

BYLAWS  
OF  
SUTTON OAKS HOMEOWNER ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Sutton Oaks Homeowners Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at the 5823 High Point Road, Greensboro, North Carolina 27407, or such other place designated by the Board of Directors, but meetings of members and directors may be held at such place within the State of North Carolina, County of Guilford as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Act" shall mean and refer to the North Carolina Planned Community Act, contained in N. G. Gen. Stat. §§ 47F-1-101, et seq., as amended from time to time.

Section 2. "Association" shall mean and refer to Sutton Oaks Homeowners Association, Inc., its successors and assigns.

Section 3. "Common Property" shall mean all real and personal property owned by the Association from time to time, including, but not limited to, all of that area designated as "Common Elements" as shown on the plats which appear of record in the Office of the Register of Deeds of Guilford County North Carolina, in Plat Book 161, Pages 069 and 109.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions for Sutton Oaks at Olde Sedgefield, recorded in the Office of the Register of Deeds of Guilford County, North Carolina, Book 6328, Pages 2579 to 2596.

Section 5. "Developer" shall mean and refer to Sutton Oaks, LLC, a North Carolina limited liability company, and its successors and assigns.

Section 6. "Lot" shall mean and refer to any separately numbered plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Property and dedicated streets and other dedicated areas.

Section 7. "Member" shall mean and refer to those persons or entities entitled to membership with voting rights in the Association, as provided in the Declaration and in Article III of these By-Laws.

Section 8. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot, but excluding those having such interest as security for the performance of an obligation.

Section 9. "Property" shall mean and refer to that certain real property described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

### ARTICLE III

#### MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership. Every Owner of a Lot which is subject to assessments pursuant to the Declaration, and the Developer, during any period that he is an Owner of a Lot, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment. The Association shall have two classes of Members, as provided in the Declaration. The voting rights of the Members shall be as provided by the Declaration.

Section 2. Property Rights. Each Member shall be entitled to the use and enjoyment of the Common Property as provided in the Declaration. Any Member may delegate his right of use of the Common Property to the members of his family, his tenants, guests or contract purchasers who reside on the Lot owned by such Member. The rights and privileges of such delegates are subject to suspension to the same extent as those of the Member.

### ARTICLE IV

#### MEETINGS OF MEMBERS

Section 1. Annual Meetings. The regular annual meeting of the Members shall be held on a date and time designated by the Board of Directors occurring between January 1 and March 31 of each year.

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 ten percent (10%) of all the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days, but not more than sixty (60) days, before such meeting to each Member entitled to vote thereat, addressed to the



Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4.     Quorum. The presence at the meeting of those Members entitled to cast, or of proxies entitled to cast, sixty percent (60%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or by these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5.     Voting by Members. Any action voted upon by the Members at a meeting when a quorum is present shall be effective upon the affirmative vote of a majority of the votes cast by the Members, in person or by proxy, at such meeting.

Section 5.     Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

## ARTICLE V

### BOARD OF DIRECTORS: SELECTION: TERMS OF OFFICE

Section 1.     Number. The affairs of this Association shall be managed by a Board of Directors who need not be Members of the Association. The initial Board of Directors and each Board of Directors thereafter shall be three (3) in number.

Section 2.     Term of Office. At the first annual meeting the Members shall elect one (1) Director for a term of one (1) year, and two (2) Directors for a term of two (2) years. At each annual meeting thereafter, the Members shall elect a Director for a term of two (2) years to replace each Director whose term has expired.

Section 3.     Removal. Any director may be removed from the Board with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, such Director's successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of the deceased, resigning or removed Director.

Section 4.     Compensation. No Director shall receive compensation for any service he may render to the Association as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5.     Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE VI

### NOMINATION AND ELECTION OF DIRECTORS

Section 1.     Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee. Nomination for election to the Board may also be made by Members from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2.     Election. Election to the Board of Directors may be conducted by voice vote or by secret written ballot, at the discretion of President. At such election, the Members, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person(s) receiving the largest number of votes for each Director position being voted upon shall be elected as a Director.

Section 3.     Vacancies. Vacancies on the Board resulting from resignation, removal or otherwise shall be filled by a majority vote of all the remaining members of the Board at its first regular meeting following the creation of such vacancy, or at a special meeting called for that purpose.

## ARTICLE VII

### MEETINGS OF DIRECTORS

Section 1.     Regular Meetings. Regular meetings of the Board of Directors shall be held semi-annually, or at such periodic intervals as may be established by the Board of Directors from time to time, at such place and hour as may be fixed from time to time by resolution of the Board.

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 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. 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 VIII

### 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 Property and facilities, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charge levied by the Association plus an additional sixty (60) days after the delinquent assessment is paid;
- (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 the Bylaws, the Articles of Incorporation, or the Declaration, including, but not limited to, the power to approve, or to appoint a committee to approve all plans and specifications for any improvements or additions to the Common Property;
- (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;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (f) employ attorneys and accountants to represent the Association when deemed necessary; and
- (g) except as otherwise specifically provided herein or in the Declaration, to take any other actions permitted under the Act.

#### 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 any special meeting when such statement is requested in writing by one-fourth (1/4) of the 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) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) day after due date or to bring an action at law against the Owner personally obligated to pay the same;

(4) appoint an Architectural Control Committee; and

(5) exercise all other powers granted to the Board of Directors in the Declaration.

(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 an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain, to the extent available at reasonable cost, adequate liability insurance covering the Association, its directors, officers, agents and employees and adequate hazard insurance on the real and personal property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate;

(g) cause the Common Property to be maintained; and

(i) cause the Association to comply with the requirements of the Act.

## ARTICLE IX

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, who shall at all times be a member 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. Each officer of the 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 Appointment. 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 by 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 Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

#### PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall prepare and execute amendments to the Declaration on behalf of the Association; and shall co-sign all checks and promissory notes.

#### SECRETARY

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meeting of the Board and of the Association, together with their addresses; shall certify and record amendments to the Declaration on behalf of the Association; and shall perform such other duties as required by the Board.

#### TREASURER

(d) 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; shall authorize payment of all checks and co-sign promissory notes of the Association; shall keep

proper books of account; and shall prepare an annual budget and statement of income and expenditures to be presented to the Membership at its regular annual meeting, and to deliver a copy of each to the Members.

## ARTICLE X

### COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these Bylaws, and such other committees as deemed appropriate in carrying out the purposes of the Association.

## ARTICLE XI

### RECORDS AND BOOKS

The records, books, and papers of the Association shall at all times during reasonable business hours be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association.

## ARTICLE XII

### ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the 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 due date at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or 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 assessments.

## ARTICLE XIII

### CORPORATE SEAL

The Association shall have a seal in circular form, having within its circumference the words "SUTTON OAKS HOMEOWNERS ASSOCIATION, INC."



## ARTICLE XIV

### AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a majority vote the Members present in person or by proxy, subject to the rights of the Institutional Lender (as defined in the Declaration) to review and approve such amendments, as provided in the Declaration.

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

## ARTICLE XV

### MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st 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.

### CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Sutton Oaks Homeowners Association, Inc., a North Carolina corporation; and

THAT the foregoing Bylaws constitute the bylaws of said Association, as originally duly adopted at a meeting of the Board of Directors held on the 5th day of December, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, effective the 5th day of December, 2007.

[Corporate Seal]

  
Angie Badorf, Secretary