

*Miller*  
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BYLAWS  
OF  
GRANVILLE PLACE CONDOMINIUMS

SECTION 1: DEFINITIONS

The following words and phrases as used in these Bylaws shall have the following meanings unless otherwise specifically required by the context:

Section 1.1. Association: Granville Place Condominium Homeowners Association, Inc., which is also referred to as "Association of Unit Owners."

Section 1.2. Buildings: The multi-unit residential buildings described in Article III of the Declaration.

Section 1.3. Common Area (also Common Area and Facilities): All of the Condominium Property (including facilities) and every part thereof, excluding the Units, as more particularly defined in Articles VI of the Declaration.

Section 1.4. Common Expenses: (a) Expenses of administration, maintenance, repairs and replacements of the Common Area and Facilities, (b) expenses determined by the Association to be Common Expenses and which are lawfully assessed against the Unit Owners, and (c) expenses declared to be Common Expenses by the provisions of the Unit Ownership Act or the Condominium Documents.

Section 1.5. Condominium Documents: The Declaration of Granville Place Condominiums, Articles of Incorporation of Granville Place Condominium Homeowners Association, Inc., these Bylaws, the Plans (Unit Ownership File), and any Rule and Regulations governing the use of Granville Place Condominiums, as adopted and amended from time to time.

Section 1.6. Condominium Property of Granville Place Condominiums: All of the property submitted to the Unit Ownership Act by the Declaration, including the land described in Article III of the Declaration, the Buildings and all other improvements thereon, whether the same be Common Area or Units or any part thereof, and all easements and rights appurtenant thereto.

Section 1.7. Declarant: Queensway, Inc., a Michigan Corporation

Section 1.8. Declaration: The Declaration of Granville Place Condominiums (Declaration of Condominium) which is the instrument by which the Condominium Property is submitted to the provisions of the Unit Ownership Act, as the same may be amended from time to time.

Section 1.9. Undivided Interests: The undivided interest of each Unit Owner in the Common Area is as follows: Unit 1 - .0847; Unit 2 - .0882; Unit 3 - .0837; Unit 4 - .1282; Unit 5 - .1454; Unit 6 - .1197; Unit 7 - .1025; Unit 8 - .0813; Unit 9 - .0582; Unit 10 - .1077.

Section 1.10. Person: Individual, corporation, partnership, association, trustee, fiduciary or any other legal entity and shall mean the plural or combination of same where applicable.

Section 1.11. Unit: One of the residential units in the buildings as more particularly defined in Article IV of the Declaration.

Section 1.12. Unit Owner: The record owner or owners of a Unit, excluding any lender, trustee or creditor whose interest in the Unit is merely as security for the performance of an obligation.

Section 1.13. Unit Ownership Act: Chapter 47A of the North Carolina General Statutes.

*TP 5.1, 5.11 D, 5.14A and 5.1 give the authority to a quorum of the directors*

Any definition of a term set forth in North Carolina General Statutes Section 47-A which is not inconsistent with the above definitions is incorporated herein by reference.

Section 2: Administration of  
Granville Place Condominiums

Section 2.1. Corporation: Granville Place Condominium Homeowners Association, Inc., a North Carolina non-profit corporation, was formed solely for the purpose of administering, managing and being in charge of the operation of Granville Place Condominiums. The Association shall not engage in any other activities and shall confine itself to the management of Granville Place Condominiums.

Section 2.2. Authority: The Association, its Board of Directors, its officers and its members, shall at all times act in conformity with the Unit Ownership Act of North Carolina, the Declaration of Condominiums, the Articles of Incorporation of the Association, these Bylaws, and the Rules and Regulations adopted by the Board of Directors pursuant to these Bylaws. In the administration of the operation and management of the Condominiums, the Association is hereby granted the authority and power to enforce the provisions of these Bylaws, to levy and to collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the Condominium Units and Common Area as its Board of Director may deem to be in its best interest.

Section 3: Offices - Seal - Fiscal Year

Section 3.1. Principal Office - Registered Office: The initial registered office of the Association shall be located at 2115 Hopedale Avenue, Charlotte, North Carolina. The Association may change th registered office as it deems it necessary.

Section 3.2. Other Offices: The Association may have other offices at such other places within the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

Section 3.3. Seal: The seal of the Association shall contain the name of the Association, the word "Seal", year of incorporation and such other words and figures as desired by the Board of Directors. When obtained, said seal shall be impressed in the margin of this section of the Bylaws.

Section 3.4. Fiscal Year: The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Association, the fiscal year shall commence with the closing of the sale of the first Condominium Unit.

Section 4: Membership and Meetings

Section 4.1. Qualification: Membership in the Association shall be confined to and consist of the Unit Owners. Membership shall be appurtenant to and inseparable from unit ownership.

Membership in the Association shall inure automatically to Unit Owners upon acquisition of the fee simple title - whether encumbered or not - to any one or more Units. The date of recordation of the conveyance in the Mecklenburg Public Registry of the Unit in question shall govern the date of ownership of each particular Unit. However, in the case of death, the transfer of ownership shall occur on date of death in the case of intestacy or date of probate of will in the case of testacy. Until a decedent's Will is probated, the Association may rely on the presumption that a deceased owner died intestate.

Section 4.2. Place of Meetings: All meetings of the membership shall be held at the registered office of the Association. Provided, by action duly taken by the Board of Directors, any one or more meetings may be held at any other location, whether within or without the State of North Carolina.

Section 4.3. Annual Meetings: The first annual meeting of the members shall be held at the date and hour designated by the Declarant within one hundred twenty (120) days after Eighty percent (80 %) of the units are conveyed by the Declarant of a Unit to a Unit Owner (excluding Declarant). Thereafter, the annual meetings of the members shall be held on the third Tuesday of each year, at 6:00 o'clock P.M., Eastern Standard Time. If such day should be a legal holiday, the annual meeting shall be held at the same hour on the first day following which is not a legal holiday. At such meetings the Board of Directors shall transact such other business as may properly come before them.

Section 4.4. Substitute Annual Meetings: If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Sections 4.5 and 4.6. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4.5. Special Meetings: Special meetings of the members may be called at any time by the President, Secretary, or Board of Directors of the Association, or by any member pursuant to the written request of the holders of not less than thirty-three percent (33%) of the votes of the membership.

Section 4.6. Notice of Meetings - Waiver: Written printed notice stating the time and place of the meeting shall be delivered not less than ten nor more than thirty days before the date of any membership meeting, either personally or by mail, by or at the direction of the President, the Secretary or other person calling the meeting, to each member entitled to vote at such meeting. If delivered personally, receipt of such notice shall be signed by the member, indicating the date on which such notice was received by him. If mailed, such notice shall be deemed to be properly given when deposited in the United States Mail postage prepaid and addressed to the member at his post office address as it appears on the Register of Owners of the Association as of the date of mailing such notice.

Notice given to any one tenant-in-common or tenant-by-entirety of a Unit shall be deemed notice to all co-owners of the subject Unit.

In the case of a special meeting, the notice of meeting shall specifically state the purpose or purposes for which the meeting is called; but, in the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless such a statement is required by the provisions of the North Carolina Non-profit Corporation Act.

Any member may waive the necessity of formal notice to him by signing a written waiver either before or after the meeting and upon execution of said waiver, said member shall not be entitled thereafter to object to the meeting being held or matters being passed upon at said meeting because of lack of notice thereof.

Section 4.7. Quorum: Except as otherwise provided in these Bylaws, the presence in person or by proxy of members holding one-half (1/2) of the total votes of the membership shall constitute a quorum at all meetings of the members. If any members meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended (wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these

Bylaws or the Declaration), the members who are present, either in person or by proxy, may adjourn the meeting from time to time without notice other than the announcement at the meeting, until a quorum, or the required percentage of attendance, if greater than a quorum, is present.

The members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, unless a higher percentage of votes is required.

Section 4.8. Voting Rights: The total number of votes of all Unit Owners shall be ten (10), and the Owner or Owners of each Unit shall be entitled to cast one vote.

The vote of the Owners of a Condominium Unit owned by more than one person or by a corporation or other entity shall be cast by the one person named in a Certificate signed by all of the Owners of the Unit and filed with the Secretary of the Association, and such Certificate shall be valid until revoked by subsequent Certificate. If such a Certificate is not on file, the vote of such Owners shall not be considered for any purpose.

The owners of a life estate in a Unit shall be entitled to cast the vote appurtenant to such Unit. The above provisions concerning one voter shall also apply to those owning joint or multiple life estates in any particular Unit.

Section 4.9 Proxies: Members may vote either in person or by agents duly authorized by a written proxy executed by the subject member or by his duly authorized attorney in fact. A proxy is not valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specified therein the length of time for which it is to continue in force, or limits its use to a particular meeting, but no proxy shall be valid after ten (10) years from the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place.

Section 4.10. Majority Vote: The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a higher percentage vote is required by these Bylaws or by law.

Section 4.11. Actions without Meeting: Any action which may be taken at a meeting of the membership may be taken without a meeting if a consent or ratification, in writing, setting forth the action so taken or to be taken shall be signed by persons who would be entitled to vote upon such action at a meeting and such consent is filed with the Secretary of the Association and inserted in the minute book of the Association.

Section 4.12. Order of Business: As far as practical, the order of business at any members meeting shall be:

- A. Calling of the roll and certifying of proxies;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading and disposal of any unapproved minutes;
- D. Reports of Officers;
- E. Reports of Committees;
- F. Unfinished business;
- G. New business; and
- H. Adjournment.

Section 5: Board of Directors

Section 5.1. General Powers: The business and affairs of the Association shall be managed by the Board of Directors. (X)

Section 5.2. Number, Term and Qualification: The initial Board of Directors will consist of three members whose names are set forth in the Articles of Incorporation. The undertakings and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by a Board of Directors duly elected by the membership after the Declaration of Condominium has been recorded, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with all applicable condominium documents. From and after the date of the first annual membership meeting there shall be three Directors. The initial Board shall serve until their successors are elected at the first annual membership meeting. Each Director shall hold office until his death, resignation, retirement, removal, disqualification, or until his successor is elected and qualifies. Terms of office for Directors shall be staggered. At the initial election of permanent Directors, one of the Directors shall be elected for three (3) year terms, one of the Directors shall be elected for two (2) year terms and one Director shall be elected for a one (1) year term. At the end of each of the aforesaid described terms, a new election shall be held to fill said Directorship. Directors need not be members of the Association or residents of North Carolina, and each Director shall be at least twenty-one years of age.

Section 5.3. Nominations: Nominations for election to the Board of Directors shall be made by a Nominating Committee consisting of a Chairman, who shall be a member of the Board, and two members of the Association. The nominating Committee shall be appointed by the Board prior to each annual meeting of the members to serve from the close of such annual meeting 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. Nominations may also be made from the floor at the annual meeting.

Section 5.4. Election of Directors: Election of Directors shall be at the first meeting after termination of Declarant's duties as above described and at each annual meeting thereafter. Each member shall be able to cast a total number of votes equal to the number of vacancies to be filled multiplied by the number of Units owned by such member. The maximum number of votes that a member may cast for a particular candidate shall be the number of Units owned by such member. Persons receiving the highest number of votes shall be elected.

Section 5.5. Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association at any special or regular meeting of the membership. "Majority vote" as used herein shall mean any vote in excess of one-half of the ten (10) authorized votes. If a directors are so removed, new directors may be elected by the membership at the same meeting.

Section 5.6: Vacancies: A vacancy occurring in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director; but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual or substitute annual meeting or at a special meeting of members called for that purpose or by unanimous consent of the members without meeting. The members may elect a director at any time to fill any vacancy not filled by the Directors. As indicated in Section 5.5, the membership shall have the first right to fill any vacancy created by the membership's removal of a Director.

Section 5.7. Chairman: There may be a Chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board in the absence of the Chairman the President shall preside at all meetings of the Board of Directors.

Section 5.8. Compensation: Directors' fees, if any, shall be determined by its members. Each Director shall be reimbursed for reasonable out-of-pocket expenses incurred and paid by him on behalf of the Association. Each Director - by assuming office - waives his right to institute suit against or make claim upon the Association for compensation based upon quantum meruit, if no fees are set by the members.

Section 5.9. Loans to Directors and Officers: No loans shall be made by the Association to its Directors or Officers. The Directors of the Association who vote for or assent to the making of a loan to a Director or Officer of the Association, and any Officer or Officers participating in the making of such loan, shall be jointly or severally liable to the Association for the amount of such loan until the repayment thereof.

Section 5.10. Liability of Directors: To the extent permitted by the provisions of the North Carolina Non-Profit Corporation Act in effect at the applicable time, each Director is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as a Director. Such indemnity shall be subject to approval by the members only when such approval is required by said Act.

Section 5.11. Meetings of Directors:

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

B. Special Meetings: Special meetings shall be held when called by the President of the Association, or by any two Directors, after not less than three nor more than thirty days written notice to each Director.

C. Notices of Special Meetings: Written notice stating the time and place of the meeting shall be delivered not less than five nor more than fifteen days before the date of the meeting. The notice provided for herein may be waived by written instrument signed by those Directors who do not receive said notice. Notices shall be deemed received upon the happening of any one of the following events: (1) one day following deposit of same in the United States mails with proper postage paid and addressed to the Director at his last known address on file with the Association, (2) deposit of same in his mail box at his unit should he reside there, or (3) delivery to the Director. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting unless the subject Director gives a written statement at the meeting to the person presiding objecting to the transaction of any business because the meeting is now lawfully called.

D. Quorum. A majority of the Directors then holding office shall constitute a quorum for the transaction of business and every act or decision done or made by a majority of the Directors present at a duly held meeting at which quorum is present shall be regarded as the act or decision of the Board.

Section 5.12. Action without 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. Said written approval shall be filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5.13. Presumption of Assent: A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 5.14. Powers and Duties: The Board of Directors shall have all powers and duties necessary for the administration of the affairs of Granville Place Condominiums except such powers and duties as by law or by the Condominium Documents may not be delegated by the Unit Owners to the Board. The powers and duties to be exercised by the Board shall include, but shall not be limited to the following:

- A. Operation, care, upkeep and maintenance of the Common Area;
- B. Determination of the funds required for operation, administration, maintenance and other affairs of the Condominiums and collection of the Common Expenses from the Unit Owners, as provided in Section 9 of these Bylaws;
- C. Employment and dismissal of personnel necessary for the efficient operation and maintenance of the Condominiums;
- D. Adoption of rules and regulations covering the details of the operation and use of the Condominium Property, which shall include the Units and the Common Area. This power shall include the authority to enforce by legal means or proceedings the provisions of the Condominium Documents;
- E. Opening of bank accounts on behalf of the Association and designating the signatories required therefor;
- F. Purchasing, leasing, or otherwise acquiring in the name of the Association, or its designee, Units offered for sale or lease or surrendered by their Owners to the Association;
- G. Purchasing Units at foreclosure or other judicial sales in the name of the Association, or its designee, with the unanimous consent of all Unit Owners;
- H. Selling, leasing, mortgaging, voting the votes appurtenant (other than for the election of Directors), or otherwise dealing with Units acquired by the Association or its designee;
- I. Granting licenses for vending machines;

J. Obtaining insurance for the Condominiums pursuant to Section 8  
hereof;

K. Making repairs, additions and improvements to, or alterations of,  
the Condominium Property;

L. Keeping detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Area, specifying and identifying the maintenance and repair expenses of the Common Area and any other expense incurred. Both said records and the vouchers accrediting the entries thereupon shall be available for examination by all the Unit Owners, or their duly authorized agents or attorneys, at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good and accepted accounting practices and an outside audit shall be made at least once a year;

M. Keeping a complete record of the minutes of all meetings of the Directors and membership in which minute book shall be inserted actions taken by the Directors and/or members by consent without meeting; and

N. Supervising all officers, agents and employees of the Association and insuring that their duties are properly performed.

The Board of Directors may appoint one or more committees and authorize them to carry out any of the above functions or powers, but the Board shall still be responsible to the Association for the performance of its duties.

#### SECTION 6: Officers

Section 6.1. Enumeration of Officers: The Officers of the Association shall consist of a President, a Secretary, a Treasurer and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other Officers as the Board of Directors may from time to time elect. Except for the President, no Officer need be a member of the Board of Directors.

Section 6.2. Election and Term: The Officers of the Association shall be elected annually by the Board of Directors. Such elections shall be held at the first meeting of the Board next following the annual or substitute annual meeting of the members. Each Officer shall hold office until his death, resignation, expiration of term of office, removal or until his successor is elected.

Section 6.3. Removal: Any Officer elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the Association will be served thereby.

Section 6.4. Vacancy: A vacancy in any office may be filled by the election by the Board of Directors of a successor to such office. Such election may be held at any meeting of the Board. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 6.5. Multiple Offices: The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person.



Section 6.6. President: The President shall be the chief executive officer of the Association and shall preside at all meetings of the members. In the absence of an elected chairman, he shall also preside at all meetings of the Board of Directors. He shall see that the orders and resolutions of the Board of Directors are carried out; he shall sign all written instruments regarding the Common Area and may co-sign all checks and promissory notes, if any. He shall have all of the general powers and duties which are incident to the office of President of a corporation organized under Chapter 55A of the North Carolina General Statutes in the supervision and control of the management of the Association in accordance with these Bylaws.

Section 6.7. Vice Presidents: The Vice Presidents in the order of their election, unless otherwise determined by the Board of Directors, shall, in the absence of disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 6.8. Secretary: The Secretary shall keep the minutes of all meetings of members and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; he shall, in general, perform all duties incident to the office of Secretary of a corporation organized under Chapter 55A of the North Carolina General Statutes.

Section 6.9. Treasurer: The Treasurer shall have the responsibility for the Association funds and securities and shall be responsible for keeping full and accurate financial records in books of account showing all receipts and disbursements, and for the preparation of all required financial statements. He shall co-sign all checks and promissory notes of the Association; shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting; and shall deliver a copy of each to the members. He shall perform all duties incident to the office of Treasurer of a corporation organized under Chapter 55A of the North Carolina General Statutes.

Section 6.10. Assistant Secretaries and Treasurers: The Assistant Secretaries and Assistant Treasurers shall, in the absence or disability of the Secretary or the Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 6.11. Loans to Officers: The Association shall not make any loans, either directly or indirectly, to any Officer of the Association. Any Officer or Officers participating in the making of any such loan shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof. Nothing herein is intended to otherwise limit the liability of Directors in connection with such loans.

Section 6.12. Compensation: The compensation of all Officers and employees of the Association shall be fixed by the Directors. This provision shall not preclude the Board of Directors from employing a Director as an employee of the Association, nor preclude the Board from contracting with a Director for the management of the Condominiums.

Section 6.13. Indemnification: To the extent permitted by the provisions of the North Carolina Non-Profit Corporation Act in effect at the applicable time, each Officer is hereby indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as an Officer. Such indemnity shall be subject to approval by the members only when such approval is required by said Act.

Section 6.14. Parliamentary Rules: Roberts Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or with the Statutes of the State of North Carolina.

Section 7: Maintenance - Ordinary Repair - Alterations to Common Area

Section 7.1. By the Association: The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all Limited common Areas and of all of the Common Area and Facilities, including those portions thereof which contribute to the support of the buildings, and all conduits, plumbing, wiring and other facilities located in the Common Area for the furnishing of utility service (other than the individual heating systems) to the Condominium Units and said Common Area, and should any incidental damage be caused to any Condominium Unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair or replacement of any Common Area, the Association shall repair such incidental damage at its expense. Whenever the maintenance, repair and replacement of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by any act of a Unit Owner, his immediate family, guests, tenants or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by Association shall be used for the purpose of making such maintenance, repair or replacement, except that the Unit Owner who is responsible for the act causing the damage (whether done by himself or by his family, guests or invitees) shall be required to pay such portion of the cost of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement.

Section 7.2. By the Unit Owners: Each Unit Owner shall perform promptly all maintenance and repair work within his Condominium Unit which, if omitted, would affect the Condominium Property, either in its entirety or in a part belonging to other Owners, every Unit Owner being expressly responsible for the damages and liability which his failure to do so may engender. The Owner of each Unit shall be liable and responsible for the maintenance, repair and replacement of all heating and air-conditioning equipment, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary services to his Unit. Such Owner shall further be responsible and liable for the maintenance, repair and replacement of the interior surfaces of all walls, ceilings and floors within this Unit, including painting, decorating and furnishings, and all other accessories which such Owner may desire to replace or maintain in his Unit. Whenever the maintenance, repair and replacement of any items for which the Owner is obligated to maintain, replace or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such Unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. All doors, windows their frames, panes and screens are a part of each Condominium Unit and shall be maintained by each Unit Owner.

Section 7.3. Restrictions on Unit Owners: No Unit Owner shall perform or cause to be performed any maintenance, repair or replacement work which disturbs the rights of the other Unit Owners, jeopardizes the soundness or the safety of the Condominium Property or reduces the value thereof. The Unit Owner shall cause any work so performed or being performed on the Unit, which in the sole opinion of the Board of Directors violates the terms of this paragraph, to be immediately corrected and he shall refrain from recommencing or continuing any work so in violation without written consent of the Board. He shall not repair, alter, replace or move any of the Common Area located within his Unit without the prior written consent of the Board. He shall not alter or replace any walls except non-weight-bearing partition walls which are wholly within his Unit.

Section 7.4. Duty to Report: Each Unit Owner shall promptly report to the Board of Directors or its agent any defect or need for repairs or replacement the responsibility for which is that of the Association.

Section 7.5. Alterations to Common Areas: The Association is authorized as a Common Expense to make minor improvements to and alterations of the Common Area. Provided, however, no major or structural improvements to or alterations of the Common Area shall be made by the Association beyond that required by Section 8.8 without first obtaining the approval of the membership by a vote of three-fourths (75%) of the total votes of the Association.

The Association shall have the right to make such alterations or improvements to the Common Area which do not prejudice the rights of any Owner in the use and enjoyment of his Unit, provided the making of such alteration and improvements are approved by the Board of Directors of the Association, and their costs shall be common expenses to be assessed and collected from all of the Owners of Condominium Units. However, where any alterations and improvements are exclusively or substantially for the benefit of the Owner(s) of certain Unit(s) requesting them, then the cost of such alterations or improvements shall be assessed against and collected solely from the Owner(s) of the Unit(s) exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association. The Board may require a deposit from the Owner(s) prior to authorizing such alterations or improvements.

Section 7.6. Approval of Payment Vouchers: All vouchers for payment of expenses incurred by the Association in the maintenance, repair, alteration and replacement of the Common Area shall be approved in writing jointly by the President and Treasurer co-signing the Association's check in payment of the subject voucher. In the absence or disability of the President, the Vice President may perform the duties herein of the President as set forth in Section 6.7 and in like manner, the Assistant Treasurer may perform the duties of the Treasurer herein in the absence or disability of the Treasurer. Notwithstanding the foregoing, the Board of Directors may authorize any Officer or member or committee or Independent Manager to approve or disapprove all vouchers for payment of routine expenses incident to the maintenance, repair, alteration and/or replacement of the Common Area so long as the resolution granting such authority specifically limits the maximum amount which may be authorized by such Officer, member, etc., on each occasion and so long as the subject resolution describes the items of expense payment of which may be authorized. Further, the members shall be notified of the adoption of such resolution by the Board of Directors as and when the same is adopted.

Section 8: Insurance - Repair of Casualty Damages

Section 8.1. Authority to Purchase: The Board of Directors shall have the authority to and shall obtain insurance policies upon the Condominium Property; for the benefit of the Association, the Unit Owners and their mortgages as their interests may appear, and provisions shall be made for the issue of certificates of mortgagee endorsements to the mortgagees of the Unit Owners, and delivery of said certificates to mortgagees within ten days from their issuance. The original of all such policies and endorsements thereto shall be deposited with the Association, as Insurance Trustee, and duplicates of said policies and endorsements shall be issued to each Unit Owner and his mortgagee, if any. Unit Owners may obtain insurance coverage at their own expense upon their own personal property and for their personal living expenses. Policies obtained pursuant to the first sentence of this subsection shall provide that they are non-cancellable and non-amendable without ten days' prior written notice to mortgagees named therein as additional insured. If the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against Unit Owners, the Association and their respective servants, agents and guests.

Section 8.2. Coverage:

A. Casualty: The buildings and all other improvements upon the land and all personal property included in the Common Area shall be insured in an amount equal to the maximum insurable replacement value as determined annually by the Board of Directors and acquired in by the insurance carrier. Such coverage shall afford protection against:

(1) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement; and

(2) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings, including but not limited to vandalism and malicious mischief.

B. Public Liability: The liabilities of the Association shall be insured against in an amount of at least \$100,000.00 per casualty and in such further amounts as the Board of Directors, from time to time, determines appropriate, and each Unit Owner shall be named as an additional insured but only with respect to his liability arising out of the ownership, maintenance or repair of the Common Area. Each Unit Owner, at his own expense, shall keep in force comprehensive personal liability insurance covering liability for damage to person or property of others located within such Owner's Unit, or another Unit, or upon the Common Area and facilities in such amounts as the Board of Directors from time to time determines, but in no case less than \$100,000.00 for each occurrence.

C. Other: Such other insurance coverages as the Board of Directors shall determine from time to time to be desirable.

Section 8.3. Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association as Common Expense.

Section 8.4. Receipt of Proceeds - Insurance Trustee: All insurance policies purchased by the Board of Directors shall be for the benefit of the Association, the Unit Owners and their mortgagees as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Association as Insurance Trustee. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes hereinafter stated and for the benefit of the Unit Owners and their mortgagees in the following shares:

A. Common Area: An undivided share of the proceeds received by the Association on account of damage to Common Areas shall be held for each Unit Owner, as determined by the subject Unit Owner's interest in the Common Area.

B. Units: Proceeds on account of damage to Units shall be held in the following shares:

(1). When any damaged building is to be restored - for the owners of the damaged Units in proportion to the cost of repairing the damage suffered by each Unit Owner, which cost shall be determined by the Association.

(2) When no damaged building is to be restored - an undivided share for each Unit Owner, such share being the same as his Percentage Interest in the Common Area.

C. Mortgagees: In the event a mortgagee endorsement has been issued as to a Unit, the share of the Unit Owner shall be held in trust for the mortgagee and the Unit Owner as their interest may appear; provided, that no mortgagee shall have the right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired. Provided, that there shall be no amendments to Sections 8.1 through 8.9, nor addition thereto, without the express written consent of all mortgagees (beneficiaries) whose Deeds of Trust are seured by a conveyance of a Unit.

Section 8.5. Distribution of Proceeds: Proceeds of Insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the proceeds shall be paid to defray the cost thereof as provided in Section 8.8. All proceeds remaining after defraying such costs shall be distributed to the beneficial owners, remittances to Unit Owners and their mortgagees being payable jointly to them unless otherwise specified by the terms of the particular mortgage instrument concerned. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

B. Failure to Reconstruct or Repair: If it is determined as provided in Section 8.9 that the damage for which the proceeds are paid shall not be reconstructed or repaired, the proceeds shall be distributed to the beneficial owners as set forth in Section 8.9. Any remittances to Unit Owners and their mortgagees shall be paid jointly to them unless otherwise specified by the terms of the particular mortgage instrument concerned. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

Section 8.6. Association as Agent: The Association or its appointed Agent is hereby irrevocably appointed Agent for each Unit Owner to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims, but said appointment shall not apply to any owner of a mortgage (Deed of Trust) or other lien upon a Unit, nor shall it affect the requirement of all mortgagees to consent to any amendments of Section 8.1 through 8.9, as set forth in amended Subsection 8.4: C. above.

Section 8.7. Waivers: All policies of physical damage insurance obtained by the Board of Directors pursuant to this Section shall contain waivers of subrogation against Unit Owners, the Association and others having an interest in the Condominium Property. Such policies shall provide that the same may not be cancelled or substantially modified without at least ten days' prior written notice to the Association and to mortgagees named therein as additional insureds.

Section 8.8. Duty to Repair: In the event of damage to or destruction of any building as a result of fire or other casualty and the Condominium Property is not partitioned as provided in Section 8.9, the Board of Directors shall arrange for the prompt repair and restoration of said building or buildings (including any damaged Unit, but not including any wall, ceiling, or floor decoration or coverings or other furniture, furnishings, fixtures or equipment in the Unit), and the Board of Directors shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense.

Section 8.9. Partition or Repair: If any part of the Condominium Property shall be damaged by casualty, the determination of whether or not to reconstruct or repair it shall be made as follows:

A. Partial destruction shall be destruction which renders less than seventy-five percent (75%) of the Condominium Units untenable. In the event of partial destruction, the Condominium Property shall be reconstructed or repaired unless this Declaration is terminated by the unanimous vote of all of the Unit Owners at a meeting of the members of the Associations called and held prior to commencement of such reconstruction or repair.

B. Total destruction shall be destruction which renders seventy-five percent (75%) or more of the Condominium Units untenable. In the event of total destruction, the Condominium Property shall not be reconstructed or repaired if, at a meeting which shall be called within thirty (30) days after the occurrence of the casualty, or if by such date the insurance loss has not been finally adjusted, then within thirty (30) days after such adjustment, Unit Owners who own three-fourths (3/4) or more of the Units vote against reconstruction or repair. If the Unit Owners vote against reconstruction or repair, the following shall apply:

(1) The Condominium shall be deemed to have been terminated and the entire Condominium Property shall be deemed to be owned as tenants-in-common by the Unit Owners; and

(2) The undivided interest in the Condominium Property owned by each Unit Owner shall be his undivided interest in the Common Area previously appurtenant to his Unit or Units; and

(3) Any liens or encumbrances affecting any Unit shall be deemed transferred in accordance with the existing priority to the undivided interest of the subject Unit Owner in the Condominium Property as hereinabove provided; and

(4) The Condominium Property shall be subject to an action for sale in lieu of partition at the suit of any Unit Owner, in which event the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among the Unit Owners in the proportion to their undivided interests in the Common Area previously appurtenant to their Units, after paying off, out of the respective shares of the Unit Owners, to the extent sufficient for that purpose, all liens on the Unit of each Unit Owner.

(5) If the Board of Directors determines by not less than a three-fourths (3/4) vote to accept an offer for the sale of the property, each Unit Owner shall be bound to execute such Deeds and other documents reasonably required to effect such sale at such times and in such form as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

(6) The members of the Board of Directors acting collectively as agent for all unit Owners, shall continue to have such powers as granted herein, even though the Association may be dissolved upon a termination.

Section 9: Assessments for Common Expenses - Surplus

Section 9.1. Initial Assessment - Annual Assessments: The initial Board of Directors shall fix the initial assessment which shall remain in effect until the first Annual Membership Meeting. At this meeting, the Membership shall fix the monthly assessments to remain in effect for the remainder of the then calendar year. Following the first Annual Membership Meeting and not later than December 15th of each year the Board of Directors shall give written notice to the Unit Owners of the annual assessment fixed against each Unit for the immediately succeeding calendar year. In fixing the annual assessment for each calendar year, the Board shall first estimate the Common Expenses for such year and shall then estimate the cash required to meet such Common Expenses. In determining the cash requirement, the Board shall include a reasonable reserve for contingencies and replacements. The portion of such estimated cash requirement assessed against each Unit, shall be determined by the undivided interest of such Unit. The failure of the Board to comply with the written notice requirement hereinabove provided shall not alter or invalidate any obligation of a Unit Owner, any right of the Association against such Unit Owner or any lien against a Unit provided for in this Section. The first annual assessments, which shall be fixed by the initial Board of Directors at its organizational meeting, shall commence for all Units on the date of the conveyance by the Declarant of the first Unit to a Unit Owner.

Section 9.2. Monthly Installments: The annual assessments shall be paid to the Association in equal monthly installments on or before the first day of each month and shall be delinquent after the tenth (10th) day of such month during any assessment period. A partial assessment shall be determined and levied against all Units for the first month if the sale of the first Unit takes place other than on the first day of that month.

Section 9.3. Special Assessments: If for any reason the annual assessments prove inadequate to pay the Common Expenses, the Board may levy special assessments at any time. The special assessments shall be fixed against the Units according to the Percentage Interests and the period of the assessment and manner of payment shall be determined by the Board.

Section 9.4. Purpose of Assessments - Common Expenses: The annual and special assessments fixed and collected pursuant to this Section shall be used to pay the Common Expenses including but not limited to all expenses, costs and charges incurred by the Association in connection with the administration, operation and management of the Condominiums; the costs of maintenance, repair, replacement and restoration of the Common Area, or any part thereof, including appurtenant easements; the cost of all insurance obtained by the Board of Directors pursuant to Section 8 of these Bylaws; the charges for utility services furnished the Condominium; and any and all other expenses, costs or charges agreed upon as Common Expenses by the Association or declared Common Expenses by the provisions of the Unit Ownership Act, the Declaration or these Bylaws. All funds collected by the Association shall be treated as the separate property of the Association, and such funds may be applied by the Association to the payment of any expense of operating and managing the Condominium, or to the proper undertaking of all acts and duties imposed upon it by these Bylaws, the Articles of Incorporation and the Declaration. Although all the Common Surplus, including other assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of Common Property, shall be held for the benefit of the members of the Association, no member of the Association shall

have the right to assign, pledge or in any manner transfer his membership interest therein, except as to an appurtenance to his Condominium Unit. When the Owner of a Unit shall cease to be a member of the Association, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all funds which any Owner has paid to the Association shall constitute an asset of the Association which may be used in the operation and management of the Condominium.

Section 9.5. Lien: Each assessment provided for in this Section, together with interest and collection costs, including attorneys' fees, shall be a charge on and continuing lien upon the Unit against which the assessment is made when a notice of such lien has been filed of record in the Office of the Clerk of Superior Court for Mecklenburg County, North Carolina, in the manner provided by Article 8, Chapter 44 of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of thirty days after the same shall become due. Said notice of lien shall also secure all assessments against the Unit becoming due thereafter until the lien has been satisfied. Any grantee shall be entitled to a statement from the Board of Directors setting forth the amount of the unpaid assessments against the Unit being conveyed to him by the grantor, and such Unit conveyed shall not be subject to a lien for any unpaid assessments in excess of the amount therein set forth.

Section 9.6. Joint Disability: In any voluntary conveyance of a Unit, the grantee thereof shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by grantee therefor.

Section 9.7. Effect of Nonpayment of Assessments - Remedies of the Association: Any assessments which are not paid when due shall be delinquent. If the assessments are not paid within thirty days after the due date, the assessments shall bear interest from the delinquency date at the highest rate allowed by law, and the Association may bring an action at law against the Unit Owner to perfect its lien against the Unit and to foreclose the same upon the Unit against which the delinquent assessments were charged, in which event, interest, costs and attorneys' fees equal to fifteen (15) percent of the principal amount shall be added to the amount of such assessment as may then be due. The Association shall have the power to bid in at any foreclosure sale of a Unit and to acquire, hold, lease, mortgage and convey the same. No Unit Owner may waive or otherwise escape lien liability for the assessments provided for herein by nonuse of the Common Area or abandonment of the Unit.

Section 9.8. No Waiver of Remedies: Institution of a lawsuit to attempt to collect the payment of any delinquent assessments shall not be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to Association.

Section 9.9. Priority of Assessment Lien: The lien of the assessments provided for in this Section shall be prior and superior to all other liens except (a) ad valorem taxes, (b) all sums unpaid on Deeds of Trust, mortgages or other encumbrances recorded against the Unit prior to the docketing of the assessment lien, and (c) materialmen's and mechanic's liens. The sale or transfer of any Unit shall not affect the assessment against such Unit. Provided, however, the sale of a Unit pursuant to the foreclosure sale or execution sale instituted by a superior lien holder shall extinguish the inferior assessment lien against the subject Unit but no such sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or for any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any Unit pursuant to a foreclosure or action instituted by a superior lien holder.



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Section 9.10. Register of Owners and Mortgagees: The Association shall maintain a Register setting forth the names of the Owners of all of the Condominium Units. In the event of the transfer of any Condominium Unit to a third party, the transferee shall notify the Association in writing of his interest in such Condominium Unit, together with the recording information necessary to identify the instrument by which the transferee has acquired his interest. The Owner of each Condominium Unit shall also notify the Association of the parties holding any mortgage on any Condominium Unit, the amount of such mortgage and the recording information necessary to identify the mortgage. The holder of any mortgage upon any Condominium Unit may notify the Association of the existence of any mortgage and the Association shall register in its records all pertinent information relating thereto.

Section 9.11. Special Lien for 1980 Taxes: The Condominium Property is made up of ten (10) parcels of land which bear separate tax codes for the purposes of levying and collecting 1980 Charlotte-Mecklenburg County ad valorem taxes. The purchaser of each Unit has been given a credit for Declarant's share of the estimated 1980 taxes and therefore agrees to be responsible for paying prior to December 31, 1980 of the actual total 1980 taxes for his Unit. The Association will be responsible for computing and collecting the tax assessment for each Unit from each Unit owner. By accepting a Deed to a Unit each Owner agrees to pay the sum as determined by the Board to the Association for the benefit of the Charlotte-Mecklenburg County Tax Collector within thirty days of the receipt for a written request for same. If the Unit is security for a loan for which there is a tax escrow account, the Unit Owner agrees that the lender may pay his share of the taxes from the escrow account to the Association. If any Unit Owner does not contribute his share of the taxes to the Association so that they may be paid prior to delinquency, the Association is authorized to advance the necessary funds for the payment of the taxes and the Association shall have a lien on the Unit of an Owner who does not pay his share as required herein. The lien shall be enforceable by the Association as set forth in this Section 9.

#### Section 10: Property Rights

Section 10.1. Units: Each Unit, together with its undivided interest in the Common Area, shall for all purposes constitute a separate parcel of real property. A Unit Owner shall be vested with exclusive fee simple ownership and possession of his Unit which may be conveyed, transferred, leased, encumbered or devised in the same manner as any other real property subject only to the provisions of the Condominium Documents and the Unit Ownership Act.

Section 10.2. Deeding a Unit: A Unit shall be described in a Deed or other Instrument of conveyance by its Unit designation. Such instrument shall recite the book and page numbers and date of recording of the Declaration and these Bylaws; shall contain the description of the land described in Article III of the Declaration (which description may be incorporated by reference); shall state the use for which the Unit is intended and the restrictions on its use; and shall recite the undivided interest in the Common Area appurtenant to said Unit. It shall further recite that the conveyance is made together with the benefits, rights and privileges stated in the Condominium Documents and subject to all the duties and obligations set forth therein.

Section 10.3. Common Area - Undivided Interests: The Unit Owners shall own the Common Area as tenants in common with each Unit having appurtenant thereto an undivided interest in and to said Common Area in exactly such fraction for each Unit as is set forth in Section 1.9 of these Bylaws. The undivided interest appurtenant to each Unit has been determined by dividing the fair market value of such Unit as of the effective date of the Declaration by the aggregate fair market value of all of the Units as of said date. The stated interest is

permanent in character and cannot be altered without the consent of all Unit Owners expressed in an amendment to the Declaration duly recorded. Any reference to "Common Area" in the Condominium Documents or in any Deed to any unit shall be deemed to include the Common Areas and Facilities described in Article VI of the Declaration and the Limited Common Areas and Facilities described in Article VII thereof.

Section 10.4. Inseparability of Undivided Interests: The undivided interest in the Common Area cannot be separated from the Unit to which it appertains and shall be automatically conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the Deed or other instrument.

Section 10.5. No Partition: The Common Area shall remain undivided and no right to partition the same or any part thereof shall exist except as provided in the Unit Ownership Act and these Bylaws.

Section 10.6. Use of Common Area: The Unit Owners may use the Common Areas in accordance with the purposes for which they are intended without hindering the exercise of or encroaching upon the rights of other Unit Owners. The Board of Directors shall, if any question arises, determine the purpose for which a part of the Common Area is intended to be used. The Board shall have the right to promulgate rules and regulations limiting the use of the Common Area to Unit Owners and their guests as well as to provide for the exclusive use of a part of the Common Area by a Unit Owner and his guests for special occasions which exclusive use may be conditioned, among other things, upon the payment of a fee. The Declarant, his agent or any other person shall not retain or reacquire any interest in the Condominium Property except such interest as is inseparable from that interest arising from ownership of one or more Units.

Section 10.7. Encroachments: If any portion of the Common Area or Facilities encroaches upon any Unit or any Unit encroaches upon any other Unit or upon any portion of the Common Area as a result of a settling or shifting of any building, an easement for the encroachment and for the maintenance of the same so long as that building stands, shall exist. If the building, the Unit, any adjoining Unit, or any adjoining part of the Common Area, shall be partially or totally destroyed as a result of fire or other casualty or as a result of eminent domain proceedings, and then rebuilt, encroachments of parts of the Common Area upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Area, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as that building shall stand.

#### Section 11: Independent Manager

The Board of Directors may employ or enter into a management contract with any individual or firm it deems appropriate and in the best interest of the Association concerning the routine management of the Condominium Property; provided, however, such contract must contain a provision that the Association through its Board of Directors and the Independent Manager shall have the right to cancel such contract with or without cause by giving ninety (90) days' prior notice to the affected party. Additionally, said contract for services may not exceed a period of three years. Upon entering such contract, the Board of Directors may delegate to such person or firm (herein referred to in these Bylaws as "Independent Manager") such duties and responsibilities in the management of the Condominium Property as the Board of Directors deems appropriate. Provided, the Board of Directors may not delegate to the Independent Manager the complete and total responsibilities and duties of the Association in violation of the Non-Profit Corporation Act of North Carolina, and the Independent Manager shall at all times be answerable to the Board of Directors and subject to the direction of the Board of Directors.

Section 12: Restrictive Covenants - Regulations

Section 12.1. Resubdivision: No Unit may be divided or subdivided into smaller Units, nor any portion thereof sold or otherwise transferred, without first amending the Declaration to show the changes in the Units to be effected thereby.

Section 12.2. Nuisances: No nuisances shall be allowed upon the Condominium Property and no person shall engage in any use, practice or activity upon such property which is noxious, offensive or a source of annoyance to any Unit Owner or which interferes with the peaceful possession and proper use of the property by any Unit Owner. All parts of the property shall be kept in a clean and sanitary condition; and no rubbish, refuse or garbage shall be allowed to accumulate and no fire hazard shall be allowed to exist. No Unit Owner shall permit any use of his Unit or make any use of the Common Area which will increase the rate of insurance upon the property.

Section 12.3. Lawful Use: No immoral, improper or unlawful use shall be made of the property nor any part thereof; and all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof shall be observed.

Section 12.4. Leasing: Any lease of a Unit shall be in writing and must provide that it shall be subject to the provisions of the Condominium Documents and that any failure by the leasee to comply with the terms thereof shall be a default under the lease. There is no other restriction on the right of any Unit Owner to lease his Unit. No room may be rented except as part of the entire Unit and no transient tenants may be accommodated.

Section 12.5. Regulations: Reasonable regulations governing the use of the Condominium Property may be made and amended from time to time by the Board of Directors; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the membership before such shall become effective. Copies of such regulations and amendments thereto shall be furnished by the Association to all members upon request.

Section 13: Compliance and Defaults

Section 13.1. General: Each Unit Owner shall be governed by and shall comply with the terms of the Condominium Documents, and the regulations, resolutions and decisions adopted pursuant thereto as they may be amended from time to time. Any default by a Unit Owner shall entitle the Association or the other Unit Owners to the relief hereinafter provided in this Section.

Section 13.2. Remedies: The failure to comply with any of the terms of the Condominium Documents and the regulations, resolutions and decisions adopted pursuant thereto, shall be grounds for an action to recover sums due to damages or injunctive relief or both, maintainable by the Association on behalf of the Unit Owners, or in a proper case, by an aggrieved Unit Owner. In any case of flagrant or repeated violation by a Unit Owner, he may be required by the Board of Directors to give sufficient sureties for his future compliance with such Condominium Documents, regulations, resolutions and decisions. In any proceedings arising because of an alleged default by a Unit Owner, the Association shall be entitled to recover the costs of the proceedings and reasonable attorney's fees.

Section 13.3. Property Damage: Each Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his negligence or misuse. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

Section 13.4. Non-Waiver: The failure of the Board of Directors or of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium Documents shall not constitute a waiver of the right of the Board or a Unit Owner to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Board of Directors, its designated agent, or a Unit Owner, pursuant to any terms, provisions, covenants or conditions of the Condominium Documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising such other and additional rights, remedies or privileges as may be granted to such party by the Condominium Documents or at law or in equity.

Section 14.1. General: In the event all or any part of the Condominium Property shall be taken in Condemnation or by eminent domain, the award for such taking shall be payable to the Association and shall be disbursed by the Association as hereinafter provided in this Section.

Section 14.2. Common Area: If the taking is of Common Area and does not consist of taking any part of any building, the Board of Directors shall arrange for restoration of the remaining Common Area and the Association shall disburse the proceeds of the condemnation award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the Common Area is to be repaired or reconstructed, as provided for in Section 8 of the Bylaws.

Section 14.3. Units: If the taking includes any part of any building, whether or not there is included in the taking any part of the Common Area, and such taking shall make it impossible or impracticable to reconstruct within the Common Area any Unit, all or part of which has been taken, then the Owner of any such Unit shall receive that compensation awarded to him for his Unit by the court having authority in the condemnation action. Also, if the overall award includes a payment to the Association for the taking of a portion of the Common Area, and no separate Common Area award was made to the particular Unit Owner, then that Owner shall be paid his fractional interest in Common Area award and shall thereupon execute an amendment to the Declaration, which amendment shall eliminate said Unit Owner's undivided interest from the Condominium Property and shall re-allocate the undivided interest to all remaining Unit Owners. By accepting a Deed for a Unit, each Unit Owner agrees to execute the amendment to the Declaration and any required amendment to any of the other Condominium Documents to confirm the effect of this Section. Also, in consideration of the condemnation award paid by the court (and by the Association, if applicable), the Owner of any Unit so taken agrees to execute a Quitclaim Deed conveying his remaining interest in any Condominium Property for which he has been paid, to the Owners of all of the remaining Units. Any required Amendments and the Quitclaim Deed shall be prepared at the direction and expense of the Association.

Section 14.4. Mortgagee's Interest: If the award made by the court to a Unit Owner has not been sufficient to pay in full the balance of any mortgage on said Unit, then any Common Area payment by the Association to the Unit Owners shall be payable jointly to the Unit Owner and his mortgagees.

#### Section 15: Amendments

Section 15.1. Amendments: The Bylaws may be amended at any time by an instrument in writing signed and acknowledged by Unit Owners holding a majority of the vote in the Association, which instrument shall be effective only upon recordation in the Mecklenburg Registry. Provided, however, where a unanimous vote in the Association is required for the Association to take or refrain from taking a specific action, as set forth in these Bylaws, no amendment of the subject bylaw shall be made unless and until the owners holding One Hundred percent (100%) of the vote in the Association execute said amending instrument.

All person or entities who own or hereafter acquire any interest in the Condominium Property shall be bound to abide by any amendment to these Bylaws upon the same being passed as provided herein and duly set forth in an amended declaration, duly recorded as provided herein.

Section 15.1. Agreement: This Condominium may be terminated and the Condominium Property removed from the provisions of the Unit Ownership Act by an instrument to that effect executed by all of the Unit Owners and duly recorded, provided that the holders of all liens affecting any of the Units consent thereto or agree, in either case by instruments duly recorded, that their liens be transferred to the undivided interest of the Unit Owners who shall own the property as tenants-in-common following such termination, which shall be the undivided interest of such Unit Owner in the Common Area.

Section 15.2. Destruction: In the event it is determined in the manner provided in Section 8 hereof, that the property shall not be repaired or reconstructed after fire or other casualty, the Condominium will be terminated and the Condominium Documents revoked. A determination not to repair or reconstruct after fire or other casualty shall be evidenced by a certificate of the Association certifying as to facts affecting the termination, which certificate shall become effective upon being duly recorded in the Mecklenburg Public Registry.

Section 15.3. Condemnation: In the event that one or more Units or any part or parts thereof shall be taken in condemnation or by eminent domain and the consent of all owners to the realignment of the undivided interests shall not be expressed in amendments to the Declaration and other Condominium Documents as required and said amendments shall not be duly recorded within sixty (60) days after such taking as provided in Section 14 hereof, the Condominium will be terminated and the Condominium Documents revoked. Such taking shall be evidenced by a certificate of the Association certifying as to the facts affecting the termination, which certificate shall become effective sixty (60) days following said taking upon the certificate being duly recorded in the Mecklenburg Public Registry.

#### Section 16: Miscellaneous

Section 16.1. Ad Valorem Taxes: Each Unit shall be deemed to be a separate parcel and shall be separately assessed and taxed. Each Unit Owner shall be liable solely for the amount of tax assessed against his Unit and shall not be affected by the consequences resulting from the tax delinquency of other Unit Owners. All tangible personal property owned by the Association in connection with the maintenance, upkeep and repair of the Common Area shall be listed for said taxes in the name of and paid by the Association. This provision shall not affect the applicability of Section 9.11.

Section 16.2. Severability: Invalidation of any covenant, condition restriction or other provision of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

Section 16.3. Inspection: The Association shall have the right during reasonable hours to inspect each Unit upon prior oral or written notice to the occupant of said Unit. This right of inspection shall not be abused and shall only be exercised where the same is necessary for the Association to carry out its duties and responsibilities as set forth in the Bylaws and Regulations.

Section 16.4. Successors Bound: The rights, privileges, duties and responsibilities set forth in the Condominium Documents, as amended from time to time, shall run with the ownership of the Condominium Property and shall be binding upon all persons who own or hereafter acquire any interest in the Condominium Property.

Section 16.5. Gender, Singular, Plural: Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

Section 16.6. Construction: The provisions of the Condominium Documents shall be liberally construed to effect their purpose of creating a uniform plan of Condominium ownership. The Section headings are for convenience of reference only and shall not be considered terms of the Declaration or these Bylaws.

Section 17: Rights of Mortgagees (Lenders)

Section 17.1. Notices and Disclosures: As long as any lender shall hold any mortgage upon or shall be the Owner of any Condominium Unit, such lender shall have the following rights:

A. To approve the company or companies with whom casualty insurance is placed so long as instructions of different lenders do not conflict.

B. To examine, upon request and at reasonable times and upon reasonable notice, the books and records of the Association.

C. To be given written notice by the Association of the call of any special meeting of the membership, which notice shall state the purpose of such meeting; and to designate a representative to attend.

D. To be given written notice of default by any Owner owning a Condominium Unit encumbered by a mortgage held by the lender, such notice to be sent to the place which it may designate in writing.

E. To be given written notice of any loss to or taking of the common elements of the Condominium if such loss or taking exceeds \$10,000.

F. To receive written notice of any condemnation or eminent domain proceeding or proposed acquisition by a condemning authority.

Whenever any lender desires the provisions of this Section to be applicable to it, it shall give written notice of such fact to the Association, identifying the Condominium Unit upon which any such lender holds any mortgage, or identifying any Condominium Unit owned by it, together with sufficient facts to identify such mortgage and which notice shall designate the place to which notices are to be given by the Association to such lender.

Section 17.2. Non-Waiver: The failure of a lender to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by the Condominium Documents shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.