the first meeting of the Association, nomination for election of the executive board shall be made from the floor at the annual meeting. Until such election of the executive board, the affairs of the Association shall be managed by the Directors as set out in the Articles of Incorporation. Election shall be by secret written ballot and by a majority of the

lot owners when a quorum is present. Cumulative voting is not permitted.

Section 2: At the first annual meeting three (3) executive board members shall be elected to serve until the following annual meeting.

Section 3: In the event of death, resignation or removal of an executive board member, his successor shall be selected by a majority of the members voting at a meeting when a quorum is present

Section 4: No executive board member shall receive compensation for any service he may render to the Association; however, with the prior approval of the executive board, any executive board member may be reimbursed for actual expenses incurred in the performance of his duties.

Section 5: The executive board shall have the right to take any action in the absence of a meeting, which they could take at a duly held meeting by obtaining the written consent of all the executive board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the executive board.

ARTICLE III **MEETINGS OF EXECUTIVE BOARD**

Section 1: After election of the executive board, meetings of the executive board shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Special meetings of the executive board may be called by any member of the executive board, after not less than five (5) days notice to each executive board member.

Section 2: A majority of the executive board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the executive board members present at a duly held meeting shall be regarded as the act of the board.

ARTICLE IV **POWERS AND DUTIES OF THE EXECUTIVE BOARD**

Section 1: Subject to the provisions contained herein and applicable law, the Executive Board has the power and authority to exercise all the rights of the Association including, but not limited to:

(a) adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;

(b) suspend the voting rights and right of use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be

suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(c) declare the office of a member of the executive board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the executive board;

(d) employ a manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties; provided always, any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice;

(e) procure, maintain and pay premiums on an insurance master policy(s) and equitably assess the owners of the same for their pro-rata portion of such expense.

(f) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than for service provided to lot owners; and

(g) exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

(h) exercise any other powers necessary and proper for the governance and operation of the Association including all powers set out in the Articles of Incorporation; and

(i) have and to exercise any and all powers, rights and privileges which a corporation organized under the Nonprofit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

Section 2: It shall be the duty of the executive board to:

(a) cause the common elements to be maintained, repaired, and replaced as necessary, and to assess the lot owners to recover the cost of the upkeep of the common elements;

(b) keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such is requested in writing by 20% of the members;

(c) supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(d) fix the amount of the annual assessment, which are to be paid in monthly installments pursuant to the provisions set forth in the declaration of covenants, conditions and restrictions of Silver Creek Subdivision, prior to January 1st of each year;

(e) send written notice of each assessment to every owner at least ten (10) days in advance of each assessment due;

(f) 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;

(g) issue, or have issued, a receipt setting forth whether or not any assessment has been paid. A reasonable charge may be made for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(h) procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association; and

(i) cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V **OFFICERS AND THEIR DUTIES**

Section 1: The officers of this Association shall be a president, vice-president, and secretary/treasurer. One person may act as vice president and secretary/treasurer. The officers shall be appointed by the executive board from among the members of the executive board.

Section 2: The President shall preside at all meetings of the executive board; see that orders and resolutions of the executive board are carried out; sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Section 3: The Vice-President shall act in the place of the president in the event of his inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the executive board.

Section 4: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the executive board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the executive board and of the members, keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify, and record amendments to the declaration on behalf of the Association; and perform such other duties as required by the executive board.

Section 5: The Treasurer shall receive and deposit in appropriate bank accounts

all monies of the Association and disburse such funds as directed by the executive board; sign all checks and promissory notes (such checks and promissory notes to be co-signed by the president) of the Association; keep proper books of account; cause, at the option of the executive board, an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each member.

ARTICLE VI

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 or a mortgagee of any member. The articles of incorporation and the declaration and bylaws 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 VII

CORPORATE SEAL

The Association, shall have a seal in circular form having within its circumference the words: "SILVER CREEK OF CUMBERLAND HOMEOWNERS ASSOCIATION, INC." and the words: "CORPORATE SEAL, 2005" in the center thereof.

ARTICLE VIII

AMENDMENTS TO THE BYLAWS


These bylaws may be amended, at a regular or special meeting of the members, by a vote of the majority of the members.

IN WITNESS WHEREOF, SILVER CREEK OF CUMBERLAND HOMEOWNERS ASSOCIATION, INC. has caused this instrument to be executed in its name by its duly authorized officers, this the 23RD day of ~~July, 2005~~

JANUARY 2007

HOMEOWNERS

SILVER CREEK OF CUMBERLAND
ASSOCIATION, INC.

By: 
Its: President

ATTEST:

Aimee W. Tidwell
Secretary

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, Samantha J. Wilson, a Notary Public of said County and State do hereby certify that Aimee W. Tidwell, personally appeared before me this day and acknowledged that she is the Secretary of Silver Creek of Cumberland Homeowners Association, Inc., a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary.

Witness my hand and notarial seal this the 23RD day of July, 2005
JANUARY, 2007

(SEAL)

NOTARY PUBLIC

My Commission Expires: 6/28/2009

