

**BYLAWS OF SILVER CREEK
HOMEOWNER'S ASSOCIATION**

**ARTICLE I
ADOPTION OF SILVER CREEK SUBDIVISION
DECLARATION OF COVENANTS AND RESTRICTIONS**

The Declaration of Covenants and Restrictions of Silver Creek Subdivision (the "Declaration"), as recorded in Liber _____, Pages _____ through _____, Wayne County, Michigan, is hereby incorporated by reference and adopted in its entirety as a part of the Bylaws of this Corporation. The Corporation is therein and hereinafter referred to as the "Association."

**ARTICLE II
MEMBERS**

Section 1. Eligibility for Membership. To be eligible for membership in the Association, an individual must be the owner of a lot ("Lot") in Silver Creek Estates I or Silver Creek Estates II, in accordance with the Declaration, Article 1, Section 1.

Section 2. Eligibility to Vote. Each member shall be entitled to one vote for each Lot owned. When more than one person owns an interest in a Lot, all such persons shall be members and the vote of such Lot shall be exercised by the designated representative of the owners as they shall determine. The name of the designated representative shall be provided to the Association in writing at least ten (10) days prior to any meeting at which said designee intends to vote. In no event shall more than one vote be cast with respect to any one Lot. If notice of a designated representative is not properly given, the vote related to a Lot will be suspended in the event more than one person seeks to exercise said vote.

Section 3. Assessments. Each member of the Association, by acceptance of a deed or execution of land contract to purchase a Lot, whether or not it shall be so expressed in such deed or land contract, is deemed to covenant and agree to pay to the Association or the Township: (1) annual general assessments/dues in accordance with Article 1 of the Declaration. Both general and assessments/dues shall be set by the Board of Directors at a uniform rate for all Lots, as provided in Article 1, Section 4 of the Declaration. Billing and collection of such assessments shall be done in accordance with the provisions of Article 1, Sections 2 and 3 of the Declaration. Notwithstanding anything herein to the contrary, no dues, fees or other charges shall be payable to the Association with respect to Lots owned by the Developer or a Builder(s) who has purchased a lot from the Developer ("Builder(s)"). except as otherwise required by the Declaration of Covenants and Restrictions for the Silver Creek Community, and as set forth in Article I of the Declaration.

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Section 7. Proxies. A member entitled to vote at a membership meeting or to express consent or dissent without a meeting may authorize other persons to act for the member by proxy. A proxy shall be signed by the member or the member's authorized agent or representative and shall not be valid after the expiration of three years, unless otherwise provided in the proxy. A proxy is revocable at the pleasure of the member executing it except as otherwise provided by statute.

Section 8. Adjournment. If any meeting of members cannot be held because a quorum, as defined in these Bylaws, is not in attendance, the members who are present may adjourn the meeting for not more than sixty (60) days.

Section 9. Attendance Via Conference Telephone or Similar Communications Equipment. A member may attend and participate in a meeting of members via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation by a member in a meeting shall constitute presence in person at the meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 1. Number. The affairs of the Association shall be governed by a board of three (3) directors, all of whom, except for the first Board of Directors appointed by the Developer and their appointed successors, must be members of (or directors or officers or partners of members of) the Association. Directors shall serve without compensation.

Section 2. Appointment; Election; terms. The first Board of Directors appointed by the Developer and their appointed successors, shall manage the affairs of the Association until a successor Board of Directors is elected at the first meeting of members of the Association convened at the time required by Article III, Section 2, of these Bylaws. Such successor Board of Directors shall be elected by Non-Developer members. The Directors shall serve one (1) year terms, unless they sooner resign, are removed pursuant hereto or are replaced. The Directors shall hold office until their successors have been elected and hold their first meeting.

Section 3. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, including, but not limited to, the following powers and duties:

- (a) To manage and administer the affairs of and to maintain the Common Areas, as defined in Article 1 of the Declaration.
- (b) To levy and collect assessments from the members of the Association and to use the proceeds thereof for the purposes of the Association.

- (c) To carry insurance and collect and allocate the proceeds thereof.
- (d) To rebuild improvements after casualty.
- (e) To contract for and employ persons, firms, corporations or other agents to assist in the management, operation, maintenance and administration of the Silver Creek Subdivision.
- (f) To acquire, maintain and improve; and to buy, operate, manage, sell, convey, assign, mortgage or lease any real or personal property on behalf of the Association in furtherance of any of the purposes of the Association.
- (g) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Association, and to secure the same by mortgage, pledge, or other lien on property owned by the Association; provided, however, that any such action shall also be approved by affirmative vote of 75% of all of the members of the Association in number.
- (h) To make rules and regulations in accordance with Article IV, Section 3 of these Bylaws.
- (i) To enforce the provisions of the Declaration.
- (j) To collect from each member the assessments levied against each Lot by the Association and to pay over such assessments as are due to the Silver Creek Estates Homeowner's Association, as provided in Article 1 of the Declaration.

Section 4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members of the Association shall be filled by a vote of the majority of the remaining Directors. Each person so elected shall be a Director until a successor is elected *to* fill the remainder of the term at the next annual meeting of the Association.

Section 5. Removal. At any regular meeting of the Association duly called, and at any special meeting of the Association called in whole or in part for such purpose, and subject to the requirements of Article III hereof, any one or more of the Directors may be removed with or without cause by a vote of those members entitled to vote in an election of such Director's replacement, unless the votes cast against the Director's removal would be sufficient to elect the Director if then cumulatively voted in an election in which that Director would be standing for election. At that time, a successor shall then and there be elected to fill the vacancy thus created. A successor director so elected shall serve until the end of the term of the person he was elected *to* replace. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. Initial Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after its election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 7. Regular Meetings. Regular meetings of the Board of Directors may be held at such times and places as shall be determined from time to time by a majority of the Directors, but at least three (3) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, at least ten (10) days prior to the date named for such meeting.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

Section 9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed a waiver of notice by him of the time and place thereof unless his appearance is for the purpose of protesting the holding of such meeting. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 10. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for purposes of determining a quorum, but no proxies shall be permitted.

Section 11. Attendance Via Conference Telephone or Similar Communications Equipment. A director may attend and participate in a meeting of directors via a conference telephone or similar communications equipment by which all persons participating in the meeting may hear each other; provided that all participants are advised of the communications equipment and the names of the participants in the conference are divulged to all participants. Such participation by a director in a meeting shall constitute presence in person at the meeting.

Section 12. Bonding. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be expenses of administration.

ARTICLE V OFFICERS

Section 1. Designation. The officers of the Association shall be a President, Secretary and a Treasurer, who shall all be members of the Board of Directors.

Section 2. Election. The officers of the Association shall be elected annually by the Board of Directors at the initial meeting of each new Board and shall hold office at the pleasure of the Board.

Section 3. Removal. Upon affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called in whole or in part for such purpose.

Section 4. President. The President shall be the chief executive officer of the Association. He shall preside at meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of a corporation, including, but not limited to, the power to appoint committees from among the members of the Association from time to time as he may in his discretion deem appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have charge of the corporate seal and of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of the Secretary.

Section 6. Treasurer. The Treasurer shall have responsibility for the Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements, specifying the operating expenses clearly, in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association, in such depositories as may, from time to time, be designated by the Board of Directors. He shall ensure that expenditures for the maintenance and repair of common areas and any other expenses incurred by or on behalf of the Subdivision are properly recorded. The Treasurer shall prepare and distribute to each member at least once per year the Association financial statement. This subsection is not subject to amendment.

Section 7. Other Duties. The officers shall have such other duties, powers and responsibilities as shall, from time to time, be authorized by the Board of Directors.

ARTICLE VI SEAL

Section 1. Fiscal Year. The fiscal year of the Association shall be an annual period commencing on such date as may be initially determined by the Directors. The commencement date of the fiscal year shall be subject to change by the Directors for accounting reasons or other good cause.

Section 2. Depository. The funds of the Association shall be deposited in such bank as may be designated by the Directors and shall be withdrawn only upon the check or other of such officers, employees or agents as are designated by resolution of the Board of Directors from time to time.

ARTICLE VII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Every director and officer of the Association shall be indemnified by the Association against all expenses and liabilities, including actual and reasonable counsel fees and amounts paid in settlement, incurred by or imposed upon him in connection with any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, to which he may be a party or in which he may become involved by reason of his being or having been a director or officer of the Association, whether or not he is a director or officer at the time such expenses are incurred, except as otherwise prohibited by law; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the director or officer seeking such reimbursement or indemnification, the indemnification herein shall apply only if the Association (with the director seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled. At least ten days prior to payment of any indemnification which it has approved, the Association shall notify all members thereof. Further, the Association is authorized to carry officers' and directors' liability insurance covering acts of the officers and directors of the Association in such amounts as it shall deem appropriate.

ARTICLE VIII AMENDMENTS

Section 1. Method. These Bylaws may be amended by the Association, at a duly constituted meeting for such purpose, by an affirmative vote of a two-thirds (2/3) majority of the members present in person or by proxy.