

BYLAWS
OF

BRANDON RIDGE UNIT OWNERS' ASSOCIATION, INC.

a Corporation
under the Laws of the
State of North Carolina

ARTICLE I.

Identity

These are the Bylaws of BRANDON RIDGE UNIT OWNERS' ASSOCIATION, INC., a North Carolina nonprofit corporation, (the "Association"), the Articles of Incorporation (the "Articles") of which have been filed in the office of the North Carolina Secretary of State.

For purposes of these Bylaws, terms specifically defined in the Declaration of Brandon Ridge Condominium (the "Declaration") or in the North Carolina Condominium Act, Chapter 47C, North Carolina General Statutes (the "North Carolina Condominium Act" or the "Act"), shall have the same meaning herein.

ARTICLE II.

Qualifications and Responsibilities

of Members

2.1. Members. Each Unit Owner shall be a member of the Association, and shall remain a member until he ceases to be a Unit Owner.

2.2. More Than One Owner. When there is more than one Unit Owner of a Unit, all such persons shall be members of the Association.

2.3. Registration. It shall be the duty of each Unit Owner to register his name and the number of his Unit with the Secretary of the Association. If a Unit Owner does not so register, the Association shall be under no obligation to recognize his membership.

2.4. Prohibition of Assignment. The interest of a member in the Association assets cannot be transferred or encumbered except as an appurtenance to his Unit.

ARTICLE III.

Members' Meetings and Voting

3.1. Place. Meetings of the members shall be held at the registered office of the Association, or such other place within Durham County, North Carolina as may be designated from time to time by the Board.

3.2. Annual Meeting. The members shall meet at least once each year as specified in the notice of such meeting given pursuant to Section 3.4. At each annual meeting the members shall elect members of the Executive Board ("Directors") and may transact any other business properly coming before them.

3.3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Executive Board, and shall be called and held within thirty (30) days after written request therefor signed by members of the Association entitled to cast at least twenty percent (20%) of the total votes in the Association is delivered to any officer or Director of the

Association. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

3.4. Notices. Notice of all meetings of the members, stating the time and place, and accompanied by a complete agenda thereof, shall be given by the President or Secretary to each member. Such notice shall be in writing, and shall be hand delivered or sent by United States mail to the members at the addresses of their respective Units and to other addresses as any member may have designated in writing to the President or Secretary, not less than ten (10) nor more than fifty (50) days in advance of any meeting. If applicable, such notice shall also state the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a Director or officer.

3.5. Quorum; Adjournment if no Quorum. A quorum shall consist of members present, in person or by proxy, entitled to cast at least twenty percent (20%) of the total votes in the Association. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present.

3.6. Votes; Association Shall Not Vote. The total votes in the Association are allocated to Units by the Declaration. The votes allocated to a Unit may be cast by the Unit Owner of that Unit. When there is more than one Unit Owner of a Unit, the votes for that Unit shall be cast as they shall determine. The votes allocated to a Unit shall not be split but shall be voted as a single whole. When there is more than one Unit Owner of a

Unit and only one of the multiple Unit Owners is present at a meeting of the Association, he shall be entitled to cast all the votes allocated to that Unit. If more than one of the multiple Unit Owners are present, the votes allocated to that Unit shall be cast in accordance with the agreement of a majority in interest of the multiple Unit Owners. Majority agreement is conclusively presumed if any one of the multiple Unit Owners casts the votes allocated to that Unit without protest being made promptly by any of the other Owners of the Unit to the person presiding over the meeting. The Association shall not be entitled to cast the votes allocated to any Unit owned by it.

3.7. Manner of Casting Votes. Votes may be cast in person or by proxy. A proxy must be in writing, be dated, be signed by all Unit Owners of the Unit the votes of which are subject to the proxy, be given only to another member, and be filed with the Secretary before the meeting. A proxy may not be revoked except by written notice of revocation signed by all Unit Owners signing the proxy to be revoked, which notice must be delivered to the person presiding over a meeting of the Association. A proxy terminates one year after its date, unless an earlier termination is specified in the proxy.

3.8. Required Votes. All questions shall be decided by a majority of the votes cast on the question, unless the provisions of applicable law, the Declaration or these Bylaws require a greater vote.

3.9. Action by Members Without Meeting. Any action that may be taken at a meeting of the members, may be taken without a meeting if such action is authorized in a writing setting forth the action taken and is signed by all members, or if such action is taken in any other manner permitted by law.

3.10. Prohibition of Cumulative Voting. There shall be no cumulative voting.

ARTICLE IV.

Directors

4.1. First Executive Board. The first Executive Board shall consist of the three (3) persons whose names are set forth in the Articles, and successors to any thereof elected by the members.

4.2. Number and Qualifications of Directors. The Executive Board shall consist of no less than three (3) nor more than five (5) natural persons, as determined at any annual meeting by the members. Each Director shall be a Unit Owner or the individual nominee of a Unit Owner which is other than a natural person.

4.3. Election of Directors. At the first annual meeting of the members, and at each subsequent annual meeting, the members shall elect the Directors by a majority of the votes cast.

4.4. Term. The terms of the Directors shall be staggered so that at least one (1) but not more than three (3) Directors are elected at any one meeting and so that no Director's term is less than one (1) year nor more than three (3) years. The Directors shall establish rules to implement the provisions of this

section. Once elected, a Director shall hold office until his successor has been duly elected and has qualified.

4.5. Removal. Any Director (other than a Director appointed by the Declarant of the Condominium) may be removed, with or without cause, by a vote of the Unit Owners entitled to cast at least sixty-seven percent (67%) of the votes of all persons present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, and a successor may then be elected by the members to serve for the balance of the removed Director's term.

4.6 Vacancies. Any vacancy in the Executive Board arising by death or resignation of a Director shall be filled by act of the remaining Directors, whether or not constituting a quorum, and a Director so elected shall serve for the unexpired term of his predecessor in office.

4.7. Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone, or telegraph, at least seventy-two (72) hours prior to the meeting.

4.8. Special Meetings. Special meetings of the Executive Board may be called by the President and shall be called by the President or the Secretary and held within ten (10) days after written request therefor signed by two (2) Directors is delivered to any other Director or the President or the Secretary. Not

less than seventy-two (72) hours' notice of such special meeting shall be given personally or by mail, telephone, or telegraph to each Director; provided that in case the President or any Director determines that an emergency exists, a special meeting may be called by giving such notice as is possible under the circumstances. All notices of a special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except that which is stated in the notice thereof.

4.9. Quorum; Adjournment if No Quorum. A majority of the Executive Board shall constitute a quorum for the transaction of business at any meeting of the Executive Board. If a quorum is not present, the meeting shall be adjourned from time to time until a quorum is present. The signing by a Director of the minutes of a meeting shall constitute the presence of such Director at that meeting for the purpose of determining a quorum.

4.10. Manner of Acting. Each Director shall be entitled to one (1) vote. The act of a majority of the Directors present at a meeting shall constitute the act of the Executive Board unless the act of a greater number is required by the provisions of applicable law, the Declaration or these Bylaws.

4.11. Executive Board Action Without Meeting. Any action that may be taken at a meeting of the Executive Board may be taken without a meeting if such action is authorized in a writing, setting forth the action taken, signed by all Directors.

4.12 Compensation of Directors Restricted. Directors shall receive no compensation for their services, but may be paid for out-of-pocket expenses incurred in the performance of their duties as Directors.

4.13. Powers and Duties of Executive Board. All of the powers and duties of the Association shall be exercised by the Executive Board, including those existing under the common law, applicable statutes, the Act, the Declaration, the Articles, and these Bylaws, as any thereof may from time to time be amended. Such powers and duties shall be exercised in accordance with the provisions of applicable law, the Declaration, the Articles, and these Bylaws, and shall include, but not be limited to, the following:

(a) To prepare and provide to members annually, a report containing at least the following:

(i) A statement of any capital expenditures in excess of twenty percent (20%) of the current budget or Two Thousand Five Hundred (\$2,500.00) Dollars, whichever is greater, anticipated by the Association during the current year or next succeeding five (5) fiscal years.

(ii) A statement of the status and amount of any reserve or replacement fund and any portion of the fund designated for any specified project by the Executive Board.

(iii) A statement of the financial condition of the Association for the last fiscal year including, without limitation, a balance sheet and a statement of receipts and expenditures.

(iv) A statement of the status of any pending suits or judgments in which the Association is a party.

(v) A statement of the insurance coverage provided by the Association.

(vi) A statement of any past due and unpaid assessments payable to the Association, identifying the Unit and the amount of the unpaid assessment.

(b) To adopt and amend budgets and to determine, and collect, assessments to pay the Common Expenses.

(c) To regulate the use of, and to maintain, repair, replace, modify and improve the Common Elements.

(d) To adopt and amend rules and regulations and to establish reasonable penalties for infraction thereof.

(e) To enforce the provisions of the Declaration, the Articles, these Bylaws, the Act, and rules and regulations by all legal means.

(f) To hire and terminate managing agents and to delegate to such agents such powers and duties as the Executive Board shall determine, except such as are specifically required by the Declaration, the Articles, these Bylaws, or the Act, to be done by the Executive Board or the members. Notwithstanding the foregoing, the

Property, including each Unit, shall at all times be managed by a single managing agent. The single managing agent shall not have authority to lease any part of a Unit without the approval of the Unit Owner.

(g) To hire and terminate agents and independent contractors.

(h) To institute, defend, intervene in, or settle any litigation or administrative proceedings in its own name on behalf of itself or two (2) or more Unit Owners on matters affecting the Condominium, the Common Elements, or more than one Unit.

(i) To establish from time to time, reserve accounts for any purpose.

(j) To buy Units, in foreclosure of a lien for assessments, or at any other time or for any other reason, and to sell, lease, mortgage, and otherwise deal in Units from time to time owned by the Association.

(k) To impose and receive payments, fees and charges for the use, rental or operation of the Common Elements other than the Limited Common Elements, except for elevators, stairways, hallways and other portions of the Common Elements which provide access to the Units.

(l) To grant leases, licenses, concessions and easements through and over the Common Elements.

(m) To impose and collect reasonable charges, including reasonable costs and attorneys' fees, for the evaluation,

preparation and recordation of amendments to the Declaration, resale statements required by Section 47C-4-109 of the Act, or statements of unpaid assessments.

(n) To provide for indemnification of the Association's officers and Directors and maintain Officers' and Directors' liability insurance.

(o) To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, these Bylaws, or the rules and regulations, all as provided in Section 47C-3-107A of the Act.

(p) To perform any Function as defined and set forth in the Declaration.

ARTICLE V.

Officers

5.1. Designation of Officers. The officers of this Association shall be a President, a Vice President, a Secretary, and a Treasurer. Each officer shall be a Unit Owner or the individual nominee of a Unit Owner which is other than a natural person. A person may hold one or more of such offices at one time, except that the President and the Vice President shall not at the same time hold another office in the Association. The Executive Board may elect an assistant treasurer, an assistant secretary and such other officers as in its judgment may be necessary.

5.2. Election of Officers. Officers of the Association shall be elected by the Executive Board. Election shall be held annually at the first meeting of the Executive Board held after the annual meeting of the members, except that the first Executive Board shall elect officers as soon as practicable after filing of the Declaration.

5.3. Term. Each officer shall serve until his successor has been duly elected and has qualified.

5.4. Removal. Any officer may be removed, with or without cause, and without notice, by the Executive Board.

5.5. Vacancy. Any vacancy in any office shall be filled by the Executive Board, and an officer elected to fill a vacancy shall serve for the unexpired term of his predecessor in office.

5.6. Powers and Duties of Officers.

(a) President. The President shall be the chief executive officer of the Association; shall have all of the powers and duties incident to the office of a president of a corporation, including, but not limited to, the duty to preside at all meetings of the Executive Board and of the members, and the general supervision of officers in the management of the business and affairs of the Association; and shall see that all actions and resolutions of the Executive Board are carried into effect.

(b) Vice President. The Vice President shall perform such duties of the President as shall be assigned to him by

the President, and in the absence of the President shall perform the duties and functions of the President.

(c) Secretary. The Secretary shall keep the minutes of all meetings and actions of the Executive Board and of the members; shall give all required notices to the Directors and members; shall keep the records of the Association, except those kept by the Treasurer; shall perform all other duties incident to the office of a secretary of a corporation; and shall perform such other duties required by the Executive Board or the President.

(d) Treasurer. The Treasurer shall have custody of all intangible property of the Association, including funds, securities, and evidences of indebtedness; shall keep the books of the Association in accordance with generally accepted accounting principles, and, upon request, shall submit them, together with all vouchers, receipts, records, and other papers to the Executive Board for examination and approval; shall deposit all moneys and other valuable effects in insured depositories designated by the Executive Board; shall disburse funds of the Association as directed by the Executive Board; and shall perform all other duties incident to the office of a treasurer of a corporation.

5.7. Execution of Agreements, etc. All agreements, deeds, mortgages, deeds of trust, contracts or other instruments shall be executed by the President or the Vice President, and attested by the Secretary or Assistant Secretary. The Secretary shall

prepare, certify and record amendments to the Declaration on behalf of the Association, which amendments shall be executed in accordance with the foregoing provision.

5.8. Compensation of Officers Restricted. No officer shall be compensated for his services in such capacity, but may be reimbursed for out-of-pocket expenses incurred in performing his duties.

ARTICLE VI.

Indemnification of Directors and Officers

The Association shall indemnify such persons, for such expenses and liabilities, in such manner, under such circumstances, and to such extent, as permitted by Sections 55A17.1, -17.2, and -17.3 of the North Carolina General Statutes, as now enacted or hereafter amended.

ARTICLE VII.

Fiscal Management

7.1. Depository. The Executive Board shall designate an insured depository for the funds of the Association, and may change such depository to another insured depository. Withdrawal of funds from such depository shall be only by checks signed by any two (2) officers of the Association, or any other persons authorized by the Executive Board.

7.2. Fidelity Bonds. Fidelity bonds shall be maintained by the Association, in an amount determined by the Executive Board, covering each Director and officer of the Association, any

employee or agent of the Association and any other person, handling or responsible for handling funds of the Association.

7.3. Payment Vouchers. Payment vouchers shall be approved by the Executive Board, provided that the Executive Board may delegate such authority to any officer or managing agent of the Association.

7.4. Annual Audit. An audit of the accounts of the Association shall be made annually by an independent certified public accountant, and a copy of the report shall be furnished to each member not later than the 120th day of the year following the year for which the report is made.

7.5. Fiscal Year. The fiscal year of the Association shall be the calendar year.

ARTICLE VIII.

Assessments

8.1. Obligation of Members to Pay Assessments; Amount of Levy. Until the Association levies a Common Expense assessment, Declarant shall pay all accrued expenses of the Condominium. Thereafter, each Unit Owner shall be personally and severally liable for the Common Expenses that are levied against his Unit while a Unit Owner. Each Unit shall be assessed in accordance with that Unit's percentage of Common Expenses as allocated by the Declaration, as amended.

8.2. Allocation of Common Surplus. Any common surplus, including funds in reserve accounts, may be allocated to each Unit in accordance with its percentage of Common Expenses, and,

if allocated, shall be owned by the Unit Owner of that Unit, and, if allocated, may be paid to the Unit Owner or credited against that Unit's share of Common Expenses subsequently assessed.

8.3. Preparation of Budget and Levying of Assessment. For each fiscal year, beginning with the fiscal year beginning January 1, 1988, the Executive Board shall prepare and adopt a proposed budget, including therein estimates of the amount necessary to pay the Common Expenses, together with amounts considered necessary by the Executive Board for reserves. Within thirty (30) days after adoption of each such proposed budget, the Executive Board shall provide each member with a copy, and shall give each member notice of the assessment made against that member's Unit based upon such budget and the interest to be charged on delinquent payments thereof. Within thirty (30) days after the adoption of the proposed budget, the Executive Board shall set a date for a meeting of the members to consider ratification of the proposed budget, which date shall be not less than fourteen (14) days nor more than thirty (30) days after providing the proposed budget to the members. No quorum for the meeting of members for the purposes of consideration of ratification of the proposed budget shall be imposed or required. The budget is ratified unless a majority of all members rejects the budget, in which event the last ratified budget shall continue in effect until such time as the members ratify a subsequent budget proposed by the Executive Board. The

assessment shall be deemed levied upon the ratification of the budget.

8.4. Lien For Assessments. Any assessment levied against a Unit which remains unpaid for a period of thirty (30) days or longer shall constitute a lien on that Unit when filed of record in the Office of the Clerk of Superior Court of the county in which the Unit is located, and such lien may be foreclosed, all as provided in Section 47C-3-116 of the North Carolina General Statutes. Such lien shall be prior to all other liens and encumbrances on the Unit except (i) liens and encumbrances (specifically including, but not limited to, a mortgage or deed of trust on the Unit) recorded before the docketing of the lien for assessments in the Office of the Clerk of Superior Court, and (ii) liens for real estate taxes and other governmental assessments or charges against the Unit.

8.5. Payment of Assessments. Assessments shall be payable when notice thereof is given, but shall not be delinquent if paid at the times and in the amounts specified by the Executive Board in the notice of assessment. Except for special assessments, 1/12th of the assessment shall be paid on or before the first day of each month of the fiscal year of the Association. Payments shall be made to the Association, or as the Executive Board may from time to time otherwise direct.

8.6. Funds and Reserves. All sums collected by the Association from assessments shall be accounted for as follows:

(a) Reserve Fund for Repairs and Replacements. To this fund shall be credited all sums collected for the purpose of effecting repairs and replacements of structural elements and mechanical equipment, and other Common Elements, of the Condominium.

(b) General Operating Reserve Fund. To this fund shall be credited all sums collected to provide a reserve for purposes of providing a measure of financial stability during period of special stress, and may be used to meet deficiencies from time to time as a result of delinquent payments of assessments and other contingencies.

(c) Maintenance Fund. To this fund shall be credited collections of assessments for all Common Expenses for the current year as well as common profits and surplus from the previous year, and not to be credited to either of the above reserve funds.

(d) Working Capital Fund. All funds, if any, received by the Association for the initial working capital fund of the Association, to defray unforeseen expenses and/or the cost of additional equipment or services deemed necessary or desirable by the Board, shall be maintained in and segregated in this fund for the use and benefit of the Association.

The above funds shall be established by the Executive Board and shall be funded by regular installments rather than by extraordinary special assessments. The reserve funds described

above shall be maintained in such amounts as deemed necessary or desirable by the Executive Board. To the extent maintained, funds therein shall be held in such accounts, and with such insured depositories as the Executive Board, in its discretion, selects.

8.7. Special Assessments. In addition to the assessments levied pursuant to Section 8.3, the Executive Board, in its discretion, and subject to the requirements of Article IX of the Declaration, may levy special assessments at such other and additional times as in its judgment are required for:

(a) Maintenance, repair, restoration and reconstruction of the Common Elements, and operation of the Condominium.

(b) Alterations, improvements, and additions to the Common Elements' provided, however, that any such special assessment involving an expenditure in excess of Two Thousand Five Hundred Dollars (\$2,500.00) shall be first approved by the members entitled to cast at least fifty-one percent (51%) of the total votes in the Association at a regular or special meeting of the Association.

(c) Payment of costs and expenses incurred in curing defaults pursuant to Sections 10.1 and 10.3 hereof. Special assessments made pursuant to this Section shall be a Common Expense, shall be deemed levied upon notice thereof being given to the members subject to such special

assessment, and shall be payable as determined by the Board and as set out in such notice.

8.9. Common Expenses Associated With Limited Common Elements Or Benefiting Less Than All Units.

(a) Any Common Expense associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.

(b) In addition, the Association may assess any item of Common Expenses benefiting less than all of the Units against the Units benefited in the proportion that their Common Expense liabilities bear to each other.

8.10. Failure To Prepare Budget And Levy Annual Assessment: Deficiencies in Procedure. The failure or delay of the Executive Board in preparing any proposed budget, or the failure of the Unit Owners to ratify any proposed budget shall not constitute a waiver or release of the members' obligation to pay assessments whenever the same shall be determined and levied by due action. Until a new assessment is levied pursuant to Section 8.3, each member shall continue to pay the assessment then previously levied pursuant to Section 8.3 in the same amount and at the same periodic times as levied. Also, any non-material deficiencies or inadequacies in the procedure followed by the Executive Board in levying an assessment shall not in any way affect its validity or the obligation of members to pay such assessment.

8.10. Assessment Roll; Certificate. All assessments shall be set forth upon a roll of the Units, which shall be available in the office of the Association for inspection at all reasonable times by members and Security Holders, and their duly authorized representatives. Such roll shall include, for each Unit, the name and address of the member or members, all assessments levied, and the amount of all assessments unpaid. The Association, upon written request, shall furnish to a Unit Owner, or his authorized agent, a recordable statement setting forth the amount of unpaid assessments currently levied against his Unit. The statement shall be furnished within 7 business days after receipt of the request and shall be binding upon the Association and all Unit Owners. A reasonable fee may be charged by the Board for such statement.

8.11. Interest on Delinquent Assessments. Assessments, or installments thereof, paid before they become delinquent, shall not bear interest, but all delinquent sums shall bear interest at the rate set forth in the notice levying the assessment, not exceeding the rate of interest allowed by the Act, from the date delinquent until paid. If no interest rate is set forth in such notice, such interest rate shall be the maximum allowed by the Act. All payments upon account shall be applied first to interest and then to the assessment, or installment thereof, longest delinquent. All such interest shall have the same priority as the assessment on which such interest accrues.

8.12. Common Expenses. Common Expenses shall mean and include all sums declared Common Expenses by the Act, or by any specific provision of these Bylaws or the Declaration, and shall include, without limitation, the following: real estate taxes, and other governmental assessments or charges against the Property until the Units are separately assessed; premiums for any and all insurance maintained by the Association, including any deductible or coinsurance amount not covered by insurance; utility charges not charged directly to Unit Owners; legal and accounting fees; costs and expenses incurred in connection with any litigation or administrative proceeding pursuant to Section 4.13(h) hereof; deficits remaining from any prior assessment period; the cost, including fees and interest, incurred in connection with any borrowing done by the Association; the cost of all fidelity bonds; costs imposed upon the Association or any part of the Common Elements or the Property by, or incurred by the Association as a result of the performance, enforcement or amendment of, any agreement or easement to which the Association is a party or to which the Common Elements or Property, or any part of either thereof, is or may be subject; amounts determined necessary for reserve funds; and indemnity payments made by the Association pursuant to Article VI hereof.

ARTICLE IX.

Compliance. Enforcement, Fines and Penalties

9.1. Default and Remedies. A default in or failure to

comply with any of the terms, conditions, obligations, and provisions of the Act, the Declaration, these Bylaws, the Articles, or the rules and regulations, as the same may be amended from time to time, by the Declarant of the Condominium or any other person or entity subject to the Act, shall give to any person or entity adversely affected by such default or failure a claim for appropriate relief.

9.2. Notice of Default and Failure to Cure. In the event of any default or failure by a Unit Owner, the Executive Board shall serve upon or mail to the defaulting Unit Owner, and to each First Mortgagee of that Unit Owner's Unit when required under Section Article 16 of the Declaration, a written notice specifying the nature of the default, the cure thereof, and the time within which the cure shall be effected. Within the time limit specified in the notice, the defaulting Unit Owner may cure the default specified. If the defaulting Unit Owner (i) does not cure the default within the time limit specified in the original notice of default given pursuant to this Section, or (ii) fails to cure the default (to the extent not waived by the Executive Board) within the extended time, if any, granted by the Executive Board in its discretion, then the Executive Board shall serve upon or mail to the defaulting member, and to each such First Mortgagee which was entitled to notice of the default as above provided, a written notice of such member's failure to effect a cure, and the Executive Board may then proceed to take such action as it deems necessary to obtain relief.

9.3. Remedy of Abatement in Addition to Other Remedies. In the event a member fails to effect the cure specified by the Board within the time period set out in (i) or (ii) of Section 9.2. hereof, whichever is applicable, where the default is a structure, thing, or condition existing in or on the premises of the member's Unit, the Board, or its duly authorized representative, shall have the right to enter upon the premises of the member's Unit in which, on which, or as to which, such default exists, and summarily to abate and remove, at the defaulting member's expense (and levy an assessment therefor), the structure, thing, or condition constituting the default, and the Board, the Association, and their agents, employees, and representatives shall not thereby be deemed guilty of any manner of trespass.

9.4. Nonwaiver of Covenants. The failure of the Association or of any member thereof to enforce any term, provision, right, covenant, or condition that may be granted by the Declaration, these Bylaws, the Articles, the rules and regulations or the Act, as the same may from time to time be amended, shall not constitute a waiver or abrogation of the right of the Association or a member to enforce such term, provision, right, covenant, or condition in the future, irrespective of the number of violations or breaches thereof that may have occurred.

9.5. Liens for Assessments. Liens for assessments shall be enforced pursuant to Article VIII hereof and not pursuant to this Article IX.

ARTICLE X.

Amendment

An amendment to these Bylaws shall be made and approved in the manner, and shall be subject to the same restrictions relative to requiring prior written consent of First Mortgagees, as set forth in Article 16 of the Declaration, and once made, shall become effective when recorded in the same manner and place as an amendment to the Declaration.

ARTICLE XI.

General Provisions

11.1. Rules and Regulations.

(a) By the Executive Board. The Executive Board, including the first Executive Board, may promulgate from time to time such rules and regulations as it deems reasonable and necessary governing the administration, management, operation, and use of the Common Elements so as to promote the common use and enjoyment thereof by Unit Owners and occupants of units and for the protection and preservation thereof. In addition, the Executive Board may adopt such rules and regulations as it deems reasonable and necessary with respect to Units to provide for the common good and enjoyment of all Unit Owners and occupants of Units, including, without limitation, the right to adopt such rules and regulations with reference to tenants and leases. In no event shall any rules or regulations be inconsistent or materially more restrictive than the

provisions contained in the Declaration and these Bylaws with respect to leases or tenants.

(b) By the Association. Any such rule or regulation adopted by the Executive Board may be amended, modified, or revoked, and new and additional rules and regulations may be adopted, by members at an annual or special meeting of the members. Any such act of the members shall control over any contrary rule or regulation then or thereafter adopted by the Executive Board.

(c) Uniform Application. All rules and regulations shall be equally and uniformly applicable to all Unit Owners and occupants of Units.

(d) Copies Furnished. Copies of all such rules and regulations and any amendments thereto shall be furnished to all members, and a copy shall be posted or otherwise made available to members at the office of the Association.

(e) Rules Hereby Established.

(i) No Unit Owner or occupant of a Unit shall erect any signs within his Unit or within the Common Elements which are visible from outside the Unit. The exterior linings or surfaces of all window coverings shall be white or such other color selected by the Association, so that the exterior appearance of the building is uniform. Access to the Common Elements and the Units shall be subject to reasonable security measures adopted by the Association.

(ii) Any lease of all or any part of a Unit shall contain a covenant by the lessee to abide by the terms and conditions of the Declaration and these Bylaws and a failure by the lessee to so abide shall be a default thereunder.

11.2. Parliamentary Authority. Robert's Rules of Order, Newly Revised, shall govern the conduct of Association proceedings when not in conflict with the Declaration, these Bylaws, the Articles, the Act, or any statutes of the State of North Carolina applicable thereto. The person presiding at a meeting shall have the authority to appoint a parliamentarian.

11.3. Compliance With The Act; Conflict; Severability. These Bylaws are established in compliance with the Act, as amended. Should any of the terms, conditions, provisions, paragraphs, or clauses of these Bylaws conflict with any of the provisions of said Act, the provisions of said Act shall control unless the Act permits these Bylaws to override the Act, in which event these Bylaws shall control. In the case of any conflict between the provisions of these Bylaws and the Declaration, the Declaration shall control. If any term, provision, limitation, paragraph, or clause of these Bylaws, or the application thereof to any person or circumstance, is judicially held to be invalid, such determination shall not affect the enforceability, validity, or effect of the remainder of these Bylaws, or the application thereof to any other person or circumstance.

11.4 Waiver of Notice. Whenever any notice is required to be given to any member or Director under the provisions of the Act, the Nonprofit Corporation Act, the Declaration, the Charter of the corporation or these Bylaws, a waiver thereof in writing signed by the person, persons or entity entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

11.5 Governing Law. These Bylaws shall be governed by, and construed and interpreted in accordance with, the laws of the State of North Carolina.

BYLAWS OF BRANDON RIDGE CONDOMINIUM UNIT OWNERS' ASSOCIATION, INC.

The undersigned, being the Secretary and keeper of the official records of Brandon Ridge Condominium Unit Owners' Association, Inc. does hereby certify that this is a true and correct copy of the Bylaws adopted for the corporation at the organizational meeting held on the _____ day of _____

[Corporate Seal]

Zephrosah M. Bliger
Secretary

ADOPTED the _____ day of _____, 19____.

ATTEST: _____
Secretary of Organizational
Meeting

de:T04387A

APPENDIX - D

Initial Association Budget

This Budget was prepared by W. Whitfield Morrow, President of Fraser Residential Properties, Inc.

Budget Assumptions

1. This budget assumes that all 156 units in the first thirteen phases are in the condominium. There is no other assumption as to occupancy. As a matter of practicality, this budget will have to be phased along with each building Phase.
2. The reserve for replacement calculation assumes a 5% annual inflation.
3. Roofing will have to be replaced in twenty years, and roof exhaust fans in 15 years. The exterior of the building will have to be repainted every 5 years.
4. Assessments for one bedroom units were set at \$58 per unit, for two bedroom units at \$67 per unit.
5. For additional assumptions, see attached FNMA Form 1073A.

Budget Summary

1. An amount set at \$9,547.20 is included in the budget for reserves, for building maintenance, \$617.76 for parking area maintenance and \$26,208 for gardening and yard maintenance.
2. Other reserves totalling \$15,855.84 have been included for resurfacing of streets, parking, sidewalks, roofing, roof exhaust fans and exterior painting.

THE ESTIMATED ALLOCATION OF MONTHLY ASSOCIATION FEES BY TYPES OF UNIT IS AS FOLLOWS:

	<u>1 BR</u>	<u>2 BR</u>
Administration, legal accounting	6.50	6.50
Electricity in common areas	2.50	2.50
Building maintenance, general	4.70	5.20
Parking maintenance	.33	.33
Landscaping	9.00	9.00
Common land tax	1.50	1.50
Insurance - Liability	2.50	2.50
- Comprehensive	8.50	8.50
Water and sewer (estimated)	13.00	19.00
Reserve - Parking	2.00	2.00
Reserve - Roof	1.50	1.50
Reserve - Roof Fans	.21	.21
Reserve - Painting	4.76	4.76
Reserve - Miscellaneous	<u>1.00</u>	<u>1.00</u>
	58.00	67.00

