

STIRRUP CREEK HOMEOWNERS ASSOCIATION

Bylaws

ARTICLE I PURPOSE AND STATUS; -

Section 1. PURPOSE: The purpose of Stirrup Creek Homeowners Association is to promote the health, safety and welfare of the residents of Stirrup Creek; and to enhance the education, social life, and community welfare within the Stirrup Creek community

Section 2. STATUS: The Stirrup Creek Homeowners Association shall at all times be operated only for non-profit purposes and as a non-profit corporation under the General Statutes of North Carolina, and none of its revenue shall inure to the benefit of any private member. This shall not prevent the Association from conducting business with an entity owned in whole or in part by, or which employs, a member of the Association, or with a member directly, so long as the dealings are fair and honest and are made known to the members of the Association, and further provided that no one with an ownership interest in the business takes part in the Association's decision making process by which the member, or his company, is hired.

ARTICLE II MEMBERSHIP

Section I. PERSONS ELIGIBLE FOR MEMBERSHIP: The owner of record of any lot in Stirrup Creek shown on a plat of either Stirrup Creek Subdivision or Pagehurst Subdivision recorded in the office of the Register of Deeds, Durham County; provided such lot is subject to the charge established in Article Seven of that certain Declaration of Restrictions affecting Stirrup Creek Property of Kaiser Aetna in Durham County, North Carolina, dated 1977, and any supplemental declaration as defined therein, as may appear of record in the office of the Register of Deeds, Durham County. And provided further that no person or corporation taking title as security' for the payment of money or the performance of any obligation shall hereby become entitled to membership.

Section 2. MEMBERSHIP: Acknowledgment of membership in the official records of the Association, and upon the payment of all charges due the Association, is the only record of membership. Only a homeowner may exercise the rights of membership in the Association, including the voting power arising therefrom.

Section 3. VOTING RIGHTS OF HOMEOWNER: There shall be one vote for each such lot.

Section 4. PROXIES: Any Homeowner may exercise 1 vote by proxy. Such proxy to be valid shall be in writing, signed by the homeowner and filed with the Secretary of the Board prior to the meeting where it is used. -

Section 5. TERMINATION OF MEMBERSHIP: Membership shall lapse and terminate when any member shall cease to be the owner of record of such a lot. In addition, the Board of Directors shall have the authority to suspend the voting rights of any homeowner who does not pay the charges due the Association provided in Article 3 hereunder. Suspension of voting rights shall in no way relieve the lot owner of the obligation to pay the charges due the Association nor in any way affect the lien of such charges upon the lot.

When any delinquent charges are fully paid, the member whose voting rights have been suspended in accordance with this bylaw may apply to the Association for reinstatement and the voting rights may be reinstated upon such conditions, as the Board of Directors shall deem fair and equitable upon the circumstances.

Section 6. PROPERTY RIGHTS: Each homeowners shall have interest in the property owned by the Association as is represented by the ratio of die number of votes to which said member is entitled to the total number of votes in the Association. Such interest is and shall be appurtenant to lot or lots which qualify the person for membership in this Association, and upon sale or other transfer of any lot, the pro rata property interest shall be liable to the retiring member (i.e., the former lot owner) for any distributive share of the Association's assets or otherwise.

ARTICLE III FINANCES

A. OPERATING FUNDS -

Section 1. The operating funds of Stirrup Creek Homeowner Association shall be derived from an annual assessment on each lot owner.

Section 2. The annual assessment shall be determined by the Board of Directors, in accordance with said Declaration of Restrictions Affecting Stirrup Creek.

Section 3. The assessment shall be due and payable on the First day of January of each year.

As soon as practicable after the first day of December of each year, the Directors shall notify each homeowner of the amount of his assessment, and this amount shall be recorded by the Treasurer in a book kept for that purpose in the Registered Office of the Association and this book shall be open to the inspection of any homeowner in good standing at reasonable business hours.

If any homeowner has not paid his assessment for the year in which it is due, he is subject to legal action by the Board to collect past due assessments on March 1 or at any time thereafter as the Board may elect.

B. BUDGET AND EXPENDITURES

Section 1. Each Board Committee shall prepare the annual budget for its operation and present it to the Executive Committee for review and approval by the October Meeting, of the Board of Directors.

Section 2. The Annual Budget shall be reviewed and approved by a majority of the Board of Directors at the November meeting of the Board.

Section 3. Any charge upon the general budget or the budget of any Board Committee or issued by the management company which is in excess of \$250.00 shall be approved by a majority vote of the Board of Directors before obligation or payment shall be made.

Section 4. Any financial arrangement made by the Board of Directors which obligates Stirrup Creek Homeowners Association funds for a lease with option to purchase agreement, lease-back, or any similar financial arrangement for which the total price exceeds \$5,000.00 shall require the approval of the general membership at the general meeting.

ARTICLE IV USE OF PARKS, PLAYGROUNDS, LAKES-PONDS, AND OTHER FACILITIES OWNED, OPERATED BY OR UNDER THE SUPERVISION OF STIRRUP CREEK HOMEOWNERS ASSOCIATION

Section 1. RULES AND REGULATIONS FOR PARKLANDS: The Board of Directors shall adopt such rules and regulations as it deems reasonably necessary for the management, maintenance, and control of all property owned by the Association.

Section 2. DAMAGES: All members shall be responsible for damages to the Association property caused by the member, anyone in the family or any guests.

Section 3. SUSPENSION OF PRIVILEGE: In the event of misuse of any properties or facilities above-mentioned, the member responsible may, by a majority vote of the Board of Directors of the Association, be denied for a period of time deemed necessary to insure that further misuse shall not occur. Neither the Association nor any member shall be liable to the suspended member an account of such suspension or restriction.

ARTICLE V MEETINGS OF MEMBERS

Section 1. ANNUAL MEETING: The Annual Meeting of the Members shall be held in the month of May at a time and place designated by the president provided the place shall be somewhere in the City of Durham or Durham County.

Section 2. SPECIAL MEETING. A special meeting of the members may be held at any time upon the call of the President, or from the call of any two directors, or upon the call of the members having at least twenty-five percent of the votes entitled to be cast at such meeting.

Section 3. NOTICE OF MEETINGS. Notice of regular and special meetings shall be given by the Secretary of the Association, by mailing to each homeowner at the address shown on the records of the Association, a written or printed notice therefore specifying the time and place of such meeting, and in the case of a special meeting, the business to be transacted. Such notice shall be mailed to said address not less than ten days before any such meeting, and the mailing of such notice shall be sufficient and no further publication or notice shall be necessary.

Section 4. WAIVER OF NOTICE. Notice of the time, place, or purpose of any meeting of members shall be dispensed with if every homeowner shall attend such meeting either in person or by proxy or if every absent homeowner shall in writing either before or after the holding thereof waive such notice.

Section 5. QUORUM. Ten percent of the total membership present at the Annual Membership Meeting shall constitute a quorum for the transaction of business at a meeting of the membership.

Section 6. ORDER OF BUSINESS. The order of business at the Annual Meeting and so far as possible at all other meetings with the membership shall be (A) Calling the roll, (B) Reading the notice of a meeting or the waiver thereof, (C) Reading of the minutes of the last meeting and approval thereof, (D) Presentation of and acting upon reports of officers, (E) Unfinished business, (F) New Business and (G) Adjournment.

ARTICLE VI BOARD OF DIRECTORS

Section 1. The Directors named in the Articles of Incorporation of this corporation shall hold office until the next annual meeting thereafter and shall serve until their successors are elected.

Section 2. NUMBER AND TERM OF OFFICE. There shall be a Board of Directors, one third of which shall be elected at the Annual Membership Meeting for a term of 3 years and shall serve until their successors are duly elected and qualified. The immediate past president shall be an ex-officio member of the newly elected Board of Directors. The Board may divide the membership area in districts and provide the election of directors from each district. In such case, each member shall be allowed to vote only in the election of directors representing the district wherein the member resides.

Section 3. VACANCY. Vacancies on the Board shall be filled by the remaining Directors, but such action shall be effective only until the next ensuing Annual Meeting at which time any remaining unexpired term shall be filled by election. In the event that the Board establishes election of Directors by districts, the residence of the Director shall be in the same district as was the residence of the Director who created the vacancy; provided however, that if the Board after publicizing the vacancy within the affected district and making a bona fide effort to fill the vacancy from within that district within a reasonable time, the vacancy may be filled on an at-large basis.

Section 4. REMOVAL OR RESIGNATION. Any Director may be removed from office with cause by a majority vote of the Directors at the time in office at any Annual, Regular or Special meeting of the Board. Should any Director without excuse (acceptable to a majority of the remaining directors) fail to attend two successive regular meetings of the Board or three regular meetings of the Board in any twelve (12) month period his place may be declared vacant. Any Director may resign at any time by giving written notice to the Board, or the President, or the

Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice, or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. .

Section 5. DIRECTORS FEES. The Directors are to receive no fees whatsoever.

Section 6. ANNUAL MEETING OF DIRECTORS. Upon adjournment of the Annual Meeting of the members, an annual meeting of the Board of Directors shall convene without notice. The election of officers to fill the vacancies of president, vice-president, secretary and treasurer shall be determined by special convention occurring not less than seven days after the adjournment of the annual meeting.

Section 7. REGULAR MEETING. Regular meetings of the Directors shall be held at least quarterly at a time and place to be designated by the president. Notice of such meeting shall be made at least five days in advance. A copy of the minutes may be sent to each member if the Board considers the sending sufficiently informative and beneficial to the members to warrant the financial expenditure.

Section 8. SPECIAL MEETING. Special meetings of the Board of Directors may be called by the president or by two of the members of the Board of Directors at a time and place designated in the call.

Section 9. NOTICE. Notice of both regular and special meetings shall be mailed by the secretary to each member of the Board of Directors not less than five days before any such meeting. Notice shall be waived if all directors attend the meeting or if every absent director, in writing before or after the meeting, waives notice.

Section 10. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business.

Section 11. OFFICES. The President shall serve as Chairman of the Board of Directors and preside at meetings of the Board, and the Secretary shall act as secretary at such meetings. If neither the President or Vice-president is present, a temporary presiding officer may be elected by a majority vote of those directors present, providing there is a quorum. If the Secretary is absent, the presiding officer shall appoint a temporary secretary for the meeting.

Section 12. ORDER OF BUSINESS. The Order of Business at any regular or special meeting of the Board of Directors shall be (A) Call the Roll, (B) Reading the notice of the meeting or waiver thereof, (C) Approval of the minutes of the previous meeting, (D) Presentation of and action upon reports of Committees and/or Officers, (E) Unfinished Business, (F) New Business, and (G) Adjournment.

ARTICLE VII OFFICERS

Section 1. NUMBER AND SELECTION. The officers of this corporation shall be a President, a Vice-president, both of whom shall at all times be members of the Board of Directors; and a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution create.

Section 2. OFFICERS. The officers of this corporation, except such officers as may be appointed in accordance with Sections 3 and 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office for such period of one year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 3. The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time determine.

Section 4. Any officer may be removed from office either with or without cause by two-thirds vote of the directors at the time in office at the Annual, Regular or Special Meeting. Any officer may resign at any time by giving written notice to the Board of Directors or the President, or the Secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 5. A vacancy in any office because of death, resignation, removal, disqualification or other cause shall be filled in the manner prescribed in the Bylaws for regular appointment to such office.

Section 6. The offices of Secretary and Treasurer may be held by the same person.

Section 7. EXECUTIVE COMMITTEE. The Executive Committee shall consist of the elected officers of the Board. If the elected officers of the Board shall number less than three (3), then one or more additional members of the Board may be elected to the Executive Committee by the Board. All members of the Executive Committee shall be deemed to be officers of the Board for the purpose of countersigning checks.

ARTICLE VIII PRESIDENT

Section 1. The President, vice-president, or in the absence of or inability of both to act, the Director appointed as above, shall:

(A) Preside over all meetings of the members and of the Board of Directors.

(B) Sign as President all deeds, contracts, and other instruments in writing which have been first approved by the Board of Directors.

(C) Call the Directors together whenever he deems it necessary and shall have, subject to the advice of the Board of Directors, general supervision, direction and control of the business affairs of the corporation, and generally shall discharge such other duties as may be required of him by the Board of Directors.

Section 2. If at any time, the President shall be unable to act, the Vice-president shall take his place and perform his duties. If the Vice-president, for any cause, shall be unable to act, the Board of Directors shall appoint some member of the Board to act in whom shall be vested for the time being all the duties and functions of the President

ARTICLE IX. VICE-PRESIDENT

All duties and powers required of or conferred by law and these Bylaws upon the President shall, in his absence, inability or refusal to act, be performed by the Vice-president.

ARTICLE X SECRETARY OF THE CORPORATION

Section I. The Board of Directors shall elect a secretary, and it shall be the duty of the Secretary to:

(A) Keep a record of all meetings and proceedings of the Board of Directors, and of the members.

(B) To keep the Corporate Seal of the corporation, and to affix it on all papers requiring the seal of the corporation.

C) To keep proper books.

D) To serve notices of meetings of the Board of Directors and the members required either by law or by the Bylaws of this corporation.

(E) To keep appropriate records showing the members of the corporation together with their addresses as furnished him by such members.

Section 2. The Board of Directors may appoint an Assistant Secretary, who in case of absence, inability or refusal to act as Secretary, shall perform the duties of Secretary.

Section 3. The Assistant Secretary shall also perform such other duties as may be required of him by the Board of Directors.

ARTICLE XI: TREASURER

Section 1. The Treasurer shall be responsible for maintenance of a proper record of the accounts of the Association. Heshall:

(A) Present a quarterly financial statement to the Board of Directors for its approval, and

(B) Present an annual financial statement to the Annual meeting of the Membership, for its approval, after the approval of such record by the Board of Directors

Section 2. The Treasurer shall receive and deposit in such bank or banks as the Board of Directors may, from time to time, direct, all of the funds of the corporation, which funds shall be withdrawn by such officer or officers as the Board of Directors shall, from time to time, designate.

Section 3. Treasurer may delegate any or all of his authority to the management company.

ARTICLE XII AMENDMENTS, REPEAL, OR ALTERATION OF BYLAWS

Section 1. BY MEMBERSHIP. These bylaws may be amended, repealed or altered by:-

(A) A vote of a majority of a quorum of homeowners in good standing, and entitled to vote, at the Annual Meeting of me Membership, or at a Special Meeting duly called for such purpose; or

(B) The written assent of a majority of homeowners in good standing, in a REFERENDUM initiated by

(1) a two-thirds vote of a quorum of the Board of Directors,

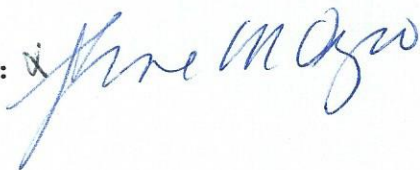
(2) a vote of two-thirds of a majority of homeowners in good standing..

Section 2. BY DIRECTORS: These Bylaws may be amended, repealed or altered by a two-thirds vote of those Directors present at a meeting of the Board of Directors, a quorum being present, provided the call for such a meeting shall contain a statement that such changes in the Bylaws shall be voted at this meeting.

BYLAWS OF STIRRUP CREEK HOMEOWNERS ASSOCIATION

Amended October 4, 2011

ATTEST:



(Secretary)