

BYLAWS  
OF  
UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS  
UNITOWNERS ASSOCIATION, INC.

ARTICLE I

GENERAL

1. Name and Location. The name of the Association is UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS UNITOWNERS ASSOCIATION, INC.. The principal office of the Association shall be located at 142 MINE LAKE COURT, RALEIGH, WAKE COUNTY, NORTH CAROLINA 27615, or at such other place as may be subsequently designated by the Board of Directors of the Association.
2. Applicability. The provisions of these Bylaws are binding on all owners of units in UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS (herein called "condominium project"), their tenants, guests, invitees, agents, employees, grantees, successors and assigns.
3. Fiscal Year. The fiscal year of the Association shall be the calendar year.
4. Definitions. The definitions of the terms used herein shall be the same as the definitions set forth in the Declaration, to which these Bylaws are attached.

ARTICLE II

MEMBERSHIP

Every owner of a unit shall be a member of the Association and membership in the Association shall be limited to unit owners.

ARTICLE III

MEETINGS OF MEMBERSHIP

1. Place. All meetings of members shall be held at such place as may be designated in the notice of the meeting.
2. Annual Meeting. The first annual meeting of the members of the Association shall be held within thirty (30) days from the date on which the management of the condominium project is turned over by the Declarant to the Association, as provided in the Declaration. Subsequent annual meetings shall be held at a date and time to be determined by the Board of Directors of the Association. At the annual meeting, the members shall elect the new members of the Board of Directors and transact such other business as may properly come before the meeting.

3. Special Meetings. Special meetings of the members may be called at any time by the President of the Association or by the Board of Directors or at the written request of the members entitled to vote one-fourth (1/4) of all of the votes of the Association. Business transacted at all special meetings shall be confined to the objects stated in the notice of the meeting.

4. Notice of Meetings. Written notice of each annual and special meeting of the members shall be served upon or mailed to each member entitled to vote thereat, at such address as appears on the books of the Association, at least ten (10) days, but no more than fifty (50) days, before the meeting. The notice shall specify the place, day, time and purpose of the meeting. Waiver in writing of the notice required herein, signed by the member before, at, or after such meeting, shall be equivalent to the giving of such notice. Each member shall notify the Secretary of the Association of any address change, and the giving of notice shall be in all respects sufficient if sent to the address of the member which is then on file with the Secretary.

5. Membership List. At least ten (10) days before every election of directors, a complete list of members entitled to vote at the election, showing the unit owned by the member and the residence address of each, shall be prepared by the Secretary. Such list shall be open to examination by any member throughout the ten (10) day period preceding the election, until the election is completed.

6. Voting Rights. Each owner shall be entitled to vote in accordance with the owner's percentage interest in the common areas and facilities, as that percentage interest is reflected in the Declaration of Unit Ownership and Covenants, Conditions and Restrictions of UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS (herein called "Declaration"). If more than one person or entity owns a unit, they shall file a certificate with the Secretary naming the person authorized to cast the vote for the unit. If no certificate is filed, the co-owners must designate, at the time of the meeting, the person authorized to cast such vote.

7. Proxies. At all meetings of the members, every member shall have the right to vote in person or by proxy. All proxies shall be executed in writing by the member or by his duly authorized attorney-in-fact and shall be filed with the Secretary. No proxy shall be valid after eleven (11) month from the date of its execution, unless otherwise provided in the proxy.

8. Quorum. The presence at a meeting of members entitled to cast, or of proxies entitled to cast, fifty-one percent (51%) of the votes of the Association on the basis of common area ownership shall constitute a quorum for any action, except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum is not present or represented at any meeting, the members present and entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If adjournment extends thirty (30) days past the originally scheduled meeting date, notice of the date on which the adjourned meeting is to be reconvened shall be given as herein provided.

9. Voting Required to Transact Business. When a quorum is present at any meeting, a majority of the votes entitled to be cast by the members present or represented by proxy shall decide any question brought before the meeting unless the question is one upon which, by express provision of the Declaration or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

10. Order of Business. The order of business at annual members' meetings and as far as practical at other members' meetings, will be:

- A. Roll call and certification of proxies;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of minutes of prior meeting;
- D. Officers' reports;
- E. Committee reports;
- F. Appointment by Chairman of Inspectors of Election;
- G. Approval of budget, if required;
- H. Elections of directors and officers;
- I. Unfinished business;
- J. New business;
- K. Adjournment.

#### ARTICLE IV

##### BOARD OF DIRECTORS

1. Number. The affairs of the Association shall be managed by a Board of Directors consisting of not fewer than three (3) nor more than fifteen (15) directors, who need not be owners of a condominium. The initial Board shall consist of five (5) Directors. Until sixty per cent (60%) of the units are sold, the Declarant shall have the right to select the Directors.

2. Term. The term of office of a director selected by the Declarant shall be one year. The term of office of a director selected by unit owners shall be two years.

3. Nomination and Election. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members only. Election to the Board of Directors shall be by voice vote unless secret written ballot is demanded by the owners of at least 50% of the votes of all Association members. The persons receiving the largest number of votes shall be elected. Cumulative

voting is not permitted.

4. Vacancy. Any vacancy occurring in the Board of Directors by reason of transfer of ownership, death, resignation, retirement, disqualification, removal from office or other reason, may be filled by the remaining Board of Directors. A director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

5. Removal. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of the total membership of the Association.

6. First Board of Directors. The first Board of Directors shall consist of those named in the Articles of Incorporation of the Association. The first Board of Directors shall serve until the first annual meeting.

7. Compensation. No director shall receive compensation for any service he may render to the Association in his capacity as a director. However, each director shall be reimbursed for actual expenses incurred in the performance of his duties.

8. Powers. The Board of Directors may exercise all corporate powers not specifically prohibited by statute, the Articles of Incorporation or the Declaration to which these Bylaws are attached. The powers of the Board shall specifically include, but not be limited to, the following:

a. To make and collect regular and special assessments and establish the time within which payment of such assessments are due.

b. To use and expend the assessments collected to maintain, care for, manage and preserve the units and condominium property, except those portions thereof which are required to be maintained, cared for and preserved by the owners.

c. To insure the common areas and facilities of the condominium project in the manner set forth in the Declaration against loss from fire and other casualty, and to insure the unit owners against public liability, and to purchase such other insurance as the Board may deem advisable.

d. To employ and compensate such personnel as may be required for the maintenance and preservation of the property.

e. To make and amend rules and regulations governing the use of the common areas and facilities and the conduct of the unit owners, their tenants and guests.

f. To acquire, rent or lease a condominium unit in the name of the Association or its designee.

g. To contract for management of the condominium project and to delegate to such manager, employee or contractor all powers and duties of the Association except those specifically required by the Declaration to have specific approval of the Board of Directors or the membership of the Association.

h. To enforce the provisions of these Bylaws, the Declaration and the rules and regulations promulgated thereunder by any legal means, including the denial of a unit owner's right to use the common areas and facilities and assessment of penalties as defined in the Declaration.

i. To designate, as the Board deems appropriate, assigned parking spaces for each unit, visitors, service vehicles, and other vehicles.

j. To propose and adopt an annual budget for the property.

## ARTICLE V

### MEETINGS OF DIRECTORS

1. Regular Meetings. The first regular meeting of each newly elected Board of Directors shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum is present, or as soon thereafter as maybe practicable. Subsequent regular meetings of the Board of Directors shall be held, at such place and hour as may be fixed from time to time by resolution of the Board, after not less than three (3) days notice to each director.

2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any one (1) director, after not less than three (3) days notice to each director.

3. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be regarded as the act of the Board.

4. Waiver of Notice. Attendance of a director at any meeting shall constitute waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If a meeting of directors otherwise valid is held without proper call or notice, action taken at such a meeting is deemed ratified by a director who did not attend unless promptly, after having knowledge of the action taken and of the impropriety in question, he files with the Secretary of the Association his written objection to the holding of the meeting or to any specific action so taken.

5. Action Without a Meeting. Any action taken by a majority of directors without a meeting is nevertheless effective if written consent to the action is obtained from all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

6. Attendance by Telephone. Any director may participate in a meeting of the Board, by means of a conference telephone or similar communications device which allows all persons participating in the meeting to hear each other. Such participation by a director in a meeting shall be deemed presence in person by the director at such meeting.

## ARTICLE VI

## OFFICERS AND THEIR DUTIES

1. Executive Officers. The executive officers of the Association shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected annually by the Board of Directors from the membership. Any two offices may be held by the same person, except the offices of the President and Secretary.

2. Special Officers. The Board of Directors may from time to time elect such other officers as the affairs of the Association require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may prescribe.

3. Term. The executive officers shall hold office for one year, unless they resign or are replaced.

4. Removal or Resignation. Any officer may be removed from office with or without cause, at any time, by action of the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of the notice, unless a later time is specified therein. The acceptance of the resignation shall not be required to make it effective.

5. Vacancy. A vacancy in any office may be filled by the Board of Directors. An officer appointed to fill a vacancy shall serve for the unexpired term of the officer he replaces.

6. Duties. The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the members and board of Directors; shall have general and active management of the business of the Association; shall see that all orders and resolutions of the Board are carried into effect; shall have general superintendence and direction of all the other officers of the Association and shall see that their duties are performed properly; shall be an ex-officio member of all committees, and shall have the general powers and duties of supervision and management usually vested in the office of the president of a corporation.

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 prescribed by the Board.

c. Secretary. The Secretary shall record the notes and keep the minutes of all meetings of the members and of the Board of Directors in one or more books provided for that purpose; shall see that all notices are fully given in accordance with the provisions of these Bylaws or as required by law; shall be custodian of the Association's records and of the seal of the Association and shall see that the seal of the Association is affixed to all documents requiring said seal; shall keep the records of the Association, except those of the Treasurer, and in general, shall perform all duties as from time to time may be assigned to him by the President or by the Board of Directors.

d. Treasurer. The Treasurer shall receive and deposit all monies and other property of the Association in such depositories as may be designated by the Board; shall keep proper books of account; shall disburse the funds of the Association as ordered by the Board,

taking proper vouchers for such disbursements, and shall render to the President and Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association, which records shall be open to inspection by members at reasonable times; shall, if required, give the Association at the Association's cost, a bond satisfactory to the Board, for the faithful performance of the duties of his office, and the restoration to the Association, in case of his death, resignation or removal from office, of all books, papers, vouchers, money or other property of whatever kind in his possession belonging to the Association; shall prepare an annual budget and statement of income and expenditures to be presented to the members at their regular annual meeting; shall with the approval of the Board, be authorized to delegate all or part of his responsibilities to competent accounting, collection or management personnel, but in such event, the Treasurer shall retain supervisory responsibilities, and, in general, shall perform all duties incident to the office of Treasurer and assigned to him by the President or the Board.

7. Indemnification. Any person other than one with whom the corporation has contracted for the management of the condominium project or any portion thereof, who at any time serves or has served as a director, officer, employee or agent of the corporation, or in such capacity at the request of the corporation for any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened or pending or completed action, suit or proceeding, whether criminal, administrative or investigative, and whether or not brought by or on behalf of the corporation, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty, or settlement for which he may become liable in any such action, suit or proceeding.

The Board of Directors of the corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this Bylaw, including without limitation, to the extent needed, making a good faith evaluation of the manner, in which the claimant for indemnity acted and of the reasonable amount of indemnity due him and giving notice to, and obtaining approval by, the members of the corporation.

Any person who at any time after the adoption of this Bylaw serves or has served in any of the aforesaid capacities for or on behalf of the corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this Bylaw.

8. Fidelity Bond. The Association may provide blanket fidelity bonds for anyone who either handles or is responsible for funds held or administered by the Association, whether or not they receive compensation for their services. A management agent that handles funds for the Association should also be covered by its own fidelity bond. Except for fidelity bonds that a management agent obtains for its personnel, all other such bonds shall name the Association as and obligee and their premiums shall be a common expense and paid by the owners' Association. The fidelity bond shall cover the maximum funds that will be in the custody of the owners' Association or its management agent at any time while the bond is in force. In addition, the fidelity bond coverage must at least equal the sum of 3 months' assessment on all

units in the project, plus the Association's reserve funds. The bonds must include a provision that calls for 10 days' written notice to the Association, any insurance trustee, or any servicer that services a FNMA-owned mortgage in the condominium project, before the bond can be canceled or substantially modified for any reason.

## ARTICLE VII

### COMMITTEES

The Board of Directors shall appoint a Nominating Committee and such other committees as they may from time to time deem appropriate.

## ARTICLE VIII

### MAINTENANCE

1. Association's Maintenance Responsibility. The Association, as a common expense, shall be responsible for the maintenance, repair and replacement of the common areas, limited common areas and facilities, and for any incidental damage caused to any unit by virtue of such maintenance, repair and replacement. The Association shall have the right to make alterations or improvements to the common areas and facilities and to assess unit owners for the same, provided these alterations are without prejudice to any unit owner and are approved by the Board of Directors; provided, further, that if any alterations or improvements are exclusively or substantially for the benefit of a small fraction of the unit owners who request the same, then the cost of such alterations or improvements shall be assessed against the unit owners benefitted in such proportion as the Board of Directors determine. Any unit owner, or their guest or assigns, who damages the common areas or limited common areas, the unit owner will be responsible for the cost of the repair of said damage.

2. Unit Owners' Maintenance Responsibility. Each unit owner shall be responsible for all maintenance and repair work within his unit, including, but not limited to, wiring, plumbing, air conditioning and heating equipment, appliances, interior wall and ceilings, surfaces, floors, exterior doors, and windows. Each unit owner is also responsible for keeping all parts of the unit in good, clean and safe condition, free of nuisance and for promptly complying with any requirements of the insurers of the common areas and facilities when so requested by the Board or the manager. Each unit owner is further responsible for any loss or damage to the common areas and facilities occasioned by his acts or by the acts of his family, guests, employees or agents, provided, that if such loss or damage is covered by any insurance maintained by the Association, the proceeds of the insurance shall be used for such maintenance, repair, or replacement and the unit owner shall only be required to pay the amount by which the costs of maintenance, repair, or replacement exceed the insurance proceeds, including any deductible. The unit owner's maintenance responsibility must be exercised promptly if failure to undertake such maintenance and repair would endanger or impair the value of the common areas and facilities or the other units.

3. Association's Right to Repair. Should a unit owner fail to comply with the maintenance and repair responsibilities, the Association, upon written notice to the unit owner, may make the required repair and assess the unit owner for the expense.



4. Approval of Payment for Repairs. The Board of Directors or the manager shall establish a mechanism for approving payment for the expenses of maintaining, repairing and replacing the common areas and facilities.

## ARTICLE IX

### ASSESSMENTS

1. Annual Assessments. The Board of Directors of the Association shall establish a proposed annual budget for each fiscal year in advance of the annual meeting. This budget shall project all common expenses for the forthcoming year required for the proper operation, management, and maintenance of the condominium project, including a reasonable allowance for contingencies and reserves. At least ten days prior to the annual meeting, copies of the proposed budget shall be delivered to each member of the Association, together with the proposed assessments against each unit. At the annual meeting, the budget shall be submitted to the membership for approval. As approved, the budget shall constitute the basis for all regular assessments for common expenses against unit owners. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the condominium project, the Board of Directors shall have the authority to levy such additional assessments as may be necessary, not to exceed a fifteen percent (15%) increase over the previous year's assessment, without approval of the membership. Any increase in the annual assessments of greater than fifteen percent (15%) shall require approval of the membership.

2. Capital Improvements. The Board of Directors of the Association, in establishing the annual budget for operation, management, and maintenance of the condominium, may designate therein a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the common areas and facilities, which capital improvement and replacement fund (capital improvement fund) shall be subject to the approval of the membership at the annual meeting. The amount collected for the capital improvement fund shall be maintained in a separate account by the Association and shall be used only to make capital improvements to common areas and facilities. Any interest earned on monies in the capital improvement fund may, in the discretion of the Board of Directors, be expended for current operation and maintenance. Each initial purchaser of a unit will pay a working capital contribution equal to two (2) months unitowners association dues, at closing.

3. Apportionment of Assessments. Assessments shall be apportioned among the unit owners on the basis of their proportionate undivided interests in the common areas and facilities, as set forth in the Declaration.

4. Unit Owner's Interest in Assessments. All assessments collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the condominium project. As monies for any assessment are paid unto the Association by any owner of a unit, the same may be co-mingled with monies paid to the Association by the other owners of units. No member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest in the monies collected by the Association, except as an appurtenance to his unit. When the owner of a unit ceases to be a member of the Association by reason of transfer of ownership of the unit, the Association shall

not be required to account to the owner for any share of the funds or assets of the Association which may have been paid to the Association by such owner.

5. Time of Payment. Assessments shall be payable in annual, monthly or other installments, as determined by the Board of Directors.

6. Default. Assessments shall be in default if not paid within thirty (30) days of the due date. Delinquent assessments shall bear interest at the maximum permissible legal rate until paid and late fees assessed by the Association. Any unit owner in default shall be obligated to pay such interest and late fees, together with all costs of collecting such assessments, including reasonable attorney's fees.

7. Remedies for Default. If an assessment against a unit owner is not paid when due, the unpaid assessment shall constitute a lien against the unit and its appurtenant undivided interest in the common areas and facilities, which lien shall secure the unpaid assessment, and interest thereon, any expenses incurred in collecting the assessment, and any advances for taxes, and payments on account of superior mortgages, liens or encumbrances required to be advanced by the Association in order to preserve and protect its lien. This lien shall be enforceable from the time it is filed in the public records of Wake County, North Carolina in the manner provided by Article 8 of Chapter 44 of the North Carolina General Statutes. The lien may be foreclosed in the manner provided by North Carolina General Statutes 47A-22 and, in any such foreclosure proceeding, the Association shall be entitled to collect a reasonable rental for the unit from the unit owner and to appoint a receiver to collect the same. In addition, and without waiving its right to foreclosure, the Association shall have the right to maintain a suit to recover unpaid assessment or to exercise any other remedies provided in these Bylaws and the Declaration.

8. Foreclosure. The Association shall have the power to bid on the unit at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. If the Association becomes the owner of a unit by reason of foreclosure, it shall offer said unit for sale. At such time as a sale is consummated, the Association shall deduct from the proceeds of said sale all sums of money due it for assessments and charges; the costs incurred in the bringing of the foreclosure suit, including reasonable attorney's fees; funds necessary to discharge any liens or mortgages of record, and any and all expenses incurred in the resale of the unit, which shall include, but not be limited to, advertising expenses, real estate brokerage fees and expenses necessary for the repairing and refurbishing of the unit in question. All surplus monies remaining after deducting the foregoing items of expenses, costs and other deductions shall be returned to the former owner of the subject unit, or paid to the Clerk of Superior Court in accordance with the general mortgage foreclosure laws of North Carolina.

9. Liability of Purchaser at Foreclosure Sale. When the mortgagee of a first mortgage of record or other purchaser of a unit obtains title to the unit as a result of foreclosure of the mortgage or deed in lieu of foreclosure, such purchaser, his successors and assigns, shall not be liable for the share of common expenses or assessments chargeable to such unit which became due prior to the acquisition of title to the unit by such purchaser. The unpaid share of the common expenses or assessments shall be absorbed and paid by the owners of all the units, including the purchaser, his successors and assigns, as common expenses, on the basis of their proportionate interest in the common areas and facilities.

10. Liability of Grantee in Voluntary Conveyance. In any voluntary conveyance of a unit, the purchaser shall be jointly and severally liable with the seller for all unpaid assessments against the seller up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor.

11. Notice of Unpaid Assessments to Prospective Purchaser, Tenant or Mortgagee. Whenever any unit is leased, sold, or mortgaged by the owner thereof, the Board of Directors or the manager, upon written request of the unit owner, shall furnish to the proposed purchaser, tenant or mortgagee, a statement verifying the amount of unpaid assessments chargeable to the unit. The purchaser, tenant or mortgagee may rely upon such statement in concluding the proposed purchase, lease or mortgage transaction, and the Association shall be bound by such statement.

12. Common Profits. If, in any year, there is an excess of assessments and other income over common expenses, the excess (common profits) shall, unless otherwise determined by the Board of Directors, be applied to payment of the next year's assessments.

## ARTICLE X

### FINANCES

1. Checks. All checks and notes of the Association shall be signed by the President, Vice-President, Secretary or Treasurer or by such other persons as the Board of Directors designate.

2. Depository. The Association shall deposit its monies in such bank or banks as the Board of Directors designate.

## ARTICLE XI

### RECORDS

1. Receipts and Expenditures. The Board of Directors or the manager shall keep detailed accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities and any other expenses incurred. Both said book and the vouchers accrediting the entries thereupon shall be available for examination by all unit owners, their duly authorized agents and attorneys, at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good and accepted accounting practices.

2. Other Records. The Board of Directors or the manager shall keep correct and complete books of records of account, minutes of the proceedings, and a record of the names and addresses of the members entitled to vote, which latter records must be kept at the Association's principal office. Any member, his agent or attorney may examine these books and records for any proper purpose at any reasonable time.

3. Inspection of Records. The Association shall make available to unit owners, lenders, holders, insurers or guarantors of any first mortgage, current copies of the Declarations, Bylaws or other rules concerning the project and the books, records and financial statements of

the Association. Available means available for inspection upon request during normal business hours and under reasonable circumstances. Furthermore, upon written notice, any holder of a first mortgage on any unit of the condominium project shall be entitled to a copy of the Association's financial statement for the immediately preceding fiscal year.

4. Request for Notice. Upon written request to the Association, any mortgage holder, insurer or guarantor will be entitled to timely written notice of (a) any condemnation or casualty loss that affects either a material portion of the project to the unit securing its mortgage, (b) any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage, (c) a lapse, cancellation or material modification of any insurance policies or fidelity bond maintained by the Association, (d) any proposed action that requires the consent of a specified percentage of mortgage holders.

## ARTICLE XII

### RULES AND REGULATIONS

The Board of Directors shall have the right to enact administrative rules and regulations regarding the use of the common areas and facilities and conduct of the members and assess fines for infractions.

## ARTICLE XIII

### AMENDMENT

These Bylaws may be amended at a duly called meeting of the members, following an affirmative vote on the amendment by a majority of the Board of Directors. The notice of the members' meeting shall contain a full statement of the proposed amendment. Amendments must be approved by an affirmative vote of a majority of the votes of all Association Members, voting in person or by proxy. No amendment shall become operative until its has been set forth in an amended declaration and duly recorded in the office of the Register of Deeds of Wake County, North Carolina. All unit owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an amended declaration, duly recorded.

The foregoing were adopted as the Bylaws of the UNIVERSITY WOODS AT CENTENNIAL CONDOMINIUMS UNITOWNERS ASSOCIATION, INC., a non-profit corporation under the laws of the State of North Carolina, at the first meeting of the Board of Directors.

Certified to be correct, this the \_\_\_\_\_ day of \_\_\_\_\_, 2000.

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Exhibit "A" to Declarations

BEGINNING at an iron pipe set in the right of way of the intersection of Trailwood Drive and Lineberry Drive; running thence South 83 deg 52 min 54 sec East 74.31 feet to an iron pipe set; running thence along a curve with Lineberry Drive with an arc length of 224.50 feet and curve length of 222.79 feet and a chord bearing of North 83 deg 52 min 08 sec East to an iron pipe set; running thence North 71 deg 37 min 07 sec East 104 feet to an existing iron pin at the northwestern most point of land now or formerly known as Trailwoods Forest Tract 14 as shown in Book of Maps 1996, page 821, W.C.R.; running thence South 02 deg 44 min 46 sec West 636.18 feet to an existing iron pin; running thence along the northern boundary line of land now or formerly owned by Patsy Smith Morgan North 87 deg 31 min 35 sec West 205.26 feet to an existing iron pin; running thence along the northern boundary line of land now or formerly owned by Resolution Trust Corporation North 87 deg 28 min 08 sec West 328.33 feet to an existing iron pin in the eastern right of way of Trailwood Drive; running thence along the curve with Trailwood Drive an arc length of 91.33 feet and curve length of 91.31 feet with a chord bearing of North 16 deg 16 min 57 sec East to an iron pipe set; running thence North 18 deg 10 min 49 sec East 167.62 feet to an iron pipe set; running thence along a curve with Trailwood Drive an arc length of 301.85 feet and curve length of 301.32 feet and chord bearing North 12 min 16 deg 01 min East to an iron pipe set; running thence along the right of way intersection curve at Trailwood Drive and Lineberry Drive with an arc length of 39.17 feet and curve length of 35.28 feet with a chord bearing North 51 deg 14 min 10 sec East to an iron pipe set at the point and place of BEGINNING, containing 6.21 acres more or less, all according to a survey prepared by Michael D. Barr, R.L.S., dated 7-15-99 and entitled "Trailwood Site for CMS Engineering".

Exhibit "B" to Declarations

For the plans and specifications of the Building and Units, see Condominium Plat Book \_\_\_\_\_, Pages \_\_\_\_\_ through \_\_\_\_\_, Wake County Registry, which recorded plans and specifications are incorporated herein by reference.

EXHIBIT C to Declarations

Each unit in the Condominium Subdivision shall have a one-sixtieth (1/60th) interest in the common areas.

Exhibit "D" to Declarations

A copy of the Articles of Incorporation are attached hereto as Exhibit "D".