

STONE CREEK HOMEOWNERS' ASSOCIATION RULES & REGULATIONS

The following is a summary of the Declaration of Covenants, Conditions, Restrictions, and Easements for the Stone Creek Subdivision and current Rules and Regulations of the Stone Creek Homeowners' Association ("Association"). This document is divided into two parts: the first is a summary of the Declaration of Covenants, Conditions, Restrictions, and Easements. The second part of this document is a list of Rules and Regulations that have been established by the Stone Creek Homeowners' Association Board of Directors.

This summary should not be construed to replace the actual rule or regulation, nor is it intended to be an exhaustive listing of all rules and regulations of the Association. Each owner is encouraged to review the Declaration of Covenants, Conditions, Restrictions, and Easements for the Stone Creek Subdivision (hereinafter referred to as the "Declaration") in their entirety. In the event of any questions concerning these or any other rule or regulation, please contact the Association's managing agent.

SUMMARY OF "DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR THE STONE CREEK SUBDIVISION" AND ASSOCIATION RULES AS ADOPTED BY THE STONE CREEK HOMEOWNERS' ASSOCIATION'S BOARD OF DIRECTORS

OVERVIEW & GENERAL PURPOSE OF COVENANTS

The purpose of the Declaration is to keep and maintain the subdivision as desirable, attractive, uniform and suitable in architectural design and use to prevent haphazard and inharmonious improvements thereto, to guard against the erection thereon of buildings built of improper or unsuitable materials, and to provide for the highest level and quality of improvements thereto, as set for in the Declaration.

STONE CREEK HOMEOWNERS' ASSOCIATION MEMBERSHIP

Article IV, Section 4 of the Declaration identifies who qualifies to be a member of the Association. The lot owner is a member of the Association and each member is entitled to one (1) vote per lot.

RESPONSIBILITIES OF THE HOMEOWNERS ASSOCIATION

Article IV, Section 2 outlines the responsibilities of the Homeowners Association. The Homeowners Association is responsible for the operation, maintenance and repair of the Association's properties including but not limited to: entrance monuments, landscaping of easements and right of ways, cul-de-sacs, and detention basins.

BOARD OF DIRECTORS (BOD)

Article IV of the Declarations and these Rules & Regulations detail how the Board of Directors is to manage the affairs of the Homeowners Association. Each year at the Homeowners Association's annual meeting (typically held the last week of May) the open positions for the Board of Directors are voted on by members of the Homeowners Association.

- The Board of Directors shall consist of 5 individual home or lot owners.
- Corporate, Partnership, or Multiple owners of lots/homes can only hold one seat at any given time.
- The BOD terms shall be 2 years with staggered terms. In 2014, 2 seats will become available, and in 2015, the remaining 3 will expire. These staggered terms will continue.
- A Quorum will be achieved if 15% of home/lot owners (23), are represented either in person or Proxy
- Home/lot owners that are not in good standing (all assessments paid), with the homeowners' Association will not have the right to vote.

ASSESSMENTS

As described in Article IV, Section 5 of the Declaration, regular assessments are collected by the Homeowners Association. The funds collected are to be used to promote the recreation, health, safety, and welfare of the residents of Stone Creek and in particular for the operation, maintenance, and repair of the Homeowners Association's properties. An annual assessment approved by the Board of Directors is due January 1st of each year. A late fee of Fifty (\$50) dollars is assessed as of February 1st.

EXTERIOR TRASH GUIDELINES

Trash, Refuse, and Yard Waste Restrictions are as follows:

- Trash is defined as, but not limited to household waste, items for recycling, appliances and furniture, and any other items to be collected by scavenger services.
- Trash must be stored, kept, or maintained within the dwelling unit or garage on each of the lots, except on such days as trash, garbage, or other waste material is to be collected and removed.
- Lawn bags or clippings from lawn, shrubs and trees are not considered trash.

All bags or bundles containing these clippings may be stored outside of the dwelling or garage but must not be visible from the street or be placed such that it is a nuisance to neighboring lots or the average passerby.

OVERVIEW

The Rules and Regulations are a collection of procedures and policies that have reviewed and approved by the Board of Directors.

ANTENNAS/SATELLITE DISHES

No exterior television antennas, television satellite dishes, radio antennas or lights of any type whatsoever shall be erected or installed and maintained, temporarily or permanently, except such antennas or lights which shall be erected or installed or approved by the Association.

A satellite dish (1 meter in diameter or less) may be erected or installed on a homeowner's property if the dish is:

- (i) not placed within six feet of the homeowner's property line; and
- (ii) not erected in the front of any home or on the roof of any home; however, any such satellite dish may be erected or placed in such locations if a homeowner can demonstrate to the Board that it would be impractical to place or erect such satellite dish in any other location. In the event a satellite dish is to be installed on the siding of the homeowners residence, said satellite dish must be the same color as the siding.

SIGNS ON ASSOCIATION PROPERTY

- A. No signs are permitted on community property and Common Areas of the Association except as specifically authorized by the Board of Directors.
- B. The Board has authorized Annual Meeting notices to be posted up to 14 days before the annual meeting so long as the notices are removed the day after the annual meeting. Each annual meeting notice must be less than 16 square feet in size and less than 6 feet in height.
- C. The Board of Directors may approve the placement of signs to promote community garage sales; these signs may be used during the dates of these garage sales. Each sign for the community garage sales must be less than 5 square feet in size and less than 4 feet in height including the supports that go into the ground.

PENALTIES

Each violation of the Declarations of Covenants or Rules & Regulations will be subject to the fining schedule contained herein. Each day that a violation remains in violation of the Declarations of the Rules & Regulations is considered a separate violation. Any violation of these rules by an agent of a homeowner (e.g., a real estate broker) will be deemed to be a violation by the homeowner.

VIOLATION PROCEDURES

The violation will be recorded by property manager with photo, date, and time (where applicable). The property manager will report such violations to the Board of Directors for review. In executive Session, the BOD will review each violation.

Upon BOD approval by vote, the property manager will instruct the lot/homeowner via letter regarding the violation.

The lot/homeowner will have 14 days from date of violation to adhere/resolve the violation.

FINING RESOLUTION

Any owner or tenant who violates any of the Rules and Regulations, Covenants or By-Laws of the Association, and fails to cease after notice by the Association, may be fined up to a maximum of Five Hundred (\$500.00) Dollars, plus an additional Twenty-Five (\$25.00) Dollars per day for each day the violation continues or exists.

If any owner and/or tenant feel that he or she has been wrongfully or unjustly charged with a violation hereunder, the owner and/or tenant may proceed as follows:

- Within fourteen (14) days after receipt of the notice of violation, the owner and/or tenant shall submit a written detailed protest of the violation or a written request for hearing to the management company for the BOD.
- If a detailed protest is submitted to the Association, it shall review the same and within thirty (30) days from the date of receipt, issue a written ruling as to whether a violation has been proven, and if a monetary fine should be imposed. The Board, in its sole discretion, may request that additional information be provided from owner and/or tenant or that the owner, tenant and/or occupant attend an executive session hearing on the violation.
- If an owner and/or tenant requests a hearing, a hearing on the violations shall be held at the next regular board meeting. The date, time, and place of said meeting shall be provided to the requesting party.
- At the hearing, the Board shall have the authority, at its discretion, to continue the hearing without further notice, either at the request of the owner or upon the Board's own motion.
- Should no protest or request for a hearing be filed, or if the party requesting the hearing fails to attend the hearing, the allegations in the Notice of Violation may be, at the Board's discretion, taken as if fully confessed.
- Should a protest be filed or if the party requesting the hearing attends a hearing, the Board shall review and consider the arguments, evidence or statements presented.
- At the hearing, the party requesting the hearing may be represented by an attorney. Written notice of the intention to be represented at the hearing by an attorney shall be provided to the Association no less than forty-eight (48) hours in advance of the scheduled hearing. If an attorney appears on behalf of the cited party, with or without notice, the Board reserves the right to continue the hearing until the Association's attorney has been consulted or can be present. If the violation is found to be proven, any fees incurred by the Association for the presence or consultation of the Association's attorney may be assessed to the cited party's account at the sole discretion of the Board.
- After a full hearing or after full review of a written protest, the Board will vote on whether a violation has been proven, and if a monetary fine should be imposed. A majority of the Board must approve any fine. Additionally, the Board shall determine and assess the amount, if any, of costs and expenses for the violation; the amount, if any, of attorney's fees incurred by the Association as charged to the Association by its attorney; and the amount, if any, of costs, damages, expenses and other charges attributable to or resulting from the violation. Within thirty (30) days following the submission of a written protest or a hearing, the Board will provide the owner and/or tenant with written notification of the findings in the same manner as the hearing confirmation was provided. The decision of the Board shall be deemed final and binding.

FINING SCHEDULE –

- The Board of Directors has the ability to alter the fining schedule in accordance with these Rules & Regulations.
- The following violations carry an initial \$25.00, Twenty-Five Dollar, fine. Applied for each day violation exists.
 - Landscaping not completed.
 - Landscaping not maintained.
 - Grass/empty lot not mowed to acceptable level – 6 inches.
 - Shrubs, bushes or trees not kept trimmed or dead material replaced.
 - Trash visible.
 - Commercial vehicle on premises.
 - Other vehicle (boat, trailer..etc...) on premises.
 - Storage outside.
 - ARC violations.
 - Covenant violations.

Rules & Regulations passed on 8-12-2015

Addendum #1

Add to the Rules & Regulations, per Declarations Article IV, Number 2, Letter b:
Rule shall read:

Any person/company/entity, bringing suit against the HOA, shall be prohibited from serving on any board or committee, associated with the HOA.

Add to the Rules & Regulations, per Declarations Article IV, Number 2, Letter b:
Rule shall read:

The SCHOA has the duty to collect \$300 reserve fee from every improved lot upon closing per Declarations, Article IV, number 5, letter IV. In order to guarantee such payment, a deposit of \$300 will be required of all new construction applications to insure payment. This will be refunded upon receiving payment from owner at closing.

ARC-NC Resolution Addition passed on

8-12-2015

Addendum #1

Make a motion to add Addendum #1 to the Architectural Review Committee – New Construction Resolution. This addendum relates to the front elevations changing during construction.

Bylaw Clarification

Motion passed to clarify that within the bylaws, Article IV, relates to meetings in which the Association is asking the entire member body to vote. Additionally, that Article V, is related to meetings of the Board of Directors or committees.

Example: members vote – 10 day notice to all residents
 BOD meeting – 48 hour notice to BOD, nothing req'd to
 owners.

Rules & Regulations passed on 4-29-2017

Addendum #1

Add to the Rules & Regulations, per Declarations Article IV, Number 2, Letter b:
Rule shall read:

Multiple lot owners or multiple owners of one lot may not hold more than one seat on the BOD.

Rules & Regulations passed on 06-21-2017

Addendum #1

Add to the Rules & Regulations

UPDATE/ AMENDMENT shall read as follows:

Homes that have closed between June 22nd to September 31st of 2017, will need to have their property completely sodded and landscaped (per the rules) or penalties/fines will be incurred and applied per the rules.

Homes that have closed October 1, 2017 (and after) will need to have the property completely sodded and landscaped (per the rules) by June 1st of the following year. Penalties/fines will be incurred and applied per the rules.

Starting January 1, 2018 (and going forward), the dates will be as follows:

- Homes purchased on or after June 1st will be required to have their property sodded and landscaped (per the rules) or penalties/fines will be incurred and applied per the rules.

Rules & Regulations passed on 10-04-2017

Addendum #1

Add to the Rules & Regulations, per Declarations Article II, General restrictions,
Number 23: Rule shall read:

Basketball Backboards

All movable (on rollers) basketball systems shall not be permitted on the sidewalk or near the street when not in use.