

BYLAWS
OF
HAMPTON PARK ESTATES
HOMEOWNERS ASSOCIATION

ARTICLE I

ASSOCIATION MEMBERS

Section 1. ANNUAL MEETING OF MEMBERS. The annual meeting of the Members of the Association shall be held at the principal office of the Association, at an hour to be fixed by the Board of Directors each year for the purpose of electing directors and for the transaction of such other business as may be brought before the meeting.

Section 2. SUBSTITUTE ANNUAL MEETING. If the annual meeting shall not be held on the day designated in these Bylaws, a substitute annual meeting at the principal office of the Association may be called in accordance with the provisions of Section 3 of this Article I. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 3. SPECIAL MEETINGS OF MEMBERS. Special meetings of the members may be held in the principal office of the corporation, or elsewhere by consent of the members, whenever called in writing by the President or any member of the Board of Directors of the corporation or by members representing twenty percent (20%) of the membership entitled to vote.

Section 4. NOTICE OF MEETING. Written or printed notices stating the time and place of the meeting shall be mailed or delivered by the Secretary to each member of record at the member's last known address.

The notice of each meeting shall be mailed or delivered by the Secretary not less than ten (10) days nor more than sixty (60) days prior to the date set for such meeting and as to special meetings, the Notice shall indicate the purpose or purposes thereof.

Section 5. QUORUM. At any meeting of the members, forty percent (20%) of the members entitled to vote, present in person or represented by proxy, shall constitute a quorum of

the membership for all purposes.

If a quorum is not present, the meeting may be recessed from time to time by announcement from the chair at the time such meeting was set and such shall be sufficient notice of the time and place of the recessed meeting. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 6. ORGANIZATION. The President, or, in his absence, the Vice President, shall preside over all meetings and the Secretary of the Association shall act as Secretary at all meetings of the members; provided, however, in the Secretary's absence the President may appoint a Secretary for the meeting of the members.

Section 7. VOTING. Each member of the Association, as defined in the Articles of Incorporation of said Association, shall be entitled to one vote on each matter submitted to a vote at a meeting of members. Members shall be all owners of those lots as shown on recorded map of Hampton Park Estates subdivision. Each lot will be entitled to one vote.

The vote of a majority of the members at a meeting of members at which a quorum is present shall be the act of the members on that matter, unless the vote of a greater number is required by law or by the charter of other Bylaws of this Association. Cumulative voting shall not be allowed.

Section 8. VOTING BY PROXY. The vote allocated to a member may be cast pursuant to a dated written proxy signed by the member. A member may not revoke a proxy except by written notice delivered to the person presiding over a meeting of the Association. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term.

ARTICLE II

BOARD OF DIRECTORS

Section 1. NUMBER AND TERM OF OFFICE. The affairs of the Association shall be managed by a Board of Directors of five (5) members, which shall be entitled to act on

behalf of the Association, in all routine, day to day operations of the Association. Said Board shall consist of the President, Vice President and Secretary/Treasurer who are designated as the executive officers of the Association. Within thirty (30) days of the election of new Board members, their names and addresses shall be published as notification to the membership of the Association.

The Term of office for each Board member shall be for two years, with staggered terms. The first Board will determine which three (3) members serve for two years and which will serve a three year term, so as to have either three (3) members or two (2) members terms expiring each successive year, or until the successors to such offices shall have been duly elected and qualified as hereinafter stated.

Section 2. COMPENSATION. No Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Board, any Board member may be reimbursed for actual expenses incurred in the performance of his duties.

Section 3. ACTION WITHOUT MEETING. The Board shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Board.

Section 4. MEETINGS. Meetings of the Board shall be held quarterly without notice, at such place and hour, as may be fixed from time to time by resolution of the Board. Special meetings of the Board may be called by any member of the Board after not less than five (5) days notice to each Board member.

Section 5. QUORUM. A majority of the Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board members present at a duly held meeting shall be regarded as the act of the Board.

Section 6. POWERS AND AUTHORITY OF THE BOARD OF DIRECTORS.

Subject to the provisions contained herein and applicable law, the Board shall have the power and authority to exercise all of the rights and powers of the Association, including, but not limited to, the following powers:

- (a) To adopt rules and regulations governing the use of the common area and facilities, the personal conduct of the members and their guests thereon, and establish penalties for the infraction thereof;
- (b) To suspend the voting rights and right of 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; and to suspend such rights, after notice and hearing, for infraction of published rules and regulations for a period of at least 60 days;
- (c) To declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board;
- (d) To employ a manager, an independent contractor, or other employees as is deemed necessary, and to prescribe their duties; provided, that any contract for professional management must contain a clause requiring not more than 90 days termination notice;
- (e) To procure, maintain, and pay premiums on, insurance policy(s) and equitably assess the members the same for their prorata portion of such expenses;
- (f) To impose and receive any payments, fees, or charges for the use, rental, or operation of the common area or elements other than for service provided to members;
- (g) To exercise all other powers that may be executed in this state by legal

entities of the same type of Association;

- (h) To exercise any other powers necessary and proper for the governance and operation of the Association; and
- (i) To 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.

Section 7. DUTIES OF THE BOARD OF DIRECTORS. It shall be the duty of the Board to do the following:

- (a) To cause the common elements to be maintained, repaired, and replaced as necessary, and to assess the members to recover the cost of the upkeep of the common elements.
- (b) To serve as or appoint members to serve as the architectural committee;
- (c) To keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in writing by 35% of the members;
- (d) To supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;
- (e) To provide to all lot owners a summary of the annual budget and a notice of the meeting to consider ratification of the budget within thirty (30) days after adoption of any proposed budget, and to include a statement that the budget may be ratified without a quorum.. The Board shall set a date for a meeting of the lot owners to consider ratification of the budget, such meeting to be held not less than 10 nor more than 60 days after mailing of the summary and notice, and to otherwise comply with

Section 47F-3-103 (c) of the North Carolina Planned Community Act regarding adoption of the budget;

- (f) To send a written notice of each assessment to every member at least thirty (30) days in advance of the due date for each annual assessment;
- (g) To foreclose any unpaid assessments and liens resulting there from 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 member personally obligated to pay the same;
- (h) To issue, or have issued, for a reasonable charge, a certificate setting forth whether or not any assessment has been paid; provided, however, that if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all parties except the member and lot owner as of the date of the assessment;
- (i) To procure and maintain, at all times, adequate hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability insurance to adequately protect the Association as provided in the Declaration of Covenants, Conditions and Restrictions; and
- (j) To cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE III

OFFICERS

Section 1. OFFICERS. The executive officers of this Association shall be a President, Vice President, and Secretary/Treasurer. Officers must be members of the Board of Directors.

Section 2. ELECTION OF DIRECTORS AND OFFICERS. Each director shall be elected from member-candidates nominated from the floor at the annual meeting of the Association. Election shall be by secret written ballot and by a majority of the members present at such meeting provided that a quorum is present. Cumulative voting shall not be allowed. Once the Board of Director members have been elected, then the officers of the Association shall be elected by the Directors at or subsequent to the annual meeting of the Association

Section 3. POWERS AND DUTIES OF THE EXECUTIVE OFFICERS.

- (a) The President shall preside at all meetings of the Board; he shall see that orders and resolutions of the Board are carried out; he shall sign all leases, mortgages, deeds and other written instruments; and he shall co-sign all checks and promissory notes.
- (b) The Vice President shall act in the place of the President in the event of his absence, or his inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; he shall keep the Association corporate seal and affix it on all papers requiring said seal; he shall serve notice of meetings of the Board and of the members; he shall keep appropriate current records showing the members of the Association together with their addresses; he shall prepare, execute, certify, and record amendments to the Declaration of Covenants, Conditions and Restrictions on behalf of the Association; and he shall perform such other duties as required by the Board.
- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Board; he shall sign all checks and promissory notes (such checks and

promissory notes to be co-signed by the president) of the Association; he shall keep proper books of account; he shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and he shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each member.

Section 4. ACTION WITHOUT MEETING. The officer shall have the right to take any action in the absence of a meeting which they could take at a duly held meeting by obtaining the written consent of all of the Officers members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Officers.

Section 5. REMOVAL. Any director/executive officer, may be removed with or without cause, by a vote of at least sixty-seven percent (67%) of all members present and entitled to vote at any meeting of the members at which a quorum is present. In the event of death, resignation or removal of a director/executive officer, his successor shall be selected by the Board to serve until the next annual meeting of the members at which election directors/officers shall be had when his successor shall be elected.

ARTICLE IV

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 or a mortgagee of any member. The Articles of Incorporation and the Declaration of Covenants, Conditions and Restrictions and

Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE V

FORMS OF PROXY AND WAIVER

Section 1. FORMS OF PROXY. The following form of proxy shall be deemed sufficient, but any other form may be used which is sufficient in law:

HAMPTON PARK ESTATES HOMEOWNERS ASSOCIATION, INC.

Know all men by these presents that the undersigned member of HAMPTON PARK ESTATES HOMEOWNERS ASSOCIATION, INC. hereby constitutes and appoints _____ the attorney and proxy of the undersigned to annual and special meetings of the members of the Association, at which I am not present until the secretary of the members of the Association, at which I am not present until the secretary of the Association receives from me a letter revoking this proxy and for and on behalf of the undersigned to vote as the undersigned would be entitled to vote if personally present, hereby ratifying and confirming all that said attorney and proxy shall do in the premises, and giving and granting unto said attorney and proxy full power of substitution and revocation. I understand that pursuant to Article I, Section 8 of the Association Bylaws that this proxy shall terminate eleven months after its date unless a shorter term is specified.

Dated:_____

Member

Witness:

Section 1. FORM OF WAIVER OF NOTICE. The following form of waiver of

notice shall be deemed sufficient, but any other form may be used which is sufficient in law:

HAMPTON PARK ESTATES HOMEOWNERS ASSOCIATION, INC.

We the undersigned (Board or Association Members) of HAMPTON PARK ESTATES HOMEOWNERS ASSOCIATION, INC., do hereby severally waive notice of the time, place, and purpose of (the annual or a special) meeting of the Board or Association members) of the said Association, and consent that same be held at _____ on the ____ day of _____, 20__ at _____ o'clock ____M., and we do further consent to the transaction of any and all business of any nature that may come before the meeting.

ARTICLE VI

GENERAL PROVISIONS

Section 1. AMENDMENTS. Except as otherwise provided herein or in the Declaration of Covenants, Conditions and Restrictions, these Bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Board then holding office at any regular meeting or special meeting of the Board or at a regular or special meeting of the members at which a quorum is present by a vote of the majority of the members; provided that HUD/VA has the right to veto any amendments while there is a Class B membership.

Section 2. ASSOCIATION SEAL. A seal with the words "HAMPTON PARK ESTATES HOMEOWNERS ASSOCIATION, INC." on the outer circle and "Corporate Seal" within the circle shall be the common corporate seal of the Association and shall be in the custody of the secretary.

CERTIFICATION

I, the undersigned, do hereby certify: That I am the duly elected and acting Secretary of Hampton Park Estates Homeowners Association, Inc., a North Carolina Non-profit Corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by the Board of Directors thereof, held on the ____ day of _____, 20__.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ of _____, 20__

_____, Secretary