

Mary McCune

EXHIBIT "D"

BYLAWS

ASPEN PARK CONDOMINIUM

Section 1

Forsyth County, North Carolina

ARTICLE I

Plan of Unit Ownership

Section 1. Unit Ownership. The property located in the County of Forsyth, State of North Carolina (hereinafter called the "Property"), has been submitted to the provisions of the Unit Ownership Act of the State of North Carolina (Chapter 47A, Section 47A-1, et. seq. of the General Statutes of North Carolina), by the Declaration recorded in the Office of the Register of Deeds in and for Forsyth County, North Carolina, simultaneously herewith; and shall hereinafter be known as the "Aspen Park Condominium, Section 1" (hereinafter called the "Condominium" or the "Section 1 Condominium.")

Section 2. Applicability of Bylaws. The provisions of these Bylaws are applicable to the Property of the Condominium and to the use and occupancy thereof. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other person who may use the facilities of the Property in any manner are subject to these Bylaws, the Declaration and the Rules and Regulations. The acceptance of a Deed or conveyance or the entering into of a Lease or the act of occupancy of a Unit shall conclusively establish the acceptance and ratification of these Bylaws, the Rules and Regulations, and the provisions of the Declaration, as they may be amended from time to time, by the person so acquiring, leasing or occupying a Unit and shall constitute and evidence an agreement by such person to comply with the same.

ARTICLE II

Association of Unit Owners

Section 1. Composition. The owners of the Units will constitute the association of owners known as Aspen Park Association (hereinafter "Association" or "Association of Unit Owners"). This Association shall have the responsibility of administering the Section 1 Condominium, establishing the means and methods of collecting the contributions to the common expenses, arranging for the management of the Condominium, and performing all of the other acts that may be required to be performed by the Association of Unit Owners by the Unit Ownership Act, the Declaration and these Bylaws. Except as to those matters which the Unit Ownership Act specifically requires to be performed by the vote of the Owners of the Units, the administration of the foregoing responsibilities shall be performed by the Board of Directors, more particularly set forth in ARTICLE III.

Section 2. Annual Meetings. The first annual meeting of members shall be held within ninety (90) days after the establishment of Aspen Park, Section 1, and each subsequent regular annual meeting of the members shall be held on December 1 of each year thereafter, at the hours of 7 p.m. or as close to these times and dates as reasonably possible.

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If the day for the annual meeting of the members is a Saturday, Sunday or a legal holiday, the meeting will be held at the same hour on the first day following which is not a weekend or a legal holiday.

Section 3. Place of Meetings. Meetings of the Association of Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Owners, as may be designated by the Board of Directors.

Section 4. Special Meetings. It shall be the duty of the President to call a special meeting of the Association of Unit Owners if so directed by resolution of the Board of Directors or upon a Petition signed and presented to the Secretary by Owners owning not less than twenty-five percent (25%) of the Percentage Interests of all Owners. The notice of any special meeting shall state the time and place of meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Owners at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Owner of record, at such address as each Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 6. Adjournment of Meetings. If any meetings of the Association of Unit Owners cannot be held because a quorum is not present, Owners owning a majority of the Percentage Interests who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 8. Order of Business. The order of business at all annual meetings of the Association of Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof and notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of Officers.
- (e) Report of Board of Directors.
- (f) Reports of Committees.
- (g) Election of Inspectors of Election (when so required).
- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished business.
- (j) New Business.

Section 9. Title to Units. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as tenants by the entirety, or in the name of a Corporation or Partnership, or in the name of a fiduciary.

Section 10. Voting. Voting at all meetings of the Association of Unit Owners shall be on a percentage basis and the percentages of the vote to which each Owner is entitled shall be the Percentage Interest assigned to his Unit in the Declaration. Where the ownership of a Unit is in more than one person, then the person who shall be entitled to cast the vote of that Unit shall be the person named in a certificate signed by all of the Owners of the Unit and filed with the Secretary. Such certificate shall be valid until revoked by a subsequent certificate. Wherever the approval or disapproval of an Owner is required by the Unit Ownership Act, the Declaration or these Bylaws, such approval or disapproval shall only be made by the person who would be entitled to cast the vote for the Owner of such Unit at any meeting of the Association of Unit Owners. Except where a greater majority of the Owners is required by the unit Ownership Act, the Declaration, or these Bylaws, a majority of the Owners is required to adopt decisions at any meeting of the Association of Unit Owners. If the Developer or the Board of Directors, as the case may be, shall have the right at any meeting of the Association of Unit Owners to cast the votes to which such Unit is entitled.

Section 11. Proxies. A vote may be cast in person or by proxy. Proxies may be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

Section 12. Majority of Owners. As used in these Bylaws, the term "majority of the Owners" shall mean those Owners having more than fifty per cent (50%) of the aggregate Percentage Interests of all Owners.

Section 13. Conduct of Meeting. The President shall preside over all meetings of the Association of Unit Owners and the Secretary/Treasurer shall keep the minutes of the meeting and record in a minute book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. Roberts Rules of Order shall govern the conduct of all meetings of the Association of Unit Owners when not in conflict with the Declaration, these Bylaws or the Unit Ownership Act.

ARTICLE III

Board of Directors

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Directors of five (5) Directors, who must be members of the Association, except that those designated by the Developer, as Owner of Units, may be Officers or Directors of the Developer or such other persons as Developer may designate.

Section 2. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary

BOOK 1316 P 07-09

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for the administration of the affairs of the Condominium and may do all such acts and things as are not by the Unit Ownership Act or by these Bylaws directed to be exercised and done by the Association of Unit Owners. The Board of Directors shall have the power from time to time to adopt any Rules and Regulations deemed necessary for the enjoyment of the Condominium provided such Rules and Regulations shall not be in conflict with the Unit Ownership Act or the Declaration. The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the Managing Agent, if any, which might arise between meetings of the Board of Directors. In addition to the duties imposed by these Bylaws or by any resolution of the Association of Unit Owners that may hereafter be adopted, the Board of Directors shall have the power to, and be responsible for, the following:

(a) Preparation of an Annual Budget, in which there shall be established the contribution of each Owner to the Common Expenses.

(b) Making assessments against Owners to defray the costs and expenses of the Condominium, establishing the means and methods of collecting such assessments from the Owners, and establishing the period of the installment payment of the annual assessment for common expenses. Unless otherwise determined by the Board of Directors, the annual assessment against each Owner for his proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month. ✓

(c) Providing for the operation, care, upkeep, maintenance and surveillance of all of the Property and services of the Condominium.

(d) Designating, hiring and dismissing the personnel necessary for the maintenance, repair and replacement of the Common Areas and Facilities, and providing services for the Property, and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed the common property of the Owners.

(e) Collecting the assessments against the Owners, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to carry out the administration of the Property.

(f) Making and amending Rules and Regulations respecting the use of the Property.

(g) Acting as the Insurance Trustee in the manner provided by these Bylaws.

(h) Opening the bank accounts on behalf of the Condominium and designating the signatures required therefor.

(i) Purchasing or leasing or otherwise acquiring the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Owners, Units offered for sale or lease to the Board of Directors.

(j) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with Units

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acquired by, and subleasing Units leased by, the Board of Directors, or its designee, corporate or otherwise on behalf of all Owners.

(k) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Owners.

(l) Organizing corporations to act as designees of the Board of Directors in acquiring title to, or leasing, Units on behalf of all Owners.

(m) Making, or contracting for the making of, repairs, additions and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the other provisions of these Bylaws, after damage or destruction by fire or other casualty.

(n) Enforcing by legal means the provisions of the Declaration, these Bylaws and the Rules and Regulations for the use of the Property adopted by it, and bringing any proceedings which may be instituted on behalf of the Owners.

(o) Obtaining and carrying insurance against casualties and liabilities, as provided in ARTICLE VI of these Bylaws, and paying the premium cost thereof.

(p) Paying the cost of all services rendered to the Condominium and not billed to Owners of individual Units.

(q) Keeping books with detailed accounts in chronological order of the receipts and expenditures affecting the Property, and the administration of the Condominium, specifying the maintenance and repair expenses of the Common Areas and Facilities and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for the examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with good and accepted accounting practices, and the same shall be audited at least once a year by an outside auditor employed by the Board of Directors who shall not be a resident of the Condominium, or an Owner of a Unit therein. The cost of such audit shall be a Common Expense.)

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(r) The Board of Directors shall notify the mortgagee of any Unit of any default by the Owner of such Unit whenever requested in writing by such mortgagee to send such notice.

(s) To do such other things and acts not inconsistent with the Unit Ownership Act and with the Declaration which it may be authorized to do by a resolution of the Association.

Section 3. Managing Agent. The Board of Directors may employ for the Condominium a professional Managing Agent

BOOK 1316 P 0711
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at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including, but not limited to, the duties listed in paragraphs (a), (c), (d), (e), (m), (o), (r) and (s) of Section 2 of this ARTICLE III. The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in paragraphs (b), (f), (g), (h), (i), (j), (k), (l) and (n) of Section 2 of this ARTICLE III.

Section 4. Election and Term of Office. At the first annual meeting of the Association of Unit Owners, the term of office of two (2) members of the Board of Directors shall be fixed at three (3) years, the term of office of two (2) members of the Board of Directors shall be fixed at two (2) years and the term of office of one (1) member of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, his successor shall be elected to serve for the term of three (3) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association of Unit Owners.

Section 5. Removal of Members of the Board of Directors. At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Owners; and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and he shall be given the opportunity to be heard at the meeting. Notwithstanding anything in this Section to the contrary, so long as the Developer owns one (1) or more Units, no person selected and designated by the Developer as a member of the Board of Directors may be removed without the consent of the Developer and in such event the Developer shall select and designate his successor.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the Association of Unit Owners shall be filled by a vote of a majority of the remaining directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the directors present at such meeting may constitute less than a quorum; and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the next annual meeting of the Association of Unit Owners; provided, however, that the vacancy of any Director designated by the Developer pursuant to a right of the Developer to make such designation shall be filled by the Developer.

Section 7. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting of the Association of Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Association of Unit Owners at the meeting at which such Board of Directors shall have been elected; and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

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Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, by mail or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) business days' notice of each director, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting or special meeting. Special meetings of the Board of Directors shall be called by the President or Secretary/Treasurer in like manner and on like notice on the written request of at least two (2) directors.

Section 10. Waiver of Notice. Any director may, at any time, in writing, waive notice of any meeting of the Board of Directors; and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice by him of the time and place of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall obtain adequate Fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No director shall receive any compensation from the Condominium for acting as such; except that a director may be reimbursed for any actual expenses he incurs in performing any of his duties as Director.

Section 14. Conduct of Meetings. The president shall preside over all meetings of the Board of Directors and the Secretary/Treasurer shall keep a Minute Book of the Board of Directors recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. Roberts Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration, these Bylaws or the Unit Ownership Act.

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Section 15. Liability of the Board of Directors.

The members of the Board of Directors shall not be liable to the Owners for any mistake in judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the directors from and against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Owners unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Owners. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all of the Owners. Every agreement made by the Board of Directors or by the Managing Agent on behalf of the Owners shall, if obtainable, provide that the members of the Board of Directors, or the Managing Agent, as the case may be, are acting only as agents for the Owners and shall have no personal liability thereunder, shall be limited to such proportion of the total liability thereunder as his Percentage Interest bears to the Percentage Interests of all Owners.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President of the Secretary/Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors. Any other officers may be, but shall not be required to be, members of the Board of Directors.

Section 2. Election of Officers. The Officers of the Condominium shall be elected annually by the Board of Directors at the organization meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor may be elected at any regular meeting of the Board or Directors, or at any special meeting of the Board of Directors called for such purpose.

Section 4. President. The President shall be the chief executive of the Condominium. He shall preside at all meetings of the Association of Unit Owners and the Board of Directors. He shall have all of the general powers and duties which are incident to the Office of President of a stock corporation organized under the Business Corporation Act of the State of North Carolina, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors or by the President.

Section 6. Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Association of Unit Owners and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; he shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for preparation of all required financial data; he shall be responsible for the deposit of all monies and other valuable effects in the name of the Board of Directors or the Managing Agent in such depositories as may from time to time be designated by the Board of Directors; and he shall, in general, perform all the duties incident to the office of secretary and treasurer of a stock corporation organized under the Business Corporation Act of the State of North Carolina.

Section 7. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers of the Condominium or by such other person or persons as may be designated by the Board of Directors.

Section 8. Compensation of Officers. No officer shall receive compensation from the Condominium for acting as such.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Assessments Against Owners.

(a) Fiscal Year. The fiscal year of the Condominium shall consist of the twelve-month period commencing on _____ January 1 _____ of each year and terminating on _____ December 31 _____ of the following year.

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(b) Preparation of Approval of Budget. Each year on or before _____ December 15 _____, the Board of Directors shall adopt a budget for the Condominium containing an estimate of the total amount which it considers necessary to pay the cost of maintenance, management, operation, repair and replacement of the Common Areas and Facilities and those parts of the Units as to which it is the responsibility of the Board of Directors to maintain, repair and replace and the cost of wages, materials, insurance premiums, water and sewer charges, services, supplies, and other expenses that may be declared to be Common Expenses by the Declaration, the Act, these Bylaws or a Resolution of the Association of Unit Owners and which will be required during the ensuing fiscal year from the administration, operation, maintenance and repair of the Property and the rendering to the Owners of all related services. Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital for the Condominium, a general operating reserve and reserves for contingencies and replacements. The Board of Directors shall send to each Owner a copy of the budget, in a reasonably itemized form which sets forth the amount of the Common Expenses payable ~~BOOK~~

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by each Owner, on or before sixty (60) days preceding the fiscal year to which the budget applies. The said budget shall constitute the basis for determining each Owner's contribution for the Common Expenses of the Condominium.

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(c) Assessment and Payment of Common Expenses. The total amount of the estimated funds required for the operation of the Property set forth in the budget for the fiscal year adopted by the Board of Directors shall be assessed against each Owner in proportion to his respective Percentage Interest and shall be a lien against each Owner's Unit as provided in the Unit Ownership Act and ARTICLE IX, Section 2(a) of these Bylaws. Developer shall be considered to own only the individual interest in Common Areas and Facilities based upon Condominium Units which have been completed but not conveyed by Developer for purposes of assessing Common Expenses. On or before the first day of each fiscal year and the first day of each of the succeeding eleven (11) months in such fiscal year, each Owner shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board of Directors) ~~one-twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year and showing the net amount over or short of the actual expenditures plus reserves.~~ one-twelfth (1/12th) of the assessment for such fiscal year made pursuant to the foregoing provisions. Within sixty (60) days after the end of each fiscal year, the Board of Directors shall supply to all Owners an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year and showing the net amount over or short of the actual expenditures plus reserves.

Any amount accumulated in excess of the amount required for actual expenses and reserves shall, if the Board of Directors deems it advisable, be credited according to each Owner's Percentage Interest to the next monthly installments due from Owners under the current fiscal year's budget, until exhausted, and any net shortage shall, if the Board of Directors deems it advisable, be added according to each Owner's Percentage Interest in the installments due in the succeeding six (6) months after the rendering of the accounting.

(d) Reserves. The Board of Directors may build up and maintain reasonable reserves for working capital, operations, contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves. If the reserves are inadequate for any reason, including nonpayment of any Owner's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Owners according to their respective Percentage Interests and which may be payable in a lump sum or in installments as the Board of Directors may determine. The Board of Directors shall serve notice of any such further assessment on all Owners by a statement in writing, giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified, in the notice, become effective with the next monthly payment which is due more than ten (10) days after the delivery or mailing of such notice of further assessment. All Owners shall be obligated to pay the adjusted monthly amount or, if the additional assessment is not payable in installments, the amount of such assessment.

(e) Initial Assessment. When the first Board of Directors elected under these Bylaws takes office, it shall determine the budget, as defined in this Section, for the period commencing thirty (30) days after their election and ending at the end of the fiscal year in which their election

occurs. Assessments shall be levied against the Owners during said period as provided in paragraph (c) of this Section.

(f) Effect of Failure to Prepare or Adopt Budget.

The failure or delay of the Board of Directors to prepare or adopt the annual budget for any fiscal year shall not constitute a waiver or release in any manner of an Owner's obligation to pay his allocable share of the Common Expense as herein provided, whenever the same shall be determined; and in the absence of any annual budget or adjusted budget, each Owner shall continue to pay the monthly payment which is due more than ten (10) days after such new annual or adjusted budget shall have been mailed or delivered.

(g) Accounts. All sums collected by the Board of Directors with respect to assessments against the Owners may be commingled into a single fund, but shall be held for each Owner in accordance with his Percentage Interest.

Section 2. Payment of Common Expenses. All Owners shall be obligated to pay the Common Expenses assessed by the Board of Directors, pursuant to the provisions of Section 1 of this ARTICLE V. No Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of ARTICLE VIII of these Bylaws) of such Unit. The purchaser of a Unit shall be jointly and severally liable with the selling Owner for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the conveyance, without prejudice to the purchaser's right to recover from the selling Owner the amounts paid by the purchaser therefor; provided, however, that any such purchaser shall be entitled to a statement from the Board of Directors or Managing Agent setting forth the amount of the unpaid assessments against the selling Owner and such purchaser shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments in excess of the amount therein set forth; and provided, further, that if a mortgagee of a first mortgage of record or other purchaser of a Unit obtains title to the Unit as a result of foreclosure of a first mortgage, such purchaser, its successors and assigns shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale. Such unpaid share of Common Expenses assessed prior to the acquisition of title to such Unit by such purchaser pursuant to the foreclosure sale shall be deemed to be Common Expenses of the Unit, collectible from all Owners, including such purchaser at the foreclosure sale, in proportion to their respective Percentage Interests.

Section 3. Collection of Assessments. The Board of Directors shall promptly provide any Owner so requesting the same in writing, with a written statement of all unpaid assessments for Common Expenses due from such Owner.

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Section 5. Maintenance and Repair.

(a) By the Board of Directors. The Board of Directors shall be responsible for the maintenance, repair and replacement (unless necessitated by the negligence, misuse or neglect of an Owner, in which case such expense shall be charged to such Owner) of the following, the cost of which shall be charged to all Owners as a Common Expense:

(1) All of the Common Areas and Facilities, whether located inside or outside of the units.

(2) All exterior walls and exterior surfaces, the roof, party walls and all other portions of the Units which contribute to the support of any building such as the outside walls of a Building and all fixtures on the exterior thereof, the boundary wall of Units, floor slabs, floor joists and attached ceilings, corridor and Unit party walls, but excluding, however, any interior walls, interior ceilings and interior floors of Units.

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(3) The sanitary and storm sewer systems and appurtenances and all water and plumbing facilities and systems, that are deemed Common Areas and Facilities, and including all conduits, ducts, plumbing, wiring and other facilities for the furnishing of such utility services into two or more Units, but excluding therefrom all plumbing, fixtures, systems and parts thereof which are enjoyed by only a single Unit and are located solely within the boundary of an individual Unit; and including, all catch basins and television master antenna systems located outside the specific boundaries of any Unit; the roof and all roof drainage pipes, gutters and leaders.

(4) All incidental damage caused to any Unit by such work as may be done or caused to be done by the Board of Directors in accordance therewith.

(b) Except for the portions of his Unit required to be maintained, repaired and replaced by the Board of Directors, each Owner shall be responsible for the maintenance, repair and replacement, at his own expense, of his own individual Unit, including, but not limited to the following: any interior walls, the balcony, patio or deck which is adjacent to the Unit, ~~including kitchen and bathroom fixtures and equipment, refrigerator and range, lighting, heating and air conditioning unit, even though it is located totally outside the Unit and those parts of the plumbing system which are contained within his Unit.~~ Each Owner shall keep the interior of his Unit and its equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition and shall do all redecorating, painting and varnishing which may at any time be necessary to maintain the good appearance and condition of his Unit. In addition, each Owner shall be responsible for all damages to any and all other Units or to the Common Areas and Facilities resulting from his failure to make any of the repairs required to be made

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by him by this Section. Each Owner shall perform his responsibility in such manner as shall not unreasonably disturb or interfere with the other Owners. Each Owner shall promptly report to the Board of Directors or the Managing Agent any defect or need for repairs for which the Board of Directors is responsible.

(c) Manner of Repair and Replacement. All repairs and replacements shall be substantially similar to the original construction and installation and shall be of first-class quality. The method of approving payment vouchers for all repairs and replacements shall be determined by the Board of Directors.

Section 6. Balconies and Patios. A balcony or patio which is appurtenant to a Unit and to which such Unit has sole access shall be for the exclusive use of the Owner of such Unit. The Owner of such Unit shall keep such balcony or patio in a clean and sanitary condition and free and clear of snow, ice and any accumulation of water and shall also make all repairs thereto.

Section 7. Additions, Alterations or Improvements by Board of Directors. Whenever in the judgment of the Board of Directors the Common Areas and Facilities shall require the additions, alterations or improvements costing in excess of \$500.00 during any period of twelve (12) consecutive months and the making of such additions, alterations or improvements shall have been approved by a majority of the Owners, the Board of Directors shall proceed with such additions, alterations or improvements and shall assess all Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing \$500.00 or less during any period of twelve (12) consecutive months may be made by the Board of Directors without approval of the Owners and the cost thereof shall constitute part of the Common Expense. Notwithstanding the foregoing, if, in the opinion of not less than eighty per cent (80%) of the members of the Board of Directors, such additions, alterations or improvements are exclusively or substantially exclusively for the benefit of the Owner or Owners requesting the same, such requesting Owners shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportions as may be determined by the Board of Directors.

Section 8. Additions, Alterations or Improvements By Owners. No Owner shall make any structural addition, alteration or improvement in or to his Unit without the prior written consent thereto of the Board of Directors. The Board of Directors shall be obligated to answer any written request by any Owner for approval of a proposed structural addition, alteration or improvement in such Owner's Unit within thirty (30) days after such request, and its failure to do so within the stipulated time shall constitute a consent by the Board of Directors to the proposed addition, alteration or improvement. Any application to any governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Directors only, without, however, incurring any liability on the part of the Board of Directors or any of them to any contractor, subcontractor or materialman on account of such addition, alter-

BOOK 131680719

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ation or improvement or to any person having any claim for injury to person or damage to property arising therefrom. The provision of this Section 8 shall not apply to Units owned by the Developer until such Units shall have been initially sold by the Developer and conveyed to the new Owner.

Section 9. Use of Common Areas and Facilities.

An Owner shall not place or cause to be placed in the lobbies, vestibules, public halls, common stairways or other Common Areas and Common Facilities other than the Areas designated as storage areas, any furniture, packages or objects of any kind. The lobbies, vestibules, public halls and common stairways shall be used for no purpose other than for normal transit through them.

Section 10. Right of Access.

An Owner shall grant a right of access to his Unit to the Board of Directors or the Managing Agent or any other person authorized by the Board of Directors or the Managing Agent or any group of the foregoing for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or the Common Areas and Facilities or for the purpose of performing installations, alterations or repairs to the mechanical, electrical or television services or the Common Areas and Facilities in his Unit or elsewhere in the Property or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

Section 11. Rules and Regulations.

Rules and Regulations concerning the operation and use of the Common areas and Facilities and the Condominium in general may be promulgated and amended by the Board of Directors, provided that such Rules and Regulations are not contrary to or inconsistent with the Unit Ownership Act, the Declaration or the Bylaws. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Owner prior to the time when the same shall become effective.

Section 12. Water Charges and Sewer Rents.

Water shall be supplied to the Units and common areas and facilities through one or more meters and the Board of Directors shall pay, as a Common Expense, all charges for water so consumed, together, with all related sewer rents, if any, arising therefrom, promptly after the bills for the same shall have been rendered.

Section 13. Electricity and Gas.

Electricity shall be supplied by the public utility company serving the area directly to each Unit through a separate meter and each Owner shall be required to pay the bills for electricity consumed or used by his Unit. The electricity serving the Common Areas and Facilities shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in such portions of the Common Areas and Facilities as a Common Expense.

BOOK 1316P0720

Section 14. Parking Spaces. All parts of the Common Areas and Facilities identified as parking areas in Architectural Plans recorded simultaneously with the Declaration and these Bylaws shall be used by the Owners for self service parking purposes on a first-come, first-served basis. The cost of maintenance and repair of all parking areas shall be a Common Expense.

ARTICLE VI

Insurance

Section 1. Authority to Purchase. Except as otherwise provided in Section 3 of this ARTICLE VI, all insurance policies relating to the Property shall be purchased by the Board of Directors as Trustee for the Owners of the Units and their respective mortgagees, as their interest may appear, which insurance shall be governed by the following provisions:

(a) The Board of Directors shall obtain a single master policy covering physical damage for the entire Property for the benefit of the Association, the Unit Owners and their mortgagees, as their interests may appear; and provision shall be made for the issue of certificates or mortgagee endorsements to the mortgagees of the Unit Owners. The policy shall name the Board of Directors and Insurance Trustee designated in Section 4 of this ARTICLE as insured parties, with appropriate language to effectuate Section 1(b)(3) of this ARTICLE. The original of said policy and endorsements thereto shall be deposited with the Board of Directors and provision shall be made for duplicates thereof to be issued to each Unit Owner and his mortgagee, if any, upon request.

(b) In addition, the Board of Directors shall be required to make every effort to secure a master policy covering physical damage that will provide the following:

(1) That the insurer waives its rights of subrogation to any claims against the Board of Directors, the Managing Agent, the Owners and their respective agents; and, in the case of the Owners, the members of their own household.

(2) That the master policy may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to the insured and all mortgagees of Units. *WAT*

(3) That the net proceeds of such policies, shall be payable to the Board of Directors or such other Insurance Trustee as designated in Section 4 of this ARTICLE.

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1320P1772

BOOK 1316P0724

(4) That the master policy shall contain a standard mortgagee clause in favor of each mortgagee of Unit, which shall provide that the loss, if any, to a particular Unit shall be payable to such mortgagee and the Owner as their interests may appear, subject, however, to the loss payment and adjustment provisions in favor of the Board of Directors and the Insurance Trustee contained in Section 4 and Section 5 of this ARTICLE.

(c) All policies of insurance shall be written with a company licensed to do business in the State of North Carolina and holding a rating of "AAA" or better by Best's Insurance Reports.

(d) In no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners or their mortgagees, unless otherwise required by North Carolina or other applicable law or insurance regulations.

(e) Each Owner shall be required to notify the Board of Directors of all improvements made by the Owner to his Unit, the value of which is in excess of \$ 1,000.00.

(f) Any Owner who obtains individual insurance policies covering any portion of the Property, other than personal property belonging to such Owner, shall be required to file a copy of such individual policy or policies with the Board of Directors within thirty (30) days after the purchase of such insurance.

Section 2. Insurance Coverage.

(a) The Board of Directors shall be required to obtain and maintain the following insurance: (1) fire insurance with extended coverage, vandalism, malicious mischief and windstorm endorsements, insuring the entire Property (including all of the Units and the bathroom and kitchen fixtures initially installed therein by the Developer, but not including furniture, furnishings or other personal property supplied or installed by Owners), together with all air conditioning equipment and other service machinery appurtenant to a Unit and covering the interest of the Board of Directors and all Owners and their mortgagees, as their interests may appear, in an amount equal to the maximum insurable replacement value of the Property, without deduction for depreciation; (2) Workmen's compensation insurance if and to the extent necessary to meet the requirements of law; and (3) such other insurance as the Board of Directors may determine or as may be requested from time to time by a majority of the Owners.

BOOK 131 BOOK 722

1328P1773

(b) The Board of Directors shall also be required to obtain and maintain, to the extent obtainable, public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, insuring each member of the Board of Directors, the Managing Agent, and each Owner against any liability to the public or to the Owners, (and their invitees, agent and employees) arising out of, or incident to, the ownership and/or use of the Common Areas and Facilities. Said insurance shall be issued on a comprehensive liability basis and shall contain a cross liability endorsement under which the rights of a named insured under the policy shall not be prejudiced with respect to his action against another named insured. The Board of Directors shall review such limits once each year, but in no event shall insurance be less than two hundred thousand dollars (\$200,000.00) with respect to any one person and five hundred thousand dollars (\$500,000.00) with respect to any one accident or occurrence and fifty thousand dollars (\$50,000.00) with respect to any claim for property damage. It shall be the responsibility of each owner to obtain, at his own expense, liability insurance with respect to his ownership and/or use of his Unit; and the Board of Directors shall not be responsible for obtaining such insurance.

(c) A duplicate original of the master policy of physical damage insurance, all renewals thereof, and all subpolicies or certificates issued thereunder, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Directors shall obtain an appraisal from an insurance company or such other source as the Board of Directors may determine, of the full replacement value of the Property, without deduction for depreciation, for the purpose of determining the amount of physical damage insurance to be effected pursuant to this Section.

Section 3. Separate Insurance. Each Owner, at his own expense, shall keep in force comprehensive personal liability insurance for damage to person or property of other occurring within such Owner's Unit, another Unit or upon the Common Areas and Facilities, in such amounts as the Board of Directors from time to time determine, but in no case less than one hundred thousand dollars (\$100,000.00) for each occurrence. Each Owner shall have the right, at his own expense, to obtain insurance coverage upon his personal property. No Owner shall acquire or maintain any insurance coverage which will cause the insurance coverage maintained by the Board of Directors pursuant hereto to be brought into contribution with such insurance coverage obtained by the Owner.

Section 4. Insurance Trustee.

(a) So long as the Condominium shall exist, the Board of Directors shall be designated as the Insurance Trustee. If for any reason the Board of Directors

BOOK 1316-P-0723
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desire to be removed, shall fail, refuse or cease to act as such, the Board of Directors shall have the right to designate any bank, trust company, savings and loan association, building loan association, insurance company or any institutional lender as the Insurance Trustee, and all parties beneficially interested in such insurance coverage shall be bound thereby; provided, however, that prior to such designation of a new Insurance Trustee, the Board of Directors shall obtain the consent to such new Insurance Trustee of the mortgagee or mortgagees holding mortgages constituting first liens on at least fifty-one per cent (51%) of the number of Units in the Condominium encumbered by mortgages. The Insurance Trustee at the time of the deposit of such policies and endorsements shall acknowledge that the policies and any proceeds thereof will be held in accordance with the terms of these Bylaws.

(b) The Insurance Trustee shall not be liable for payment of premiums, the renewal of the policies, the sufficiency of coverage, the form or contents of the policies, the correctness of any amounts received by it on account of the proceeds of any insurance policies nor for the failure to collect any insurance proceeds. The sole duty of the Insurance Trustee shall be to receive such proceeds as are paid to and to hold the same in trust for the purpose elsewhere stated in these Bylaws, for the benefit of the Owners of the Units and their respective mortgagees.

Section 5. Board of Directors as Agent. The Board of Directors is hereby irrevocably appointed the Agent for each Owner of a Unit and for each mortgagee of a Unit and for each Owner of any other interest in the Property to adjust all claims arising under insurance policies purchased by the Board of Directors and to execute and deliver releases upon the payment of claims.

Section 6. Premium. Premiums upon all insurance policies purchased by the Board of Directors shall be deemed to be a Common Expense.

ARTICLE VII

Repair and Reconstruction

After Fire or Other Casualty

Section 1. When Repair and Reconstruction Are Required. In the event of damage to or destruction of all or any of the Buildings as a result of fire or other casualty (unless more than two-thirds (2/3) of the buildings are destroyed and at least three-fourths (3/4) of the Owners vote not to proceed with the reconstruction and repair of the Buildings), the Board of Directors shall arrange for and supervise the prompt repair and restoration of the Buildings (including any damaged Units and any floor covering or any kitchen or bathroom fixtures initially installed therein by the Developer, and replacements thereof installed by the

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Owners, but not including any other furniture, furnishings, fixtures or equipment installed by the Owners in the Units). Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of this own Unit.

Section 2. Procedure for Reconstruction and Repair.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any Building, the Board of Directors shall obtain a reliable and detailed estimate of the cost of repairing and restoring the Building (including any fixtures initially installed therein by the Developer and replacements thereof installed therein by the Developer and replacements thereof installed by the Owner but not including any other furniture, furnishings, fixtures or equipment installed by the Owner in the Unit) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Assessments. If the proceeds of insurance are not sufficient to defray the said estimated costs of reconstruction and repair as determined by the Board of Directors or if at any time during reconstruction and repair or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against all the Owners in proportion to the Owner's respective Percentage Interests.

(c) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the Plans and Specifications under which the Property was originally constructed.

(d) Encroachments. Encroachments upon or in favor of Units which may be created as a result of such reconstruction or repair shall not constitute a claim or basis for any proceeding or action by the Owner upon whose property such encroachment exists, provided that such reconstruction was substantially in accordance with the Architectural Plans under which the Property was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the reconstructed Building shall stand.

Section 3. Disbursements of Construction Funds.

(a) Construction Fund. The net proceeds of insurance collected on account of a casualty and the funds collected by the Board of Directors from assessments against Owners on account of such casualty shall constitute a construction fund which shall be disbursed in payment of the cost of reconstruction and repair in the manner set forth in this Section. The entire construction fund shall be disbursed by the Board of Directors as Insurance Trustee, or in the alternative, by the Insurance Trustee, if different from the Board of Directors.

BOOK 1316 P 07-25

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(b) Method of Disbursement. The construction fund shall be paid by the Board of Directors or the Insurance Trustee, as the case may be, in appropriate progress payments, to such contractors, suppliers and personnel engaged in performing the work or supplying materials or services for the repair and reconstruction of the Building as are designated by the Board of Directors.

(c) Surplus. It shall be presumed that the first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds; and if there is a balance in a construction fund after the payment of all of the costs of the reconstruction and repair for which the fund is established, such balance shall be distributed jointly to the Owners and their mortgagees who are the beneficial Owners of the fund, in proportion to the Owner's respective Percentage Interests. *WGA*

(d) Common Elements. When the damage is to both Common Areas and Facilities and Units, the insurance proceeds shall be applied first to the cost of repairing the Common Areas and Facilities and the balance to the cost of repairing the Units in the shares set forth above.

(e) Certificate. The Insurance Trustee shall be entitled to rely upon a certificate executed by the President or Vice President and the Secretary of the Condominium certifying (i) whether or not the damaged property is required to be reconstructed and repaired; (ii) the name of the payee and the amount to be paid with respect to disbursements from any construction fund held by it or whether surplus funds to be distributed are less than the assessments paid by the Owners; and (iii) all other matters concerning the holding and disbursing of any construction fund held by it. Any such certificate shall be delivered to the Insurance Trustee promptly after request.

Section 4. When Reconstruction is Not Required.

WGA If more than two-thirds (2/3) of the buildings are destroyed by fire or other casualty and at least three-fourths (3/4) of the Owners and at least three-fourths (3/4) of the mortgagees of Units in the Property, based upon one (1) vote for each mortgage owned, vote not to proceed with repair or restoration (i) the Property shall be deemed to be owned as tenants in common by the Unit Owners; (ii) the undivided interest in the Property owned by the Unit Owners as tenants in common which shall appertain to each Unit Owner shall be the Percentage Interest previously owned by such Owner in the Common Areas and Facilities; (iii) any liens affecting any of the Units shall be deemed to be transferred in accordance with the existing priorities to the Percentage Interest of the Unit Owner in the Property as provided herein; and (iv) the Property shall be subject to an action for partition at the suit of the Owner of any Unit, as if the Property

BOOK 1316P0726

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was owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund, and shall be divided by the Board of Directors or the Insurance Trustee, as the case may be, among the Owners of all the Units in proportion to their respective Percentage Interests, after first paying out of the shares of each Owner, to the extent sufficient for this purpose, the amount of any unpaid liens on his Unit, in order of the priority of such liens.

ARTICLE VIII

Mortgages of Units

Section 1. Notice to Board of Directors. An Owner who mortgages his Unit shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the Note and Mortgage with the Board of Directors.

Section 2. Notice of Unpaid Assessments for Common Expenses. The Board of Directors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid assessments for Common Expenses due from, or any other default by, the Owner of the mortgaged Unit, which is not cured within thirty (30) days from the date of the default.

Section 3. Notice of Default. The Board of Directors, when giving notice to an Owner of a default in paying an assessment for Common Expenses or any other default, shall send a copy of such notice to each holder of a mortgage covering such Owner's Unit whose name and address has theretofore been furnished to the Board of Directors.

WAT Section 4. Mortgagee's Right of Inspection. First mortgagees of Units shall have the right to examine the books and records of the Association of Unit Owners at all reasonable times.

Section 5. Mortgagee's Priority. Notwithstanding any other provision of these documents, no Unit Owner, or other party, shall have priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to Unit Owners of insurance proceeds or condemnation awards for losses or a taking of Condominium Units and/or Common Areas and Facilities.

ARTICLE IX

Compliance and Default

Section 1. Relief. Each Owner of a Unit shall be governed by, and shall comply with, all of the terms of the Declaration, these Bylaws and the Rules and Regulations and

BOOK 1316P0727

any amendments of the same. A default by an Owner shall entitle the Association of Unit Owners, acting through its Board of Directors or through the Managing Agent, to the following relief:

(a) Legal Proceedings. Failure to comply with any of the terms of the Declaration, these Bylaws and the Rules and Regulations shall be grounds for relief which may include, without limiting the same, an action to recover any sums due for money damages, injunctive relief, foreclosures of the lien for payment of all assessments, any other relief provided for in these Bylaws, or any combination thereof, and any other relief afforded by a Court of competent jurisdiction, all of which relief may be sought by the Association of Unit Owners, the Board of Directors, the Managing Agent, or, if appropriate by any aggrieved Owners.

(b) Additional Liability. Each Owner shall be liable for the expense of all maintenance, repair or replacement rendered by his act, neglect or carelessness or the act, neglect or carelessness of any member of his family or his employees, agents or licensees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation.

(c) Costs and Attorneys' Fees. In any proceeding arising out of any alleged default by an Owner, if the Association is the prevailing party, it shall be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be determined by the Court under the provisions of North Carolina General Statutes, Chapter 6, Section 21.2, or its then equivalent Section or any other Statutory Section allowing attorneys' fees in such matters.

(d) No Waiver of Rights. The failure of the Association of Unit Owners, the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration, these Bylaws, or the Rules and Regulations shall not constitute a waiver of the right of the Association of Unit Owners, the Board of Directors or the Owner to enforce such right, provision, covenant, or condition in the future. All rights, remedies and privileges granted to the Association of Unit Owners, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Declaration, these Bylaws or the Rules and Regulations shall be deemed to be cumulative; and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies nor shall it preclude the party exercising the same from exercising such privileges as may be granted to such party by the Declaration, these Bylaws or the Rules and Regulations

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Unit, as therein stated, shall be entitled to designate persons other than members of the Association as members of the Board of Directors; Section 10 of ARTICLE II, insofar as it provides that the Developer, so long as it is the Owner of one or more Units, may vote the votes appurtenant thereto; and this Section 1 of ARTICLE XI, however, may not be amended without the consent in writing of the Developer, so long as the Developer shall be the Owner of one or more units, whether built or not.

Section 2. Recording. A modification or amendment of these Bylaws shall become effective only if such modification or amendment is set forth in an amendment to the Declaration and recorded in the Office of the Register of Deeds in and for Forsyth County, North Carolina.

Section 3. Conflicts. No modification or amendment of these Bylaws may be adopted which shall be inconsistent with the provisions of the Unit Ownership Act, or the Declaration recorded herewith, as from time to time amended. If any conflict appears, the Declaration shall control over the Bylaws and the Bylaws over the Unit Ownership Act, except insofar as it is prohibited by the Unit Ownership Act. Any provisions of the Articles of Incorporation or the Bylaws of the Aspen Park Condominium, Section 1, which may be in conflict with these Bylaws, the Declaration or the Unit Ownership Act shall be superseded by the provisions of, in the following order: (1) the Declaration, (2) the Bylaws and (3) the Unit Ownership Act. A modification or amendment once adopted and recorded as provided for herein shall then constitute a part of the official Bylaws of the Condominium, and all Owners shall be bound to abide by such modification or amendment.

Section 4. Approval of Mortgagees. These Bylaws contain provisions concerning various rights, priorities, remedies and interest of the mortgagees of Units. Such provisions in these Bylaws are to be construed as covenants for the protection of the mortgagees on which they may rely in making loans secured by mortgages on the Units. Accordingly, no amendment or modification of these Bylaws impairing or affecting such right, priorities, remedies or interests of a mortgagee shall be adopted without the prior written consent of such mortgagee. If there is more than one mortgagee holding mortgages on the Units, it shall be sufficient to obtain the written consent of the mortgage or mortgagees holding mortgages on more than one-half (1/2) of the Units encumbered by mortgages.

BOOK 13168-0731

1320P1782

to sale pursuant to any judgment or order of any Court having jurisdiction over such sale. The plaintiff in such proceeding shall have the right to the appointment of a receiver, if available under the then laws of the State of North Carolina.

(d) Suit to recover a money judgment for unpaid contributions shall be maintainable without foreclosing or waiving the lien securing the same, and foreclosing shall be maintainable notwithstanding the pendency of any suit to recover a money judgment.

ARTICLE X

Miscellaneous

WAT Section 1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by registered or certified mail, ~~xxxxxx~~ return receipt requested, first-class postage prepaid, (i) if to an Owner, at the address which the Owner shall designate in writing and file with the Secretary/Treasurer, or if no such address is designated, at the address of the Unit of such Owner, or (ii) if to the Association of Unit Owners, the Board of Directors or the Managing Agent, at the principal office of the Managing Agent, or at such other address as shall be designated by notice in writing to the Owners, pursuant to this Section. *WAT*

Section 2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

ARTICLE XI

Amendments to Bylaws

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Section 1. Amendments. Except as otherwise provided in this Section, these Bylaws may be modified or amended by a vote of sixty-six and two-thirds per cent (66 2/3%) of the Owners at any regular or special meeting, provided that notice of the proposed amendment shall have been given to each Owner at least fourteen (14) days in advance of such meeting; provided, however, that Section 1 of ARTICLE III, insofar as it provides that the Developer, so long as it is the Owner of a

BOOK 1320P0730
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