

**BYLAWS
OF
KELTON SQUARE CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is KELTON SQUARE CONDOMINIUM ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be located at 1000 Kelton Cottage Way, Morrisville NC 27560, but meetings of the Members and Directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.

**ARTICLE II
DEFINITIONS**

The following are the definitions of words and terms used in the "Declaration of Condominium for Kelton Square Condominiums" (hereinafter referred to as the "Declaration"), which words and terms shall have the same definitions when used in these Bylaws as they have when used in the Declaration.

1. "Allocated Interests" means the undivided interest in the Common Elements, the Common Expense Liability and the votes in the Association allocated to each Unit as shown on Exhibit A to the Declaration.

2. "Association" or "Unit Owners' Association" means that non-profit corporation, the name of which shall be KELTON SQUARE CONDOMINIUM ASSOCIATION, INC., organized or to be organized under Chapter 55A of the North Carolina General Statutes (the "North Carolina Nonprofit Corporation Act") for the purpose of managing the Common Elements of the Condominium as specified in the Declaration and the other Governing Documents.

3. **"Board of Directors", "Directors", "Board" or "Executive Board"** means those persons elected or appointed and acting collectively as the Directors of the Association and on behalf of the Association, as prescribed in its Governing Documents .

4. **"Building"** means a structure constructed or erected on the Property which contains one or more Condominium Units.

5. **"Bylaws"** means these Bylaws of the Association as they now or hereafter exist.

6. **"Common Elements "** means all portions of the Condominium other than the Condominium Units.

7. **"Common Expenses"** means expenditures made by, or financial liabilities of, the Association, together with any allocations to reserves, including, but not limited to, all of the following:

- a. All sums lawfully assessed against the Unit Owners by the Association;
- b. Expenses of administration, improvement, maintenance, repair, or replacement of the Common Elements, including incurred by the Association for managing agents, accountants and attorneys;
- c. Expenses agreed upon as Common Expenses by the Unit Owners;
- d. Expenses declared to be Common Expenses by then provisions of the Governing Documents;
- e. Hazard, and such other insurance premiums as the Governing Documents require or authorize the Association to purchase;
- f. Ad valorem property taxes and public assessments levied against the Common Elements not otherwise assessed against the Units, except for any

such taxes and assessments levied against any portion of the Common Elements for which the Declarant has reserved any Development Rights (which taxes and assessments shall be levied against the Declarant);

g. Any utilities which are Common Expenses as determined by the Association;

8. "**Common Expense Liability**" means the liability *for* Common Expenses allocated to each Unit.

9. "**Common Surplus**" means all funds and other assets of the Association, including excess receipts of the Association from assessments, rents, profits and revenues from whatever source, that are in excess of the Common Expenses.

10. "**Condominium**" means all Property (as described on Exhibit A to the Declaration), which consists of all of the Condominium Units, the Common Elements (including Limited Common Elements) and appurtenances thereto and improvements thereon.

11. "**Condominium Unit**" or "**Unit**" means each of the separate identified Units which are designated in the Declaration, which Units together constitute the portion of the Property designated for separate ownership or occupancy.

12. "**Declarant**" means the named Declarant in the Declaration, and its successors and assigns to whom any of its rights hereunder are expressly transferred, in whole or in part, or any Person who succeeds to any Special Declarant Right.

13. "**Declarant Control Period**" or "**Period of Declarant Control**" means the period commencing on the date hereof and continuing until the earlier of:

a. 120 days after conveyance of seventy-five percent (75%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than a Declarant; or

- b. Two years after Declarant shall have ceased to offer Units for sale in ordinary course of business; or
- c. Two years after any Development Rights to add new Units was last exercised; or
- d. Declarant's voluntary surrender of the Declarant Control Period.

14. **"Declaration"** means the "Declaration of Condominium for Kelton Square Condominiums" recorded in the Wake County , North Carolina Registry in Book 8421, Page 1044, and including all duly adopted amendments thereto.

15. **"Development Rights"** means those rights, if any, reserved by Declarant to add real estate to the Condominium, to create additional Units, Common Elements or Limited Common Elements within the Condominium, to subdivide Units, to convert Units unto Common Elements, to withdraw any part of the Property from the Condominium, or other rights as may be provided in the North Carolina Condominium Act, all as reserved in the Declaration.

16. **"Governing Documents"** means the North Carolina Condominium Act, the North Carolina Nonprofit Corporation Act, the Declaration, and the Articles of Incorporation and Bylaws of the Association, as the same may be amended from time to time. The terms and provisions of the Governing Documents are incorporated by reference as if fully set out herein.

17. **"Lessee"** means any person entitled to present possession of a Unit, as a lessee, sublessee or assignee of a lessee or sublessee.

18. **"Institutional Lender" or "Institutional Lenders"** means the Federal National Mortgage Association, Government National Mortgage Association, Veteran's Administration, Federal Housing Authority , United States Department of Housing and Urban Development, banks, savings and loan association, insurance companies, or other reputable mortgage lenders.

19. "**Limited Common Elements**" are certain portions of the Common Elements allocated or reserved by the Declaration for the exclusive use of one or more, but fewer than all, of the Condominium Units. Limited Common Elements and the Condominium Units to which they are reserved are described as follows:

- a. Any chute, flue, duct, wire, conduit, bearing wall, bearing column or other fixture which lies partially within and partially outside a Unit Boundary and which serves only that Unit are Limited Common Elements allocated exclusively to that Unit. Any of the foregoing which lies partially within and partially outside a Unit Boundary and serves more than one Unit is a Common Element.
- b. Any shutter, awnings, window boxes, doorsteps, stoops, decks, porches, balconies, patios, all exterior doors, exterior glass surface, windows, door frames, thresholds, heating, ventilation and air conditioning equipment, and other fixtures designed to serve a single Unit, but located outside the Unit Boundary of that Unit.
- c. Any pipe, wire, wiring, conduit, electrical circuit, panel or switch, plumbing equipment or apparatus, junction box, switch box, drain, water line or pipe, sewer line or pipe, water heater or utility meter designed to serve a single Unit but located either wholly or partly outside of the Unit Boundary of that Unit, are Limited Common Elements allocated to that Unit.
- d. Any air handling ducts or drains, condenser, ducts, drains or components, whether for heating or cooling, designed to serve a single Unit but located either wholly or partly outside of the Unit Boundary of that Unit, are Limited Common Elements allocated to that Unit.
- e. Any assigned underground parking spaces and storage facilities.
- f. Any non-load bearing walls entirely within a Unit.

The cost of maintenance, repair and replacement of each Limited Common Element (except for the painting of the exterior surface of the exterior window frames, exterior doors, exterior door frames and exterior door thresholds, which is

the maintenance responsibility of the Association) shall be the responsibility of the Owner, or if more than one, Owners, of the Unit or Units to which it is allocated, on an equal basis .

No Limited Common Element may be altered or reallocated without the unanimous consent of all Unit Owners whose Units are affected. Any Unit Owners who reallocate a Limited Common Element among themselves shall first seek and obtain approval from the Board of Directors. Any reallocation of a Limited Common Element, upon approval by the Board, shall be evidenced by an amendment to the Declaration executed by the Unit Owners affected by the Association, which amendment shall become effective only upon recordation. The Unit Owners affected by the reallocation shall pay the cost and expense of preparation and recordation of the amendment. The form and substance of the 'amendment shall be first approved by the Board of Directors or the Association's attorney.

Common Elements not designated or allocated as Limited Common Elements may not be so allocated to Unit Owners except upon written unanimous consent of all Unit Owners in the Condominium. Any such allocation shall be evidenced by a recorded amendment as set forth above.

20. **"Majority" or "Majority of Unit Owners"** means the Owners of more than fifty percent (50%) of the aggregate Allocated Interests in the Common Elements as established by the Declaration (which, for the Declaration, also means the Owners to whom more than 50% of the votes in the Association are allocated).

21. **"Mortgage"** means a mortgage or deed of trust.

22. **"Mortgagee"** means a mortgagee or beneficiary of a Mortgage, or the current owner and holder of a promissory note and mortgage or deed of trust which describes a Unit or Units as the security property .

23. **"North Carolina Condominium Act" or "Act"** means the provisions of Chapter 47C of the North Carolina General Statutes as the same now exists or hereafter may be amended, or any new enactment in substitution or replacement thereof, as the same by law may be applied to this Condominium.

24. **"Person"** means any natural person, corporation, partnership, limited liability company, association, business trust, estate, trust, joint venture, governmental subdivision or agency, or other legal or commercial entity.

25. **"Plans" or "Plat and Plans"** means the plans of the Building and Property filed in the Condominium File in the Office of the Register of Deeds of Wake County, North Carolina. The Plans are incorporated by reference as if fully set out herein.

26. **"Property"** means the real property described on Exhibit A to the Declaration, together with the buildings, structures and improvements thereon or hereafter constructed thereon and all easements, rights, privileges and appurtenances belonging thereto, or in any way pertaining thereto, which is herein subjected to the provision of the North Carolina Condominium Act.

27. **"Recordation" or "Date of Recordation" or "Recorded"** means the date on which a document, plat or other instrument is recorded in the public registry of Wake County, North Carolina.

28. **"Special Declarant Rights"** means those rights, including Development Rights, permitted by the North Carolina Condominium Act and specified in the Declaration.

29. **"Unit Boundary" or "Condominium Unit Boundary"** means the perimeter boundary of a Unit, both as to vertical and horizontal planes, defined as follows: the undecorated interior surfaces of the perimeter walls of the Unit, the undecorated interior surfaces of the exterior doors and windows of a Unit, the undecorated interior surface of the ceiling (or bottom of the rafters or steel ceiling joists) of a Unit and the topmost surfaces of the sub flooring (or concrete slab if there is no sub flooring) of a Unit, and include the decoration on all such interior and topmost surfaces, including, without limitation, all paneling tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the decorated surfaces thereof.

30. **"Unit Designation"** means the identifying number, letter, or

combination thereof designating a Condominium Unit and set forth in the Declaration.

31. **"Unit Owners" or "Owners"** means Declarant or any other Person, or any combination thereof, who owns a Condominium Unit, but excludes any Person having an interest in a Unit solely as security for an obligation.

Although the words and terms in the foregoing definitions begin with capital letters, the definitions also shall apply in these Bylaws when such words or terms appear without beginning with capital letters, unless the context in which such words or terms are used clearly defines them otherwise.

ARTICLE III **MEMBERSHIP AND VOTING** **RIGHTS**

Section 1. **Members.** The Owner or Owners of each Condominium Unit shall automatically become Members of the Association upon acquisition of any ownership interest in title to any Condominium Unit and its appurtenant Allocated Interest in the Common Elements, and the membership of such Owner or Owners shall terminate automatically upon such Owner or Owners being divested of that ownership interest in the title to such Condominium Unit, regardless of the means by which such ownership is divested. No person holding any lien, mortgage or other encumbrance upon any Condominium Unit shall be entitled, by virtue of such lien, mortgage or other encumbrance, to membership in the Association or to any of the rights or privileges of such membership.

Section 2. **Votes in the Association.** The total number of votes in the Association is one hundred (100), and the votes in the Association allocated to each Unit is set forth on Exhibit A attached hereto and incorporated by reference, which votes have been allocated in accordance with the Allocated Interest in the Common Elements allocated to each Unit. Therefore, if the Allocated Interest in the Common Elements for a Unit is 4.167 %, that unit has 4.167 votes in the Association. Upon any changes in the number of units in the Condominium, the votes in the Association for each Unit existing following such change shall be reallocated in accordance with the reallocated percentage Allocated Interest in the Common Elements for that Unit.

Section 3. **Multiple Owners.** If only one of the multiple Owners of a Condominium Unit is present (in person or by proxy) at a duly constituted meeting of the Association, that Owner is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners are present the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. Majority agreement is conclusively presumed if anyone of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of that Unit.

When these By laws or any other Governing Document requires or authorizes the Owners (Members) of the Association to take any action by executing an agreement or ratification thereof for recordation, the agreement shall be valid only when all the Owners of each Unit whose Owners are required to execute the agreement have executed the agreement or a ratification thereof.

Section 4. **Association as Unit Owner.** The Association shall not be entitled to cast any votes allocated to any Unit owned by the Association. When the Association owns a Unit or Units, for the purpose of determining quorums at meetings of the Association and determining the requisite percentage of votes of the Members of the Association that must be cast to adopt any action being voted upon, the votes allocated to the Unit or Units owned by the Association shall not be counted or considered. When the Governing Documents allow an action to be taken by agreement of Unit Owners, agreement by the Association is required when the action affects the Unit or Units owned by the Association and the agreement of less than all of the Unit Owners is required, but agreement by the Association is not required where such action requires the agreement of all of the Unit Owners.

, Section 5. **Register of Members.** The Association shall at all times maintain a Register setting forth the names and current mailing addresses of the Owners of all of the Condominium Units. In the event of the sale or transfer of any Condominium Unit to a third party, the purchaser or transferee shall notify the Association in writing of the interest acquired in such Condominium Unit, together

with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired the interest in any Condominium Unit. It shall be the continuing duty of each Owner of Unit to furnish the Association with its current mailing address and telephone numbers.

Section 6. **Notice.** Unless specifically required otherwise herein, whenever written notice to an Owner (including Declarant) is required or authorized hereunder, such notice may be given by the mailing of same, postage prepaid, to the address of such Owner appearing on the records of the Association. If notice is given in such manner, such notice shall be conclusively deemed to have been given by placing same in the United States mail properly addressed, with postage prepaid, whether received by the addressee or not. It shall be the duty of each Owner to keep the Association informed of such Owner's current mailing address and telephone number. If an Owner has not provided the Association with the Owner's current mailing address the Association may use the street address of such Owner's Unit for that Owners' mailing address. When a Unit is owned by more than one Owner, notice shall be given to each Owner in the foregoing manner (except that, one notice addressed to both Owners may be given when the ownership interest in the Unit is owned by spouses). Any notice required or authorized by the Declaration to be given to the Association may also be given in the foregoing manner either to the Association or to its managing agent.

Section 7. **Prohibition of Assignment.** the interest of a Member in the Association assets cannot be transferred or encumbered except as an appurtenance to such Member's Unit.

ARTICLE IV **MEETINGS OF MEMBERS**

Section 1. **Annual Meetings.** The first annual meeting of the Members shall be held within eighteen (18) months from the date of incorporation of the Association, and each subsequent regular meeting of the Members shall be held in the same month of each year thereafter at such time as the Board of Directors may prescribe.

Section 2. **Special Meetings.** Special meetings of the Association may be called at any time by the President of the Association, by a majority of the Board of Directors, or upon written request to the Board from Unit Owners having ten percent (10 %) or more of the votes in the Association.

Section 3. **Notice of Meetings.** Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Association, by hand delivering or mailing a copy of such notice, by United States mail, postage prepaid, to the mailing address of the Unit Owner as shown in the Register of Members maintained by the Association (or to the street address of that Owner's Unit if the Owner has not provided the Association with such Owner's mailing address), not less than ten (10) days nor more than fifty (50) days in advance of any meeting. Such notice shall specify the time and place of the meeting and the items on the meeting agenda, including the general nature of any proposed amendment to the Declaration, the Articles of Incorporation or these Bylaws, any budget changes, and any proposal to remove a director or officer. Waiver by a Member in writing of the notice required herein, signed by the Member before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. **Quorum.** Except as specifically required otherwise by any of the Governing Documents, a quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) or more of the votes in the Association are present, either in person or by duly executed and currently valid proxy, at the beginning of the meeting. If, however, such quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting (unless otherwise required by applicable law), until a quorum as aforesaid is present or represented.

Section 5. **Proxies.** At all meetings of Members, votes allocated to a Unit may be cast pursuant to a proxy executed by a Unit Owner. If a Unit is owned by more than one Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by written notice of revocation delivered to the person presiding over a meeting of the Association. A proxy is void if it is not in writing, dated and signed by the Person giving the proxy. A proxy terminates one year after its date, unless it specifies a

shorter term. Every proxy terminates upon conveyance by the Unit Owner who has executed same of such Unit Owner's ownership interest in the Unit.

Section 6. **Place of Meeting.** Meetings of the Members shall be held at such place in Wake County, North Carolina, as is from time to time determined by the Board, or, if the Board has not determined a place for meetings of the Members, at the principal office of the Association.

Section 7. **Required Votes.** All questions shall be decided by a Majority of the votes of the Members cast on the question, unless otherwise required by specific provisions of any of the Governing Documents.

Section 8. **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 signed by all of the Members of the Association entitled to vote, or if such action is permitted to be taken in any other manner permitted by law.

Section 9. **Cumulative Voting Prohibited** There shall be no cumulative voting.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. **Number.** The affairs of this Association shall be managed by a Board of Directors who need not be Members of the Association. Provided, a majority of the directors must be Unit Owners or natural persons who are shareholders, officers or directors of corporate Unit Owners, members or managers of limited liability company Unit Owners, limited or general partners of partnership Unit Owners, or employees of Unit Owners. The Board of Directors shall consist of not less than three (3) natural persons and not more natural persons than equal the total number of Units in the Condominium. The number of directors on the initial Board shall be three (3), and that shall be the number of directors until otherwise determined by the Members at any annual meeting.

Section 2. **Election.** The initial Board shall be appointed by the incorporator of the Association as provided under the North Carolina Nonprofit Corporation Act. At the first annual meeting of the Members of the Association, and at each subsequent annual meeting, the Members shall elect the directors by a Majority of the votes cast in the election.

Section 3. **Term of Office.** The terms of the directors shall be staggered so that at least one (1) but not more than three (3) directors are elected 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 or the director has resigned or been removed from office.

Section 4. **Removal.** Any director may be removed from the Board, with or without cause, by a Majority vote of the Members of the Association, at a special meeting of the Association called for such purpose. In the event of the removal of a director, his successor shall be elected by the Members and shall serve for the unexpired term of the removed director's term.

Section 5. **Vacancy.** Any vacancy in the 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 or appointed shall serve for the unexpired term of his predecessor in office.

Section 6. **Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined by a majority of the directors. The Secretary of the Association shall give notice of regular meetings to each director, personally, or by mail, telephone, telegraph, facsimile transmission or overnight courier service, at least seventy-two (72) hours in advance of the meeting. Any director who does not receive such notice, but who attends the meeting, shall be deemed to have waived this notice requirement, unless, prior to the first vote on any matter taken at such meeting that director objects to the meeting on the grounds that he has not received the required notice, in which event the meeting shall be adjourned to a later date and the required notice given.

Section 7. **Special Meetings.** Special meetings of the Board may be called by the President of the Association, and shall be called by the President or the Secretary of the Association and held within ten (10) days after written request therefor signed by any two (2) directors is delivered to the President or the Secretary. The Secretary of the Association shall give notice of special meetings to each director, personally, or by mail, telephone, telegraph, facsimile transmission or overnight courier service, at least seventy-two (72) hours in advance of the meeting. The notice shall state the time, place and purpose of the special meeting, and, without the unanimous consent of all the directors of the Association, no business shall be transacted at a special meeting except that which is stated in the notice thereof. Any director who does not receive such notice, but who attends the meeting, shall be deemed to have waived this notice requirement, unless, prior to the first vote on any matter taken at such meeting, that director objects to the meeting on the grounds that he has not received the required notice, in which event the meeting shall be adjourned to a later date and the required notice given. In the event that an emergency exists, a special meeting may be called by giving such notice as is reasonably possible under the circumstances.

Section 8. **Place of Meeting.** Unless otherwise agreed to by all of the directors, meetings of the Board shall be held at such place in Wake County , North Carolina, as is from time to time determined by the Board, or, if the Board has not determined a place for its meetings, at the principal office of the Association.

Section 9. **Quorum.** A quorum is deemed present throughout any duly called meeting of the Board if a majority of the Board is present at the beginning of the meeting. If, however, such quorum is not present or represented at any meeting of the Board, the directors present thereof shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting (unless otherwise required by applicable law), until a quorum as aforesaid is present.

Section 10. **Manner of Acting.** Each director shall have one (1) vote at each instance at which a vote is taken. Voting by proxy shall not be allowed. The act of a majority of the directors present at a duly called meeting shall constitute the act of the Board unless the act of a greater number of directors is required by the provisions of applicable law or the Governing Documents.

Section 11. **Action Without Meeting.** Any action that may be taken at a meeting of the Board may be taken without a meeting if such action is authorized in a writing that sets forth the action taken and is signed by all of the directors .

Section 12; **Compensation.** No director shall receive compensation for any service rendered to the Association as a director. However, any director may be reimbursed for actual expenses incurred in performance of the director's duties.

Section 13. **Declarant Control.** Notwithstanding anything to the contrary that is contained in these Bylaws, during the Period of Declarant Control the Declarant, subject to the provisions of Section 47C-3-1 03(e) of the North Carolina Condominium Act, has the right to appoint the directors to the Board, subject to the following: at all times during the Period of Declarant Control, not less than one (1) director shall be elected by Unit Owners (excluding the Association) other than Declarant. And further provided, following the end of the Period of Declarant Control, for such time thereafter as the Declarant has enough votes in the Association to elect all of the directors, not less than one (1) director shall be elected by Unit Owners (excluding the Association) other than Declarant.

Section 14. **Powers and Duties of the Board.** All of the powers and duties of the Association shall be exercised by the Board, including those existing under the common law, applicable statutes and the Governing Documents, as any thereof may from time to time be amended, and such powers and duties shall be exercised in accordance with the provisions of applicable law and the Governing Documents, and shall include, but not be limited to, the following:

- a. To prepare and provide to Members annually, upon written request therefor, a report containing at least the following :
 1. A statement of any capital expenditures in excess of two (2 %) percent of the current budget or Five Thousand (\$5,000) Dollars, whichever is greater, anticipated by the Association during the current year or succeeding two (2) fiscal years .
 11. 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 Board.

- iii. A statement of the financial condition of the Association for the last fiscal year.
- 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 unpaid assessments payable to the Association identifying the Unit and the amount of the 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 for the Condominium and to establish reasonable penalties for infraction thereof.
- e. To enforce the provisions of the Governing Documents and the Association's rules and regulations by all legal means, including injunction and recovery of monetary penalties.
- f. To hire and terminate managing agents and to delegate to such agents such powers and duties as the Board shall determine, except such as are specifically required by the Governing Documents, to be done by the Board or the Members. A managing agent shall not have authority to lease any part of a Unit without the approval of that 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.

1. To establish and dissolve and liquidate, from time to time, reserve accounts for any purpose authorized by the Governing Documents.
- J . As allowed by the Governing Documents, to borrow money for the maintenance, repair, replacement, modification or improvement of Common Elements and to pledge and pay assessments and any and all other revenue and income, for such purpose.
- k. To buy Units, in foreclosure of an assessment lien, 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.
- l. 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.
- m. To grant leases, licenses, concessions and easements through and over the Common Elements.
- n. To impose and collect reasonable charges, including reasonable costs and attorneys' fees, for the evaluation, preparation and recordation of amendments of the Declaration, or certificates of unpaid assessments, or other matters for which the Association is authorized to charge such fees under the provisions of the Governing Documents.
- o. To provide for indemnification of the Association's officers and directors and maintain officers and directors liability insurance.
- p. To impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Governing Documents or the rules and regulations of the Association.

ARTICLES VI
OFFICERS AND THEIR DUTIES

Section 1. **Enumeration of Officers.** The officers of this Association shall be a president and one vice-president, both of whom shall at all times be members of the Board, a secretary, a treasurer and such other officers as the Board may from time to time by resolution create. Except as expressly provided herein, officers shall not be required to be members of the Board.

Section 2. **Election of Officers.** The officers of the Association shall be elected by the Board of Directors at its first meeting following each annual meeting of the Members.

Section 3. **Term: Compensation.** The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or otherwise be disqualified to serve. No officer shall receive compensation for services rendered in such capacity to the Association; provided, however, that an officer may be reimbursed for actual expenses incurred in the performance of such duties.

Section 4. **Special Appointments.** The Board may elect or appoint such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the replaced officer.

Section 7. **Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 4 of this Article .

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

- a. **President.** The president shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all check and promissory notes (provided, however, the President may delegate his or her duty to co-sign all check of the Association to a professional management company employed to manage the Association.)
- b. **Vice-President.** The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. **Secretary.** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such duties as required by the Board.
- d. **Treasurer.**

Please see Amendment below

ARTICLE VII **BOOKS AND RECORDS**

The books, records and papers of the Association shall at all times, during

reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE VIII
ASSESSMENTS

Assessments for Common Expenses shall be established levied, collected and paid as provided in the Declaration.

ARTICLES IX
CORPORATE SEAL

The Association shall have a corporate seal and/or stamp in circular form having within its circumference the words of the name of the Association and such other words as are approved by the Board.

ARTICLE X
AMENDMENTS

Section 1. **Amendments by Members.** These Bylaws may be amended, at a regular or special meeting of the Members, by the affirmative vote of the Members having sixty-seven percent {67%} or more of the votes in the Association. Provided, however, and notwithstanding anything to the contrary appearing herein, the following sections of these Bylaws may be amended only at a regular or special meeting of the Members by the affirmative vote of the Members having one hundred percent (100 %) of the votes in the Association: Article V, Section 13.

Section 2. **Amendments by Declarant.** In addition to the foregoing, and notwithstanding anything to the contrary that may appear herein, during the Period of Declarant Control, Declarant may at any time and from time to time, and following the Period of Declarant Control, the Board may at any time and from time to time, amend or modify these Bylaws without obtaining the consent or approval of the Members or any other Person or entity if such amendment or modification is necessary for anyone or more of the following purposes; to conform to the requirements of any law or governmental agency having legal jurisdiction over the Condominium, to qualify or maintain the Association for tax exempt status as a nonprofit corporation under the laws of the United States and the State of North Carolina; to qualify the Condominium or any Units therein for mortgage or improvement loans made or insured by Federal National Mortgage Association, Veteran ' s Administration, United States Department of Housing and Urban Development, Government National Mortgage Association, Federal Housing Authority or any governmental agency; to comply with the requirements of law or regulations of any similar corporation or agency regarding purchase of Mortgage interests in Units by such entity; or to correct obvious typographical errors.

Section 3. **Amendment by Amendment to Declaration or Articles.** In addition to the foregoing methods of amending these Bylaws, if a provision of the Declaration or Articles is amended and prior to such amendment, there is an identical provision in these Bylaws, then the identical provision contained in these Bylaws shall be deemed amended to conform to the corresponding amended provision of the Declaration or Articles.

ARTICLE XI
MISCELLANEOUS

Section 1. **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association and end on December 31 of the year of incorporation.

Section 2. **Titles.** The titles, headings, and captions which have been used throughout these Bylaws are for convenience only and are not to be used in construing these Bylaws or any part thereof.

Section 3. **Number and Gender.** Whenever the context of these Bylaws requires, the singular shall include the plural and one gender shall include all.

Section 4. **Parliamentary Authority.** Robert's Rule of Order, Newly Revised (or any newer edition), shall govern the conduct of Association proceedings when not in conflict with the Governing Documents. The chairman of any meeting shall have the authority to appoint a parliamentarian.

Section 5. **Severability.** If any term, provision, limitation, paragraph, section 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.

Section 6. **Amendment of Declaration.** The method of amending the Declaration, and the officers of the Association who may prepare, execute, certify and record amendments to the Declaration, are specified in the Declaration.

Section 7. **Conflicts.** These Bylaws shall be subject to the provision of applicable law and shall be construed in accordance therewith and with the Governing Documents. In the case of any conflict between the provisions of the other Governing Documents and these Bylaws, the other Governing Documents shall control.

**BYLAW AMENDMENT 12/8/2015
KELTON SQUARE CONDOMINIUM ASSOCIATION, INC.**

To replace:

**ARTICLE VI
OFFICERS AND THEIR DUTIES**

Section 8.

d. **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association (provided, however, the Treasurer may delegate his or her duty to co-sign all checks of the Association to a professional management company employed to manage the Association); keep proper books of account; cause an annual audit of the Association's books to be made by an independent public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

With:

**ARTICLE VI
OFFICERS AND THEIR DUTIES**

Section 8.

d. **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association (provided, however, the Treasurer may delegate his or her duty to co-sign all checks of the Association to a professional management company employed to manage the Association); keep proper books of account; **cause an audit or formal review of the Association's books to be made by an independent public accountant at the Board of Directors discretion or as otherwise required by the provisions of NC Condominium Statutes 47C-3-118;** and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.