

BY-LAWS
OF
HUTTON ESTATE HOMEOWNER'S ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Hutton Estate Homeowner's Association, Inc., hereinafter referred to as "Association". The principal office of the corporation shall be located at 201 Government Avenue, SW, Suite 201, Hickory, Catawba County, North Carolina 28602, but meetings of members and directors may be held at such places within the State of North Carolina, County of Catawba, or elsewhere as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Hutton Estate Homeowner's Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Master Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" and "Limited Common Area" shall mean all real property owned by the respective Association for the common use and enjoyment of the Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area and/or Limited Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Hutton Estate, LLC, its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 7. “Master Declaration” shall mean and refer to the Master Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded in the Office of the Register of Deeds of Catawba County in Book 2283 Page 378, and as the same may be supplements (“Supplementary Declaration”) and/or amended from time to time as therein provided.

Section 8. “Member shall mean and refer to those entities entitled to membership as provided in the Master Declaration or a Supplementary Declaration.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on or about the 20th day of November of each and every year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership as they are entitled to exercise under the provisions of the Master Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Right of Declarant to Representation on Board of Directors. Notwithstanding anything contained herein to the contrary, until December 31, 2021, or until Declarant shall have conveyed seventy-five percent (75%) of the properties which are or may become subject to the Master Declaration, or as is set forth in Article V(a) of the Articles, whichever first occurs, Declarant or its express assignee shall have the right to designate and select a two-thirds (2/3) majority of the Board of Directors as specifically provided in Article III, Section 2, of the Master Declaration.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3 Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business unless otherwise specified in the Declarations. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

**ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities; and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, a Supplementary Declaration, or the Master Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and,
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

- (c) fix the amount of the annual assessment against each lot on or before January 15 of each year; send written notice of each such assessment to every member subject thereto on or before January 15 of each year; and, as provided in Article IV, Section 7, of the Master Declaration, foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association, if any;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and,
- (g) cause the Common Areas and/or any Limited Common Areas or any other areas of the property for which the Association is responsible as identified in the Master Declaration or a Supplementary Declaration to be maintained.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board,

the president or the secretary. Such resignation shall take effect on 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 6. Vacancies. A vacancy in any office may be filled by appointment by the board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of President and Treasurer and also the offices of Vice-President and Secretary may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, and shall sign all leases, mortgages, deed, promissory notes, and other written instruments.
- (b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the members, keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.
- (d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, keep proper books of account, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of same to each of the members.

ARTICLE IX COMMITTEES

The Association shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Supplementary Declaration, Master Declaration, Articles of Incorporation, and By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XI
ASSESSMENTS

As more fully provided in the Master Declaration and appropriate Supplementary Declaration, each member is obligated to pay to the Sub-Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action of law against the owner personally obligated to pay the same or may foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas and/or Limited Common Areas as appropriate or abandonment of his lot.

ARTICLE XII
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Hutton Estate Homeowner's Association, Inc.

ARTICLE XIII
AMENDMENTS

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Master Declaration and these By-Laws, the Master Declaration shall control.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the undersigned, being all of the initial directors of Hutton Estate Homeowner's Association, Inc., have hereunto set their hands, this 31st day of May, 2001.

Adelle H. Bereman (Seal)
Director
Brenda J. Lowe (Seal)
Director

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting secretary of Hutton Estate Homeowner's Association, Inc., and that the foregoing By-Laws constitute the original By-Laws of said Sub-Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 31st day of May, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Sub-Association, this 31st day of May, 2001.

Adeli H. Roseman
Secretary



NORTH CAROLINA

Department of The Secretary of State

016817

To all whom these presents shall come, Greetings:

I, ELAINE F. MARSHALL, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

HUTTON ESTATE HOMEOWNERS' ASSOCIATION

the original of which was filed in this office on the 23rd day of May, 2001.

Filed June 6, 2001 at 8:23 A.M. and
recorded in Corporation Book 55
Page 1526.

Ruth Mackie

RUTH MACKIE - REGISTER OF DEEDS

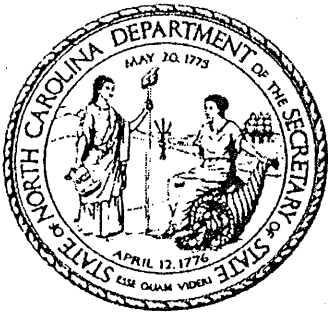
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RUTH MACKIE

2001 JUN 6 AM 8 23

REGISTER OF DEEDS
CATAWBA CO., N.C.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal at the
City of Raleigh, this 23rd day of May, 2001

Elaine F. Marshall

Secretary of State

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**ARTICLES OF INCORPORATION
OF
HUTTON ESTATE HOMEOWNERS' ASSOCIATION**

The undersigned, a natural person of legal age, does hereby make and acknowledge these Articles of Incorporation for the purpose of forming a non-profit, non-stock, membership corporation, under and by virtue of the requirements of Chapter 55A of the North Carolina General Statutes:

**ARTICLE I
NAME**

The name of the corporation is **HUTTON ESTATE HOMEOWNERS' ASSOCIATION**, hereinafter called the "Association," with its principal place of doing business at 201 Government Avenue, SW, Suite 201, Hickory, Catawba County, North Carolina 28602.

**ARTICLE II
REGISTERED OFFICE AND INITIAL AGENT**

The registered office of the Association is located at 201 Government Avenue, S.W., Suite 201, Hickory, Catawba County, North Carolina 28602. The name of the initial registered agent at the above address is Brenda L. Lowe.

**ARTICLE III
PURPOSE AND POWERS OF THE ASSOCIATION**

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residential Lots, Units and Common Area within that certain tract of property described as **HUTTON ESTATE**, and to promote the health, safety and welfare of the residents within the above-described property and any additions thereto, as may hereafter be brought within the jurisdiction of this Association for this purpose to:

- A. exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Register of Deeds of Catawba County, North Carolina, and as the same may be amended from time to time as therein provided, said Declaration being incorporated hereinafter as if set forth at length;
- B. fix, levy collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- C. acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

- D. borrow money, as is set forth in the Bylaws or Declaration, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- E. dedicate, sell or transfer all or any part of the Common Area to any public agency authority or utility for such purposes and subject to such conditions as may be agreed to by the members, as is set forth in the Bylaws or Declaration;
- F. participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area; and
- G. have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE IV MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot or Unit which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot or Unit which is subject to assessment by the Association.

ARTICLE V VOTING RIGHTS

The Association shall have two classes of voting memberships:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot or Unit owned.

Class B. The Class B member(s) shall be Declarant (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot or Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a. four months after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, however, the Class B membership shall be reinstated if thereafter, but before the time in (b) below, additional lands are annexed to the Properties (as defined in the Declaration); or
- b. December 31, 2021.

**ARTICLE VI
BOARD OF DIRECTORS**

The affairs of this Association shall initially be managed by a Board of two (2) to seven (7) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

Brenda L. Lowe

**201 Government Avenue
Suite 201
Hickory, NC 28601**

Adele H. Roseman

**201 Government Avenue, SW
Suite 201
Hickory, NC 28602**

At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Notwithstanding, anything contained herein to the contrary, until December 31, 2021 or until Declarant shall have conveyed seventy-five percent (75%) of the lots contained within Hutton Estate, Declarant or its express assignee shall have the right to designate a two-thirds (2/3) majority of the Board of Directors of the Association. Any Director so selected by Declarant need not be an owner.

**ARTICLE VII
DISSOLUTION**

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3rds) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

**ARTICLE VIII
DURATION**

The corporation shall exist perpetually.

BOOK 55 PAGE 1529

IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of North Carolina, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this 18 day of May, 2001.



Terry M. Taylor, Incorporator
P. O. Drawer 2428
Hickory, NC 28603

BOOK 55 PAGE 1530