RULES AND REGULATIONS
FOR
STEWART'S CREEK I CONDOMINIUMS

In accordance with the Covenants, the Board of Directors is empowered to establish additional rules and regulations as well as guidelines to fulfill the obligations of the Association. This is necessary and very important since this type community has so many areas of concern which override individual needs. Since we live in close proximity to one another, if one unit deteriorates, it affects all. The Association must protect the facilities so that we may all have some enjoyable use. These rules, regulations, and guidelines have the same effect as the Covenants when officially adopted by the Board and may be enforced as provided by law.

The following rules, regulations, and guidelines have been officially adopted or hereby adopted to cover the entire development. These are subject to review and change by the Board at any time. You will be notified of any official changes. Your cooperation in adhering to these rules will be appreciated.

1. A 25 m.p.h. speed limit within Stewart's Creek I shall be adhered to by residents and guests.

2. No boats, trailers, homemade trailers, mobile homes or commercial vehicles shall be permitted at the Condominium except in the designated overflow area without prior written consent of the Board. Vehicles may be washed only at designated areas.

3. Effective January 1, 1997, two (2) parking permits will be issued to each unit owner. These permits must be displayed on the rearview mirror at all times. Any additional vehicles must be parked in the overflow parking area after purchasing an additional parking permit. All visitors parking on the property for more than (2) two nights must obtain a visitors parking permit from the Little & Young office and park in the overflow lots only. The parking facilities shall be used in accordance with the regulations adopted by the Board. No vehicle which cannot operate under its own power and which does not have valid license and current inspection sticker shall remain on the common elements including the overflow lots for more than 24 hours. No repair of vehicles shall be made on the common area. Vehicles shall not be allowed on unpaved areas in any part of Stewart's Creek I. Parked vehicles will not block ingress or egress of other vehicles.

4. Motorcycles and motor bikes may be used for ingress and egress only. No automobiles, motorcycles, or motorbikes without fully operational mufflers will be operated on the premises at anytime.

5. The sidewalks, entrances, roadways and similar areas of the common elements shall not be obstructed and not used for any purpose other than for ingress and egress and to and from the Condominium; nor shall any carts, bicycles, motorcycles, carriages, toys, chairs, barbecue grills, tables or any other similar objects be stored thereon. Any such item left unattended are subject to immediate removal and disposition.

6. No skateboards, bikes, tricycles, scooters or any wheeled vehicles of any kind are allowed in the pool area, tennis courts, sidewalks, breezeways or on the landscaping of Stewart's Creek I. The above mentioned wheeled vehicles are allowed to be ridden from sun up to sunset. Ramps and jumps may not be constructed, erected or placed on any property of Stewart's Creek I, including the roads and parking lots.

7. The personal property of Unit Owners must be stored in their respective units: yard ornaments such as wagon wheels, plastic, concrete or ceramic figurines must be located inside the patio. If wood stocks are kept, they must be stored on metal racks only and no more than 1/8 cord shall be kept at any time.

8. To maintain a uniform and pleasing appearance of the exterior of the buildings, no awnings, canopies, shutters, screens, glass enclosures or projections shall be attached to the outside walls, doors, windows, roofs or other portion of the buildings or on the common area. Additionally, no clothes lines are to be strung for the drying of anything nor will anything be thrown over the railing for drying. All balconies/patios are to have a neat orderly appearance and not to be used for storage areas. Only patio type furniture will be allowed on balconies/patios.

9. No Unit Owner shall allow anything whatsoever to fall from the window, balcony, or doors of the premises. Do not sweep onto the balcony or throw any liquids on the balcony floor. Cigarette butts are to be disposed of properly, not thrown on the ground or floor. Be courteous of the people and personal property around you.

10. No tent or other temporary structure will be erected on common areas unless approved by the Board.

11. Unit Owners shall be liable for all damages to the buildings caused by receiving deliveries, or moving or removing furniture or other articles, to or from the building.

12. Unit Owners are not permitted on the roofs for any purpose, except as otherwise permitted by the Board.

13. No exterior antennae or satellite dishes shall be permitted on the buildings or common elements unless State or Federal law mandates differently.

14. Storm doors may be placed on exterior doors but they must be white. Board approval must be give prior to installation.

15. No unit shall have any aluminum foil placed in any window or glass door, nor any reflective substance placed on any glass, except such as is approved by the Board for energy conservation purposes.

16. Where curtains are other than white or off-white, they must be lined, or "under draped" or "black-out" draped in white, which liners must be approved by the Board.

17. All refuse, waste, bottles, cans and garbage shall be securely contained in plastic bags and stored in trash containers in designated areas of the Condominium. **AT NO TIME IS GARBAGE TO BE LEFT BY DOORS OR ON PATIOS.** All dumpster lids and doors must be kept closed. Boxes must be reduced to be placed in dumpster, not left beside dumpster or on top.

18. Toilets and other plumbing shall not be used for any purpose other than those for which they are constructed. No sweepings, rubbish, rags or other foreign substances shall be thrown in them. The cost of any damage resulting from misuse shall be borne by the Unit Owner responsible for the damage.

19. No Unit Owner, nor his family, guests, invitees or tenants, shall make or permit any disturbing noises in the buildings, or upon the common area, nor permit any conduct by such persons that will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play or permit to be played any musical instrument, nor operate or permit to be operated a phonograph, television, radio, compact disc player, sound amplifier or other sound equipment in his unit in such a manner as to disturb or annoy other Unit Owners. No Unit Owner shall conduct, nor permit to be conducted, vocal or instrumental instruction or practice at any time which disturbs other Unit Owners. Minimum volumes of all sounds and sound producing equipment shall be enforced between the hours of 10:30 p.m. and 8:00 a.m.

20. No radio, television or other electronic installation may be permitted in any Unit which interferes with the television or radio reception of another unit.

21. No noxious or unusual odors shall be generated in such quantities that they permeate to other Units or the common area and become annoyances or become obnoxious to other Unit Owners. Normal cooking odors, normally and reasonable generated, shall not be deemed violations of this regulation.

22. Do not dump fireplace ashes on the common grounds or in the planted beds.

23. No flammable, combustible or explosive fluids, chemicals or substances shall be kept in any Unit or on the common area.

24. The only type of cooking device permitted on the balconies/patios is electrical. **CHARCOAL AND GAS GRILLS ARE PROHIBITED IN THIS COMMUNITY.** No other fire, cooking device or other devices which emit smoke or dust shall be allowed on any patio/balcony.

25. **Outdoor cooking is prohibited unless cooking is done on an electric grill.**

26. Children will be the direct responsibility of their parents or legal guardians who must supervise them while they are within the Condominium. Full compliance with these Rules and Regulations, and all other Rules and Regulations of the Association shall be required of such children.

27. No Unit Owner or resident shall direct, supervise, or in any manner attempt to assert any control over the employees of the Association.

28. Homeowners will be held responsible for the actions of any tenants residing in their property. This includes informing them of the Rules and Regulations and changes made by letter from time to time.

29. No member of any family or his guests may go on or in any other unit without the specific invitation of the owner or occupant. This includes the patio areas in the rear of the unit.

30. There shall be no solicitation by any person anywhere in the Condominium for any cause, charity or any purpose whatever, unless specifically authorized by the Board.

31. No sign, advertisement, notice, or other lettering shall be exhibited, displayed, inscribed, painted, or affixed in, on, or upon any part of the condominium unit or Association property by any unit owner or occupant without written permission from the Board. No door to door solicitation will be permitted.

32. Recreational facilities (pool, tennis courts, etc.) will be used in a normal, quiet manner in order to allow the maximum use

and enjoyment of others and shall be subject to the rules of the Association. Swimming pool use shall be limited to such times as the Association designates. Parental care is mandatory for anyone under 12 years of age. The Association shall not accept any responsibility for the safety of any persons using the facilities offered by the Stewart's Creek I Homeowners Association. Observance of these rules shall be mandatory.

33. The maintenance, keeping, boarding and or raising of animals, livestock, poultry, or reptiles, with the exception of aquarium fish, shall be and are prohibited within any unit or on the common area.

34. **The keeping of dogs and cats shall be limited to not more than a TOTAL of two (2) per unit of which neither may exceed 20 lbs. full grown.** All pets will be kept on a leash. The N.C. State and Cumberland County Animal Control Regulation (C-C-C-3-29 Leash Law) will be strictly adhered to. All occupants of Stewart's Creek I Homeowners Association are encouraged to call the Animal Control Department (483-9284) to help enforce this law. All solid matter left by the pet must be policed up **IMMEDIATELY** to prevent unsightly nuisance, unpleasant odor, and a sanitation problem. **It is NOT the responsibility of the grounds people to police up this problem. It is the individual pet owner's.** No pets will be left on patios or balconies while occupants are not home, and no pets will be left on any restraining device on the landscaping of Stewart's Creek I. A "pooper-scooper" must be in possession of the pet owner at all times while walking their pets. No pets in pool or tennis court areas. All pets are required to be registered at Little & Young Inc.

35. Payments of monthly assessments shall be made at a place designated by the Board. Payments made in the form of checks shall be made to the order of Stewart's Creek I Homeowners Association, P.O. Box 43138, Fayetteville, NC 28309. Payments of regular assessments are due on the first (1st) day of each month. All payments received after the close of business on the fifteenth (15th) day of the month will be assessed a 10% late fee.

36. Every unit owner and occupant shall comply with the Rules and Regulations as set forth herein, and any and all Rules and Regulations which from time to time may be adopted, as amended from time to time. Failure of a unit owner or occupant to so comply shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, fines imposed for infractions or any combination thereof.

37. Anything to the contrary herein notwithstanding, these Rules and Regulations shall not apply to the Declarant, nor its agents or employees, nor to the Units owned by the Declarant until conveyed. All of these Rules and Regulations shall apply, however, to all other Unit Owners and occupants even if not specifically so

stated in portions hereof. The Board shall be permitted (but not required) to grant relief to one or more Unit Owners from specific Rules and Regulations upon written request therefore and good cause shown in the sole opinion of the Board.

38. Any Homeowner whose account is more than thirty (30) days past due, will not be allowed use of the common area facilities, including the pool, tennis courts, car wash and parking areas. This rule applies without further notice. If a delinquent owner is renting his unit, said tenant also may not use the facilities. Violation of this rule will subject the resident to arrest for trespassing.

BY-LAWS

OF

STEWART'S CREEK CONDOMINIUM ASSOCIATION, INC.

A corporation not for profit under
the laws of the State of North Carolina

1. IDENTITY

These are the By-Laws of Stewart's Creek Condominium Association, Inc., a non-profit corporation under the laws of the State of North Carolina, the Articles of Incorporation of which were filed in the Office of the Secretary of State on March 13, 1985. Stewart's Creek Condominium Association, Inc., hereinafter called "Association," has been organized for the purpose of administering the operation and management of Stewart's Creek Condominium, a condominium established or to be established in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Seventy First Township, Cumberland County, North Carolina, and described in Schedule "A" attached hereto and incorporated herein by reference.

a) The provisions of these By-Laws are applicable to Stewart's Creek Condominium, and the terms and provisions hereof are expressly subject to the terms, provisions, conditions and authorization contained in the Articles of Incorporation and whichmay be contained in the formal Declaration of Condominium which will be recorded in the Public Records of Cumberland County, North Carolina, at the time said property and the improvements now or hereafter situated thereon are submitted to the plan of condominium ownership, the terms and provisions of said Articles of Incorporation and Declaration of Condominium to be controlling wherever the same may be in conflict herewith.

b) All present or future owners, tenants, future tenants or their employees, or any other person that might use Stewart's Creek Condominium or any of the facilities thereof in any manner, are subject to the regulations set forth in these By-Laws and in said Articles of Incorporation and Declaration of Condominium.

c) The office of the Association shall be at ~~361 N. Reilly Road~~, Fayetteville, North Carolina, or such other place as the Board of Directors shall designate from time to time.

d) The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Condominium, the fiscal year shall commence with the closing of the sale of the first Condominium Unit.

2. MEMBERSHIP, VOTING, QUORUM, PROXIES

a) The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in Article VI of the Articles of Incorporation of the Association, the provisions of which said Article VI of the Articles of Incorporation are incorporated herein by reference.

b) A quorum at members' meetings shall consist of the presence of persons entitled to cast at least 10% of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

c) The vote of the Owners of a Condominium Unit owned by more than one person or by a corporation or other entity shall be cast by one person named in a Certificate signed by all of the Owners of the Condominium Unit and filed with the Secretary of the Association, and such Certificate shall be valid until revoked by a subsequent Certificate. If such a Certificate is not on file, the vote of such Owners shall not be considered in determining the requirement for a quorum, or for any other purpose.

d) Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary before the appointed time of the meeting.

e) Approval or disapproval of a Unit Owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such Owner if in an Association meeting.

f) Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these By-Laws, the Declaration of Condominium, or whether the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall be binding upon the members.

3. ANNUAL AND SPECIAL MEETING OF MEMBERSHIP

a) The Annual Members Meeting shall be held at such time and place during the month of November of each year as may be designated in the notice of meeting, for the purpose of informing the membership of the names of the individuals appointed to the new Board of Directors, of informing the membership of the status of the budget for the coming year and for such other purposes as the Directors may determine. The First Annual Meeting shall be held in November, 1985.

b) Special Members' Meetings shall be held whenever called by the President or Vice-President or by a majority of the Board of Directors and must be called by such Officers upon receipt of a written request from members of the Association owning a majority of the Condominium Units.

c) Notice of all members' meetings, regular or special, shall be given by the President, Vice-President or Secretary of the Association, or other Officer of the Association in the absence of said Officers, to each member, unless waived in writing, such notice to be written or p.inted and to state the time and place and object for which the meeting is called. Such notice shall be given to each member not less than ten (10) days nor more sixty (60) days prior to the date set for such meeting, which notice shall be mailed or presented personally to each member within said time. If presented personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail addressed to the member at his post office address as it appears on the records of the Association (Register of Owners) as of the date of mailing such notice, the

postage thereon prepaid. Proof of such mailing shall be given by the Affidavit of the person giving the notice. Any member may, by signed written waiver of notice, waive such notice and, when filed in the records of the Association, whether before or after the holding of the meeting, such waiver shall be deemed equivalent to the giving of notice to the member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attened (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or the Declaration of Condominium), the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

d) The order of business at Annual Members' Meetings and, as far as practical, at any other members' meetings, shall be:

i) Calling of the roll and certifying of proxies;

ii) Proof of notice of meeting or waiver of notice;

iii) Reading and disposal of any unapproved minutes;

iv) Reports of Officers;

v) Reports of Committees;

vi) Election of Directors;

vii) Unfinished business;

viii) New business; and

ix) Adjournment.

4. BOARD OF DIRECTORS

a) The first Board of Directors of the Association shall consist of three (3) persons. Each succeeding Board of Directors shall consist of five (5) persons. At least a majority of the Board of Directors shall be members or employees of a corporate partnership member of the Association. Notwithstanding the foregoing, for a period ending one hundred twenty (120) days after Weber Building Company, a North Carolina corporation, hereinafter called Developer, ceases to own twenty-five percent (25%) or more of the Units in the Condominium, but in any event, no longer than October 31, 1989, Developer shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the Association. Any Director designated by and selected by Developer need not be a resident in the Condominium.

b) Election of Directors shall be conducted in the following manner:

i) Developer shall, at the beginning of the election of the Board of Directors, designate and select that number of the members of the Board of Directors which it shall be entitled to designate and select in accordance with the provisions of these By-Laws, and upon such designation and selection of Developer by written instrument

presented to the meeting at which said election is held, said individuals so designated and selected by Developer shall be deemed and considered for all purposes Directors of the Association, and shall thenceforth perform the offices and duties of such Directors until their successors shall have been selected or elected in accordance with the provisions of these By-Laws.

ii) All members of the Board of Directors whom Developer shall not be entitled to designate and select under the terms and provisions of these By-Laws shall be elected by a plurality of the votes cast at the Annual Meeting of the members of the Association immediately following the designation and selection of the members of the Board of Directors whom Developer shall be entitled to designate and select.

iii) Vacancies in the Board of Directors may be filled until the date of the next Annuel Meeting by the remaining Directors, except that should any vacancy in the Board of Directors be created in any Directorship previously filled by any person designated and selected by Developer, such vacancy shall be filled by Developer designating and selecting, by written instrument delivered to any Officer of the Association, the successor Director to fill the vacated Directorship for the unexpired term thereof.

iv) At the first Annual Meeting of the members held after the property identified herein has been submitted to the plan of condominium ownership and the Declaration of Condominium has been recorded in the public records of Cumberland County, North Carolina, the term of office of the three (3) Directors receiving the highest plurality of votes shall be established at two (2) years, and the terms of office of the other two (2) Directors shall be established at one (1) year. Thereafter, as many Directors of the Association shall be elected at the Annual Meeting as there are regular terms of office of Directors expiring at such time, and the term of office of the Directors so elected at the Annual Meeting of the members each year shall be for two (2) years expiring at the second Annual Meeting following their election, and thereafter until their successors are duly elected and qualified, or until removed in the manner elsewhere provided or as may be provided by law. If at the time of the first Annual Meeting Developer owns twenty-five percent (25%) or more Condominium Units in the Condominium, then Developer shall have the right to designate and select two (2) Directors whose terms of office shall be established at two (2) years, and one (1) Director whose term of office shall be established at one (1) year.

v) In the election of Directors, there shall be appurtenant to each Condominium Unit a total vote equal to the number of Directors to be elected multiplied by the Unit's appurtenant undivided interest in the Common Area as set forth in the appropriate column of Exhibit C of the Declaration; provided, however, that no member or Owner of one (1) Condominium Unit may cast a vote greater than the Unit's appurtenant undivided interest in the Common Area for any one person nominated as a Director, it being the intent hereof that voting for Directors shall be noncumulative. Notwithstanding the fact that Developer may be entitled to designate and select a majority of the members of the Board of Directors, it shall still be entitled to cast the vote for each Condominium Unit owned by it in the elections of other Directors; provided, however, that the other Directors elected are persons other than officers, directors, stockholders, partners and employees of Developer, or wives and relatives of any of said persons.

vi) In the event that Developer, in accordance with the rights herein established, selects any person or persons to serve on any Board of Directors of the Association, Developer shall have the absolute right at any time, in its sole discretion, to replace such person or persons with another person or persons to serve on said Board of Directors. Replacement of any person or persons designated by Developer to serve on any Board of Directors of the Association shall be made by written instrument delivered to any Officer of the Association, which instrument shall specify the name or names of the person or persons to be replaced and the name or names of the person or persons designated as successor or successors to the persons so removed from said Board of Directors. The removal of any Director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any Officer of the Association.

c) The organizational meeting of each newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the Directors at the meeting at which they were elected, and no further notice of the organizational meeting shall be necessary provided a quorum shall be present.

d) Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless notice is waived.

e) Special meetings 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 votes of the Board. Not less than three (3) days' notice of a meeting shall be given to each Director, personally or by mail, telephone or telegram, which notice shall state the time, place and purpose of the meeting.

f) 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.

g) A quorum at a Directors' meeting shall consist of the Directors entitled to cast a majority of the votes of the entire Board. The acts of the Board approved by a majority of the votes cast at a meeting at which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, or these By-Laws, or the Declaration of Condominium. If any Directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the Directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these By-Laws or Declaration of Condominium, the Directors who are present may adjourn the meeting from time to time until a quorum, is present. At any adjourned meeting, any business that 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 the purpose of determining a quorum.

h) The Presiding Officer of Directors' meetings shall be the Chairman of the

Board, if such an Officer has been elected; and if none, then the President of the Association shall preside. In the absence of the Presiding Officer, the Directors present shall designate one of their number to preside.

i) Directors' fees, if any, shall be determined by the members.

j) All of the powers and duties of the Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of the Association, these By-Laws and the Declaration of Condominium. Such powers and duties shall be exercised in accordance with said Articles of Incorporation, these By-Laws and the Declaration of Condominium, and shall include, without limiting the generality of the foregoing, the following:

i) To make, levy and collect assessments against members and members' Condominium Units to defray the costs of the Condominium, as provided for in Article XXIV of the Declaration of Condominium, which Article is herein incorporated by reference, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto the Association;

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ii) To maintain, repair, replace, operate and manage the Common Areas and Facilities wherever the same is required to be done and accomplished by the Association for the benefit of its members; and further to approve any expenditure made or to be made for said purposes.

iii) To reconstruct any part of the Common Property after casualty in accordance with Article XXII of the Declaration of Condominium, and to make further improvement to the Common Property, real and personal, and to make and to enter into any and all contracts, necessary or desirable to accomplish said purposes;

iv) To make, amend and enforce regulations governing the use of the Common Property and Condominium Units so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declarationof Condominium;

v) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including Condominium Units in the Condominium as may be necessary or convenient in the operation and management of the Condominium, and in accomplishing the purposes set forth in the Declaration of Condominium, provided that the acquisition of real property other than Condominium Units shall require the approval of the Association;

vi) To acquire now or at any time herefter, and to enter into leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in lands or facilities including, but not limited to, swimming pools, tennis and other recreational facilities, whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the owners of Condominium Units;

vii) To contract for the management of the Condominium and to designate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration of Condominium to have approval of the Board of Directors or membership of the Association;

viii) To enforce by legal means or proceedings the provisions of the Articles of Incorporation and By-Laws of the Association, the Declaration of Condominium and the regulations hereinafter promulgated governing the use of the Common Property in the Condominium.

ix) To pay all taxes and assessments which are or may become liens against any part of the Condominium, other than Condominium Units and the appurtenances thereto, and to assess the same against the members and their respective Condominium Units subject to such liens;

x) To purchase insurance for the protection of the members and the Association against casualty and liability in accordance wth Articles XX and XXI of the Declaration of Condominium;

xi) To pay all costs of power, water, sewer and other utility services rendered to the Condominium and not billed to the Owners of the separate Condominiium Units; and

xii) To designate and remove personnel necessary for the maintenance, repair, replacement and operation of the Condominium including the Common Property.

k) The initial Board of Directors of the Association shall be comprised of the three (3) persons designated to act and serve as Directors in the Articles of Incorporation, which said persons shall serve until their successors are elected at the first Annual Meeting of the members of the Association called after the property identified herein has been submitted to the plan of condominium ownership and the Declaration of Condominium has been recorded in the public records of Cumberland County, North Carolina. Should any member of the initial Board of Directors be unable to serve for any reason, a majority of the remaining members of the Board of Directors shall have the right to select and designate a party to act and serve as a Director for the unexpired term of the Director who is unable to serve.

l) The undertakings and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the membership after the property identified herein has been submitted to the plan of condominium ownership, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with all applicable condominium documents; and provided further that any undertaking or contract entered into by the Association at a time the Developer has the right to appoint a majority of the Board of Directors shall contain a provision reserving the right of the Association to terminate such undertaking or contract upon not more than ninety (90) days written notice to the other party(ies) thereto.

m) Any one or more of the members of the Board of Directors may be removed, either with or without cause, at any time by a vote of the members owning a majority of the Condominium Units in the Condominium, at any Special Meeting called for such purpose, or at the Annual Meeting; provided, however, that only the Developer shall have the right to remove a Director appointed by it.

5. OFFICERS

a) The executive officers of the Association shall be a President, who shall be

a Director, a Vice-President, a Treasurer, a Secretary and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be preemptorily removed by a vote of the Directors at any meeting. Any person may hold two or more offices, except that the President shall not also be Vice-President, Secretary or an Assistant Secretary. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

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

c) The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Directors.

d) The Secretary shall keep the minutes of all proceedings of the Directors and the members. He shall attend to the giving and serving of all notices to the members and Directors, and such other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring a seal when duly signed. He 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 shall perform the duties of Secretary when the Secretary is absent.

e) The Treasurer shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He shall keep, or supervise the keeping of, the assessment rolls and accounts of the members; he shall keep the books of the Association in accordance with good accounting practices; and he shall perform all other duties incident to the office of Treasurer.

f) The compensation of all officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the contacting with a Director for the management of the Condominium.

g) All officers shall serve at the pleasure of the Board of Directors and any Officer may be removed from office at any time, with or without cause, by a majority vote of the Board of Directors.

6. FISCAL MANAGEMENT

The provisions for fiscal management of the Association set forth in the Declaration of Condominium and Articles of Incorporation shall be supplemented by the following provisions:

a) The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Condominium Unit. Such account shall designate the name and address of the Unit Owner or Owners, the amount of each

assessment against the Owners, the dates and amounts in which assessments come due, the amounts paid upon the account and the balance due upon assessments.

b) The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of the Association, including, but not limited to the following:

i) Common Expense budget which, subject to the limitations in the Declaration, may include the estimated amounts necessary for maintenance and operation of and capital improvements to the Common Property including landscaping, street and walkways, office expense, utility services, casualty insurance, liability insurance, administration and reserves (operating and Capital Improvement and Replacement), management fees and costs of maintaining leaseholds, memberships and other possessory or use interests in lands or facilities whether or not contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the Unit Owners; and

ii) Proposed assessments against each member and his Unit.

Copies of the proposed budget and proposed assessments shall be transmitted to each member prior to January 1 of the year for which the budget is made. If the budget is subsequently amended before the assessments are made, a copy of the amended budget shall be furnished each member concerned. Delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto. Once the annual budget has been approved at the meeting of the unit members, each unit owner shall be notified by mail of the amount of the monthly assessment for the following year.

c) The depository of the Association shall be such bank or banks as shall be designated from time to time by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Directors.

d) An audit of the accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the report shall be furnished to each member not later than May 15 of the year following the year for which the report is made.

e) Fidelity bonds may be required by the Board of Directors from all officers and employees of the Association and from any contractor handling or responsible for association funds. The amount of such bonds shall be determined as set forth in the Declaration. The premiums on such bonds shall be paid by the Association.

7. PARLIAMENTARY RULES

Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these By-laws or with the Statutes of the State of North Carolina.

8. AMENDMENTS TO BY-LAWS

Amendments to these By-Laws shall be proposed and adopted in the following manner:

a) Amendments to these By-Laws may be proposed by the Board of Directors of

the Association acting upon a vote of the majority of the Directors, or by members of the Association owning a majority of the aggregate interest in the common Areas and Facilities in Stewart's Creek Condominium, whether meeting as members or by instrument in writing signed by them.

b) Upon any amendment or amendments to these By-Laws being proposed by said Board of Directors or members, such proposed amendment or amendments shall transmitted to the President of the Association, or other Officer of the Association in the absence of the President, who shall thereupon call a Special Joint Meeting of the members of the Board of Directors of the Association and the membership for a date not sooner than twenty (20) days or later than sixty (60) days from receipt by such Officer of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such meeting in the same form and in the same manner as notice of the call of a Special Meeting of the members is required as herein set forth.

c) In order for such amendment or amendments to become effective, the same must be approved by an affirmative vote of a majority of the entire membership of the Board of Directors and by an affirmative vote of the members owning in the aggregate not less than seventy percent (70%) of the interests in the Common Areas and Facilities in the Condominium. Thereupon, such amendment or amendments to these By-Laws shall be transcribed, certified by the President and Secretary of the Association, and a copy thereof shall be recorded in the public records of Cumberland County, North Carolina, within ten (10) days from the date on which any amendment or amendments have been affirmatively approved by the Directors and members. No amendment shall become operative or effective until it shall have been duly recorded in the form of an amended declaration.

d) Upon the approval and proper recording of any amendment or amendments, the same shall become binding upon all Unit Owners.

e) At any meeting held to consider any amendment or amendments to the By-Laws, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association at or prior to such meeting.

f) Notwithstanding the foregoing provisions of this Article 8, no amendment to these By-Laws which shall abridge, amend or alter the right of the Developer to designate and select members of each Board of Directors of the Association, as provided in Article 4 hereof, may be adopted or become effective without the prior written consent of the Developer.

g) Notwithstanding the foregoing provisions of this Article 8, no material alteration, amendment or modification of these By-Laws shall become effective without the prior written consent of Institutional Lenders (as defined in Article XXIX of the Declaration) holding first mortgage loans on Units representing at least fifty-one (51%) percent of the votes in the Association being first had and obtained. Any change to the provisions of these By-Laws that affects any of the following shall be deemed material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of Common Areas; responsibility for maintenance and repairs; reallocation of interests in the Common Areas or Limited Common Areas, or rights to their use; boundaries of any Unit; convertibility of Units into Common Areas or vice versa; expansion or contraction of the Condominium, or the addition, annexation or

withdrawal of property to or from the Condominium; insurance or fidelity bonds; leasing of Units; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the owners' association to establish self management; restoration or repair of the Condominium; any provisions that expressly benefit Institutional Lenders.

h) So long as Developer retains the right to appoint a majority of the Board of Directors of the Association as set forth in Article XXX of the Declaration and Article 4 of these By-Laws, any amendment to these By-Laws shall require the prior approval of the Veterans Administration.

9. AVAILABILITY OF DOCUMENTS AND RECORDS

The Board of Directors shall cause to be maintained at the office of the Association a file containing current copies of the Declaration, the Articles of Incorporation, these By-Laws, any Rules and Regulations applicable to the Condominium, and other books, records and financial statements of the Association. Such file and the documents and information contained therein shall be available for inspection, upon request, during normal business hours, to all Unit Owners, Institutional Lenders (as defined in Article XXIX of the Declaration) and prospective purchasers, all of whom may also, upon request and payment of a reasonable charge determined by the Board of Directors, obtain copies thereof. $10 ~

10. RULES OF CONDUCT

a) No resident of the Condominium shall post any advertisements or posters of any kind in or on the Common Property except as authorized by the Association.

b) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television sets and amplifiers that may disturb other residence. Those keeping domestic animals will abide by the sanitary regulations of the City of Fayetteville, and Cumberland County.

c) No garbage or trash shall be thrown or deposited outside the disposal installations provided for such purposes.

d) No unit owner shall cause any improvements or alterations to be made to the exterior of the condominium (including painting or other decoration, the installation of electrical wiring, television or radio antennae, or any other objects or devices which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any building without the prior written permission of the Board of Directors or a duly appointed Architectural Control Committee. No Unit Owner shall cause any object to be fixed to the Common Property or to any Limited Common Area (including the location or construction of fences or the planting or growing of flowers, trees, shrubs or other vegetation) or in any manner change the appearance of the Common Property or Limited Common Area without the prior written permission of the Board of Directors or a duly appointed Architectural Control Committee.

11. COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Unit Ownership Act, Chapter 47A of the General Statutes of the State of North Carolina. In the event that any of these By-Laws conflict with the provisions of said statute, it

is hereby agreed and accepted that the provisions of the statute will apply.

The foregoing were adopted as the By-Laws of Stewart's Creek Condominium Association, Inc, a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors on March 19, 1985.

SECRETARY

APPROVED:

President

STEWART'S CREEK CONDOMINIUM ASSOCIATION, INC.

RULES AND REGULATIONS

These Rules and Regulations are promulgated by the Board of Directors of Stewart's Creek Condominium Association, Inc. under the provisions of Article X, Declaration of Condominium; Article V, paragraph 2 (a) of the Incorporation of Stewart's Creek Condominium Association, Inc. and paragraph 4j, IV of the By-Laws of Stewart's Creek Condominium Association Inc.

PURPOSE

The purpose of these Rules and Regulations is intended to provide guidance and regulation for all members of the Association in those areas where guidance and regulation are lacking and to provide for uniformity throughout Stewart's Creek, thus enhancing property values and keeping Stewart's Creek a desirable place to live. These Rules and Regulations may be modified from time to time as the situation dictates.

1. AMENITIES

The amenities of Stewart's Creek are those common areas which include the swimming pools, tennis courts, lake, etc. Amenities cards are provided to identify Association members and their guests and to keep unauthorized persons from using the facilities. They are provided on the basis of one per resident and two guest cards per household. If more than two persons reside in a household additional cards may be obtained on request. Members must have these cards in their possession when using the facilities.

2. POOL

a. Private parties sponsored by Stewart's Creek residents are permitted in the pool area providing the following guidelines are observed:

1) Parties are scheduled in advance with the Association Manager so that functions do not conflict.

2) The number of guests is kept to a level that does not preclude use of the pool by other residents.

3) Noise is kept down so as not to disturb other residents.

4) No live entertainment is permitted.

5) Area is thoroughly cleaned after the party.

6) Parties are over at 11:00 O'Clock P.M. on weeknights and Sunday and 12:00 O'Clock P.M. on Saturday.

b. No glass is permitted in the pool area proper at any time

c. Lifeguards are not provided; one swims at ones own risk.

d. Children under the age of 12 years must be accompanied by an adult.

e. No running, jumping, pushing, or general rowdiness is permitted in the pool area.

f. Do not leave trash, bottles, cans or other refuse laying around. Trash cans are provided for such.

g. Keep gates to the pool area closed.

3. TENNIS COURTS

a. If someone is waiting to use the tennis courts limit playing time to one hour.

b. If you generate trash in the tennis courts area, please remove it when you leave.

4. MODIFICATION AND ALTERATION OF CONDOMINIUM UNITS/COMMON AREAS

The Association, through the Board of Directors (or its Architectural Control Committee) shall regulate the external design, appearance, use, location and maintenance of the Condominium and of improvements thereon in such a manner so as to preserve and enhance values and to maintain a harmonious relationship among structures and the natural vegetation and topography. No owner shall cause any improvements, alterations, repairs, or changes to be made on the exterior of the Condominium (including painting or other decoration, the installation of electrical wiring, television or radio antennae or any other objects or devices which may protrude through the walls or roof of the Condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first had and obtained. No unit Owner shall cause any object to be fixed to the Common Property or to any Limited Common Area (including the location or construction of fences and the planting or growing of flowers trees, shrubs or any other vegetation) or in any manner change the appearance of the Common Property or Limited Common Area without the written consent of the Association being obtained. Decks will not be inclosed by screen or glass without the approval of the Association.

5. MONTHLY ASSOCIATION ASSESSMENTS

a. Monthly Association assessments are due in advance on the first of each month and are payable by the tenth of each month. Please pay the exact amount of the monthly Assessment.

b. When an owner's monthly assessment is in arrears for three months, legal action will be taken by the Association to collect the delinquent amount. The costs of such action will be borne by the Owner.

6. PARKING OF AUTOMOBILES

a. Parking in fire lanes (access lanes to parking lots) and driveways is not permitted. This could interfer with fire fighting equipment. Automobiles parked in fire lanes are subject to towaway and the costs attendant thereto charged to the owner.

b. Residents should use the available parking space to maximum effeciency, ie, parking reasonably close to other vehicles, parking perpendicular to the curb and not using more than one parking space per vehicle.

c. Vehicles that are not used or are infrequently used should be parked in the most remote part of the parking areas.

7. VEHICLE MAINTENANCE

a. The changing of oil, greases and otherwise lubricating vehicles is prohibited in parking lots. Spilled or dripping petroleum based products causes the asphalt to soften and disentergrate. Additionally the parking lots drain directly into the lake and petroleum products are harmful to the wildlife therin.

b. The draining and flushing of radiators in parking lots is prohibited.

c. When washing or otherwise cleaning vehicles, assure that any trash, etc., is cleaned up. Move vehicle as soon as it is cleaned so that others may use the washing facilities.

8. STAIRWELLS

a. Motorcycles, mopeds and any other petroleum powered devices will not be stored in stairwells or landings or under buildings.

b. Gasoline, kerosene or any other inflamabel material will not be stored in stairwells or on landings or under buildings.

c. Care will be taken to keep stairwells and landings clear of clutter so as to prevent accidents.

9. TENANTS

a. Owners must register tenants with the Association. When a tenancy is terminated, the Association should be notified.

10. ANIMALS (PETS)

a. Animal owners should walk dogs in areas away from buildings. Animals are to be restrained so as not to disturb, upset or generally be offensive to residents. (See Animal Control Regulations In Cumberland County enclosed herewith.)

11. NOISE

a. Residents shall exercise care about making noises or the use of musical instruments, radios, television sets and amplifiers that may disturb other residents.

12. FIRE EXTINGUISHERS

a. Fire extinguishers are placed in each stairwell. If a fire extinguisher is used, notify the Manager so that it may be re-charged.

13. FIREPLACES

a. Fireplaces in Stewart's Creek are not designed or constructed for inserts. Use of inserts is a serious fire hazard. A grate should be used and fires should never be left unattended.

14. DECKS

a. Care will be taken not to overload decks. One half cord of wood is the maximum amount that may be stored on decks.

15. KEYS

a. We have had several lock-outs. Association members may file a copy of their key with the manager if they so desire. Keys will be coded so they cannot be identified by an outsider.

AMENDMENT NUMBER 1, TO THE RULES AND REGULATIONS FOR STEWART'S CREEK CONDOMINIUM ASSOCIATION, INC. (PARAGRAPH 10)

10. ANIMALS (PETS)

Dog owners will take their dogs to the natural areas for the purpose of dogs relieving themselves. Dogs must not be allowed to relieve themselves in the grassed areas in the vicinity of buildings, on the sidewalls, in stairwells, in parking lots, on stairsteps, etc. If a dog relieves itself in other than the natural areas the owner must clean up after the dog. Repeated violators will be reported to the Health Department.

POOL RULES

*****POOL ACCESS KEY MUST BE IN POSSESSION WHEN USING THE POOL*****

1. The pool is for the use of residents and their guests only.

2. Residents are responsible at all times for the conduct of their guests and for any damage that is done. The resident must be present while any guests are at the pool.

3. **Pool hours are from 10:00 AM to 10:00 PM during pool season (May thru September). Anyone in the pool area before these hours is trespassing.**

4. Children under thirteen (13) years of age are not permitted in the pool area unless accompanied by an adult over the age of eighteen (18). Any child under 13 observed in the pool area without an adult will subject themselves and their families to loss of pool privileges.

5. Residents are limited to TWO (2) IN TOWN GUESTS. No limit will be placed on out-of-town guests, provided they are pre-registered with the Association Manager.

6. Only authorized personnel are permitted in the pool pump house.

7. IMPORTANT—Showers are required before entering the pool. Suntan oils and lotions can permanently damage the filter system.

8. **Positively NO PETS/ANIMALS are permitted in pool area or pool.**

9. NO GLASS containers of any kind are permitted in the pool area. Anyone found with any type of glass (besides eyewear) will loose pool privileges for the balance of the pool season. Plastic containers, pop tops and cans must be disposed of in a proper waste container

10. Each resident will be responsible for policing and cleaning up after him/herself. This includes cigarette butts, candy wrappers, etc. Failure to do so will result in your being billed for clean-up services.

11. Anyone acting in an obnoxious manner can be barred from further use of the pool.

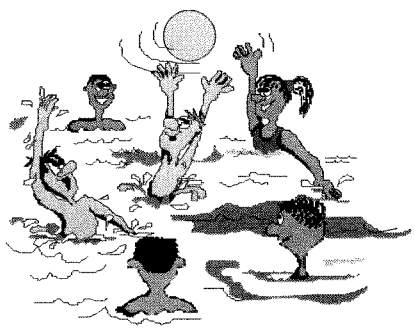
12. No running, rough playing, splashing, foul language, lewd and lascivious behavior, Frisbees, bikes, scooters, skates or skateboards are allowed in the pool area.

13. **Proper swimming attire (bathing suits) is required** when using the pool. NO CUTOFFS are permitted at anytime.

14. The door/gate to the pool area must be kept closed. Please make sure the door is closed when passing through.

15. **NO BLARING MUSIC.....**Please use the facility in a normal, quiet manner in order to allow the maximum use and enjoyment of others.

16. **Association staff members may suspend pool privileges is any resident/guest is found violating the pool rules.**

17. There are '***NO LIFEGAURDS ON DUTY AT ANY TIME, SWIM AT YOUR OWN RISK***'. Be Safe – have fun!

18. The Homeowner's Association will not tolerate use of illegal drugs or the underage usage of alcohol. The Association will cooperate fully with law enforcement agencies with this rule.