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BOOK 2188 PAGE 581

FILED

**AMENDED BY-LAWS**

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Joyce H. Pearson  
Register of Deeds,  
Orange County, N. C.

**OF**

**THE VILLAGE GREEN UNIT OWNERS ASSOCIATION**  
Chapel Hill, North Carolina

**ARTICLE I - PLAN OF UNIT OWNERSHIP**

1. **UNIT OWNERSHIP** - The Property located in Orange County, State of North Carolina, and more particularly described in the Declaration to which these By-Law are attached has been submitted to the provisions of chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" by the Declaration, recorded in the office of the Register of Deeds of Orange County, State Of North Carolina, at Book 244, Page 1341, and further described in Plat Book 21, Page 201, as amended, and shall hereinafter be known as "The Village Green Condominium" (hereinafter called the "Condominium").

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2. **APPLICABILITY OF BY-LAWS** - The provisions of these By-Laws are applicable to the Property of the condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the units, the common areas and facilities and the limited common areas and facilities), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are submitted to the provisions of N.C.G.S. 47 A, entitled "Unit Ownership Act".

3. **APPLICATION** - All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these By-Laws and Rules and Regulations made pursuant hereto and any amendment to these By-Laws upon the same being passed and duly set forth in an amended declaration, duly recorded.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws (and any Rules and Regulations made pursuant hereto) and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

**4. THIRD-PARTY LEASES** - All Unit Owners are entitled to lease their Unit Ownership to third parties, subject to the following restrictions:

**A.** All lease contracts must include terms in the lease contract obligating tenants to obey Village Green By-Laws and Rules and Regulations.

**B.** All Unit Owners who lease their units must present their tenants with copies of the current Village Green By-Laws and Rules and Regulations. The Unit Owner must also require the tenant to complete a form containing the unit number, the names of the tenants and all other persons who will reside in the unit under the lease, the make, model and license tag number of all motor vehicles belonging to the tenants, and the tenant's telephone number(s) in the unit, the date upon which the lease expires, and a signed acknowledgment that the tenants have received copies of the current Village Green By-Laws and Rules and Regulations. The Unit Owner must provide the Board of Administrators with a copy of the completed form within 30 days of any change in occupancy or unit ownership. The Board of Administrators will promulgate this form to the Association. Each Unit Owner has a continuing responsibility to provide the Board with current information concerning that Owner's tenants.

**C.** All notices and information will be sent to the Unit Owner. It is the responsibility of the Unit Owner to furnish all necessary information and notices to third-party managing agents.

**D.** All Unit Owners are responsible for their tenants' compliance with the By-Laws and Rules and Regulations. If a tenant persists in such violation after the Board of Administrators has twice given notice to the Unit Owner, the Board is authorized to institute summary ejectment proceedings against the tenant, and assess its costs and attorneys fees to the Unit Ownership.

**E.** Effective January 1, 1995, any Unit Owner holding an interest in more than one Unit Ownership may not lease more than three Units. This subsection is prospective in effect, and does not apply to any Unit Owner or his heirs who owns and leases more than three Units at the time this By-Law is enacted.

## **ARTICLE II - UNIT OWNERS**

**1. PLACE OF MEETINGS** - All meetings of the Village Green Association of Unit Owners (hereinafter referred to as "Unit Owners") of the Condominium shall be held at the Property or at such other place within the county of Orange, State of North Carolina, as shall be designated in a notice of the meeting.

**2. ORGANIZATIONAL MEETING** - The initial meeting of the Unit Owners to organize the Condominium shall be held upon ten (10) days written notice given by George W. Kane, Inc., the corporation who shall have developed the Property.

**3. ANNUAL MEETINGS** - An annual meeting of the Unit Owners shall be held at 7:00 o'clock p.m. on the fourth Thursday of September of each year if not a legal holiday, and if a legal holiday, then at the same time on the next day following not a legal holiday for the purpose of electing members of the Board of Administrators and for the transaction of such other business as may be properly brought before the meeting.

**A.** All Unit Owners are required to participate in person or by signed proxy in the Annual Meeting and any Special Meeting convened under this Article. Any Unit Ownership which is not represented in person or by proxy will be deemed to have granted its proxy to the Board of Administrators. Such proxies shall be exercised at the sole discretion of the Board of Administrators; in the event a disagreement arises within the Board, such proxies shall be exercised according to the wishes of a majority of the Board.

**B.** No \$100.00 assessment would be assessed against Unit Owners not in attendance by person or by proxy.

**4. SUBSTITUTE ANNUAL MEETING** - If the annual meeting shall not be held on the day designated by the By-Laws, a substitute annual meeting may be called in accordance with the provisions of Section 5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

**5. SPECIAL MEETINGS** - Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail, at the direction of the Board of Administrators or Unit Owners calling the meeting, to each person entitled to vote at such meeting.

**6. NOTICE OF MEETINGS** - Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than fifty (50) days before the date thereof, either personally or by mail, at the direction of the Board of Administrators or Unit Owners calling the meeting, to each person entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of Administrators on which the vote of Unit Owners is expressly required by the provisions for the North Carolina Unit Ownership Act. In the case of a special meeting, the notice of meeting shall specifically state the purposes for which the meeting is called.

When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a

meeting is adjourned for not less than thirty (30) days in any one adjournment, it is not necessary to give any notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is effective.

**A. Agenda of Meetings** - The Agenda of the annual meeting shall be established by the Board of Administrators and set out in the notice of the meeting. Any Unit Owners wishing to add additional topics for consideration to the agenda may do so by submitting a written request to the Chair of the Board of Administrators not less than five days before the date of the meeting. The Board shall prepare and distribute an official agenda to the membership at the beginning of the annual meeting. The agenda of any special meeting is limited to the topic stated in the notice of the meeting.

**7. QUORUM** - No quorum shall be required at meetings to conduct business;

**8. VOTING RIGHTS** - There shall be one person with respect of each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "voting member". Such voting member may be the owner or one of the group composed of all of the owners of a unit ownership, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Such designation shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board of the death or judicially declared incompetence of any designator, or by written notice to the Board by the owner or owners. The total number of votes of all voting members shall be 97, and each Owner or group of owners (including the Board of Administrators, if the Board of Administrators or its designee, shall then hold title to one or more units) shall be entitled to the number of votes equal to the total number of units owned by such voting member.

**9. TABULATION OF VOTES** - The number of votes on individual issues will be totaled from the sum of the following:

- A.** The number of members in attendance and voting at the meeting;
- B.** The number of votes given to a Board member by proxies;
- C.** The number of proxies given to a designee;

The outcome of voting is determined by a simple majority of the votes cast.

**10. WAIVER OF NOTICE** - Any Unit Owner may, at any time, waive notice of any meeting of the Unit Owners in writing, and such waiver shall be deemed equivalent to the

giving of such notice. Attendance by a Unit Owner at any meeting of the Unit Owners shall constitute a waiver of notice by him of the time and place thereof except where a Unit Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. If all the Unit Owners are present at any meeting of the Unit Owners, no notice shall be required and any business may be transacted at such meeting.

**11. INFORMAL ACTION BY UNIT OWNERS** - Any action which may be taken at a meeting of the Unit Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, (that is, the voting members) and filed with the Secretary of the Association to be kept in the Condominium Minute Book.

### **ARTICLE III - BOARD OF ADMINISTRATORS**

**1. GENERAL POWERS** - The business and property of the Condominium shall be managed and directed by the Board of Administrators or by such Executive Committees as the Board may establish pursuant to these By-Laws.

**2. NUMBER, TERM, AND QUALIFICATION** - The number of Administrators of the condominium shall be five, to be elected by the Unit Owners at their initial meeting. The size of the Board of Administrators may be increased or decreased from time to time upon sixty-five (65) affirmative votes, provided that said board shall not be less than three (3) in number. Each Administrator shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies. Each member of the board shall be one of the owners or co-owner or a spouse of an owner or co-owner; provided, however, that in the event an owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board. No Unit Owner of any Unit Ownership which is in substantial violation of the By-Laws and/or Rules and Regulations is eligible for election to the Board of Administrators.

**3. ELECTION OF ADMINISTRATORS** - Except as provided in Section 5 of this Article, the Administrators shall be elected at the annual meeting of Unit Owners; and those persons who receive the highest number of votes shall be deemed to have been elected.

**4. REMOVAL** - Administrators may be removed from office with or without cause by affirmative vote of the Unit Owners having a majority of the total vote of the Unit Owners having a majority of the total votes entitled to vote at an election of administrators. However, unless the entire board is removed, an individual administrator may not be removed if the number of Unit Owners voting against the removal would be sufficient to elect an administrator if such Unit Owners voted cumulatively at an annual election. If any administrators are so removed, new administrators may be elected at the same meeting.

**5. VACANCIES** - A vacancy occurring in the Board of Administrators including administratorships not filled by the Unit Owners, may be filled by a majority of the remaining Administrators, though less than a quorum, or by the sole remaining Administrator; but a vacancy created by an increase in the authorized number of Administrators shall be filled only by election at an annual meeting or a special meeting of Unit Owners called for that purpose. Voting members may elect an Administrator at any time to fill any vacancy not filled by the Administrators.

**6. COMPENSATION** - Unit Owners serving on the Board of Administrators shall be forgiven their monthly dues up to the sum of one hundred and fifteen dollars (\$115.00) per month. The Board of Administrators shall receive no other compensation for their services unless expressly allowed by the affirmative vote of sixty-five (65) voting members.

**7. EXECUTIVE COMMITTEES** - The Board of Administrators may, by resolution adopted by a majority of the number of Administrators fixed by these By-Laws, designate two or more Administrators to constitute an Executive Committee, which committee to the extent provided in such resolution shall have and may exercise all of the authority of the Board of Administrators in the management of the Condominium.

**8. POWERS AND DUTIES** - The Board of Administrators shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Administrators shall include, but shall not be limited to, the following:

**A.** Operation, care, upkeep and maintenance of the common areas and facilities.

**B.** Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

**C.** Collection of the common charges from the Unit Owners.

**D.** Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities.

**E.** At the direction of the Unit Owners having two-thirds of the total votes, the adoption and amendment of such reasonable rules and regulations as it may deem advisable for the maintenance, conservation, and beautification of the Property, and for the health, comfort, safety and general welfare of the owners and occupants of the Property. Written notice of such rules and regulations shall be given to all owners and occupants and the entire Property shall at all times be maintained subject to such rules and regulations.

**F.** Opening of bank accounts on behalf of the Condominium and designating the signatures required therefor.

**G.** Purchasing or leasing or otherwise acquiring in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Unit Owners, units offered for sale or lease or surrendered by their owners to the Board as provided by the Declaration.

**H.** Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Administrators, or its designee, corporate or otherwise, on behalf of all Unit Owners;

**I.** Selling, mortgaging, voting appurtenant to or otherwise dealing with units acquired by the Board of Administrators or its designee, corporate or otherwise, on behalf of all Unit Owners, subject to the Declaration and other applicable restrictions.

**J.** Organizing corporations or other entities to act as designees of the Board in acquiring possession or title to units on behalf of all Unit Owners.

**K.** Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the common areas and facilities or any other portion of the building and an Owner of any unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered or mailed by the Board to said Owner, provided that the Board shall levy a special assessment against such owner for the costs of said maintenance or repair.

**L.** Entering any unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the occupant as practicable, and any damage caused thereby shall be repaired by the Board and such expense shall be treated as a common expense.

**M.** Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board.

**N.** Obtaining of insurance for the Property, including the units, pursuant to the provisions of Paragraph 12 of the Declaration.

**O.** Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of

these By-Laws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

**9. MANAGING AGENT** - The Board of Administrators for the Condominium may engage the services of any person, firm or corporation to act as managing agent at a compensation established by the Board, to perform such duties and services as the Board of Administrators shall authorize including but not limited to the duties listed in subdivisions (a), (c), (d), (j), (k), (l), (n), and (o) of Section 8 of this Article III. The Board may delegate to the managing agent, all of the powers set forth in subdivision (b), (e), (f), (g), (h), (l), and (m) of Section 8 of this Article III.

#### **ARTICLE IV - MEETING OF ADMINISTRATORS**

**1. ORGANIZATION MEETING** - The first meeting of the members of the Board of Administrators shall immediately follow the initial meeting of the Unit Owners. No notice shall be necessary to the newly elected members of the Board of Administrators in order to legally constitute such meeting, providing a quorum shall be present.

**2. REGULAR MEETINGS** - The regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board of Administrators may provide by resolution the time and place within the State of North Carolina for the holding of a regular meeting of the Board.

**3. SPECIAL MEETINGS** - Special meetings of the Board of Administrators may be called by or with the request of the Chairman or by any two administrators.

**4. NOTICE OF MEETINGS** - Regular meetings of the Board of Administrators may be held without notice. The person or persons calling a special meeting of Administrators shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Attendance by an Administrator at a meeting shall constitute a waiver of notice of such meeting except where an Administrator attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

**5. WAIVER OF NOTICE** - Any member of the Board of Administrators may, at any time waive notice of any meeting of the Board of Administrators in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the member of the Board of Administrators are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meetings.

**6. QUORUM** - A majority of the number of Administrators fixed by these By-



Laws as amended from time to time, shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Administrators.

**7. MANNER OF ACTING** - Except as otherwise provided in this section, the act of the majority of the Administrators present at a meeting at which a quorum is present shall be the act of the Board of Administrators.

A vote of a majority of the number of Administrators fixed by the By-Laws shall be required to adopt a resolution constituting an Executive Committee. Vacancies in the Board of Administrators may be filled as provided in Article III, Section 5 of these By-Laws.

**8. ORGANIZATION** - Each meeting of the Board of Administrators shall be presided over by the Chairman of the Board, and in the absence of the Chairman, by any person selected to preside by vote of the majority of the Administrators present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and the Assistant Secretary, any person designated by the Chairman of the meeting, shall act as Secretary of the meeting.

**9. INFORMAL ACTION OF ADMINISTRATORS** - Action taken by a majority of the Administrators without a meeting is nevertheless Board action if written consent of the action in question is signed by all of the Administrators and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

**10. MINUTES** - The Board of Administrators shall keep written minutes of its proceedings.

**11. FIDELITY BONDS** - The Board of Administrators may require all officers and employees of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity Bond. The premiums on such bonds shall constitute a common expense.

**12. LIABILITY OF THE BOARD** - The members of the Board of Administrators shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these By-Laws.

It is intended that the members of the Board of Administrators shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent they are Unit Owner(s). It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Administrators or out of the aforesaid indemnity in favor of the members of the board shall be limited to such proportion of the total

liability thereunder as his interest in the common areas and facilities bears to the interests of all the Unit Owners in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Administrators, or the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder as his interest in the common areas and facilities bears to the interest of all Unit Owners in the common areas and facilities.

## ARTICLE V - OFFICERS

1. **NUMBER** - The principal officers of the Condominium shall consist of a Chairman of the Board, a Secretary, a Treasurer, and such Vice Chairman, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Administrators may from time to time elect. Any two or more offices may be held by the same person except the offices of Chairman and Secretary.

2. **ELECTION AND TERM** - The officers of the Condominium shall be elected by and from among the Board of Administrators. Such elections may be held at the regular annual meeting of the Board. Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

3. **REMOVAL** - Any officer or agent elected or appointed by the Board of Administrators may be removed by the Board with or without cause; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4. **COMPENSATION** - No officer shall receive any compensation from the Condominium for acting as such. However, duly elected officers may be compensated for their services in managing the condominium property and enforcing the policies of the Association by remission or waiver, for one unit only, or any regular monthly dues assessed by the Association as a common charge for the regular operation expenses of the Condominium. Such remission or waiver of common charges may not include special assessments for capital improvements or extraordinary maintenance expenses.

5. **CHAIRMAN OF THE BOARD** - The Chairman of the Board shall be the principal executive officer of the Condominium and, subject to the control of the Board of Administrators, shall supervise and control the management of the Condominium. The Chairman shall, when present, preside at all meetings of the Board and of the Unit Owners, and, in general, shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board.

6. **VICE-CHAIRMAN** - The Vice-Chairman, and if there be more than one, the Vice Chairman designated by the Board of Administrators shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice-

Chairman shall perform such other duties and have such powers as shall be prescribed by the Chairman of the Board.

**7. SECRETARY** - The Secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and Administrators. He shall give, or cause to be given, all notices required by law and by these By-Laws. He shall have general charge of the minute books and records of both the Unit Owners and the Board. He shall sign such instruments as may require his signature, and, in general shall perform all duties incident to the office of Secretary and such other duties as may be assigned him from time to time by the Chairman of the Board or by the Board of Administrators.

**8. TREASURER** - The Treasurer shall have custody of all Condominium funds and securities and shall receive, deposit, or disburse the same under the direction of the Board of Administrators. He shall keep full and accurate accounts of the finances of the condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and of changes in surplus for such fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board of Administrators on or before the 15th day of the third month following the close of each fiscal year. The statement so filed shall be kept available for inspection by any Unit Owner for a period of three (3) years and the Treasurer shall mail or otherwise deliver a copy of the latest such statement to each Unit Owner annually on or before March 15 covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State, or local law and shall generally perform all other duties as may be assigned to him from time to time by the Chairman of the Board or the Board of Administrators.

**9. ASSISTANT SECRETARIES AND TREASURER** - The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and Treasurer, respectively, have all the powers and perform all of the duties of those offices, and they shall in general perform such other duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman of the Board or the Board of Administrators.

## **ARTICLE VI - OPERATION OF THE PROPERTY**

**1. Determination of common expenses and fixing of common charges**  
- The Board of Administrators shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the Unit Owners according to their respective common interests. The common expenses shall include, among other things, the costs of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Administrators pursuant to the provisions of the Declaration. The common expenses may also include such amounts as the Board of Administrators may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium,

for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase or lease by the Board of Administrators or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at foreclosure or other judicial sale. The Board of Administrators shall advise all Unit Owners, promptly, in writing of the amount of common charges payable by each of them, respectively, as determined by the Board of Administrators, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all Unit Owners and to their mortgagees.

**2. PAYMENT OF COMMON CHARGES** - All Unit Owners shall be obligated to pay the common charges assessed by the Board of Administrators pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board shall determine.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such unit, together with his interest in the common areas and facilities as defined in the Declaration. A purchaser of a unit shall be jointly and severally liable with the seller for the payment of common charges assessed against such unit prior to the acquisition by purchaser of such unit without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Provided that a mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale. Such unpaid common charges shall be deemed to be common charges collectible from all of the Unit Owners including such purchaser, his successor and assigns.

**3. COLLECTION OF ASSESSMENTS** - The Board of Administrators shall assess common charges against the Unit Owners from time to time and at least annually and shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof.

**4. DEFAULT IN PAYMENT OF COMMON CHARGES** - In the event of default by any Unit Owner in paying to the Board of Administrators the common charges as determined by the Board, such Unit Owner shall be obligated to pay interest at the maximum legal rate on such common charges from the due date thereof, and/or a monthly penalty for late payment, the amount of which shall be set out in the Rules and Regulations, together with all expenses, including attorneys' fees (if permitted by law), incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon and late payment fees, and the expenses of the proceeding, including attorney's fees, in any action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such unit in like manner as a note, deed of trust or mortgage of real property.

**5. FORECLOSURE OF LIENS FOR UNPAID COMMON**

**CHARGES** - In any action brought by the Board to foreclose on a unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his unit and the Plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect same. The Board, action on behalf of all Unit Owners, or on behalf of any one or more individual Unit Owners if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant, convey or otherwise deal with the same subject, however, to applicable restrictions of record and the provisions of the Declaration. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing same.

**6. STATEMENT OF COMMON CHARGES** - The Board of Administrators shall promptly provide any Unit Owner so requesting the same in writing with a written statement of all unpaid common charges due from such Unit Owner.

**7. ABATEMENT AND INJUNCTION OF VIOLATIONS BY UNIT OWNERS** - The violation of any rule or regulation adopted by the Board or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, after reasonable notice to the Owner, and in addition to any other rights set forth in these By-Laws to undertake one or more of the following corrective measures:

**A.** The Board may enter the unit in which or as to which, such violation or breach exists and to summarily abate and remove at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass.

**B.** The Board may enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

**C.** The Board may impose a monetary fine for each violation against the Unit Ownership in violation. The amount of such fine shall be specified in a schedule established annually by the Board, and distributed to all of the Unit Owners. The Board may, in its discretion, double any fine which is unpaid after three months, and continue to double the fine each month until same is paid.

**D.** The Board may also charge the cost of any enforcement effort described in this section, including attorneys fees, to the Unit Ownership in violation.

**E.** Any unpaid fines or charges imposed under this Section may be collected in the same manner as unpaid common charges, as provided in Article VI, Sections 3 & 4, of these By-Laws.

**8. MAINTENANCE AND REPAIR - (1)** All maintenance and any repairs

to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common areas and facilities contained therein and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each Unit Owner shall be responsible for all damages to any and all other units and/or to the common areas and facilities that his failure so to do may engender. (2) All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which cases such expense shall be charged to such Unit Owner), shall be made by the Board and be charged to all the Unit Owners as a common expense.

**A. Contracting procedure** - In contracting for goods or services costing more than \$2500.00, the Board of Administrators must prepare a written request for bids specifically identifying the goods or services sought and solicit competing bids from two or more vendors. The Board of Administrators must discuss these bids at a special or regular Board meeting after advance notice to the Unit Owners before choosing a vendor.

The Board of Administrators must require any contractor performing any construction, repair or other physical labor to the Association to provide certificates of insurance demonstrating that the contractor maintains sufficient liability and workers compensation insurance. The Board may also require the contractor or vendor to provide up to three references from previous clients.

The Board of Administrators may appoint a quality assurance committee consisting of Administrators and/or Unit Owners to inspect any major repair or improvement projects. The Board of Administrators alone holds authority to acknowledge completion of any contract.

The Chair or the Secretary of the Board of Administrators shall maintain a record of all maintenance and repairs, including a description of the contract, the name and address of the vendor/contractor, an assessment of the quality of and satisfaction with the work performed, and any later repairs or warranty problems which may arise.

The Board of Administrators may, at its discretion, waive the bidding procedure to renew any contract.

**B. Conflict of Interest** - The Board of Administrators may not contract for goods or services with any person who belongs to a household in which any member holds any interest in a Unit Ownership. No household may have more than one business relationship - either Unit Ownership or vendor - with the Association. "Household" is defined as a person or group of persons, whether or not related by blood, occupying the same dwelling, whether or not such dwelling is in Village Green.

Administrators may serve on any board, committee or other governing body of state or local government. Should such a governing body consider any action affecting the Association or its interest, including but not limited to utilities, zoning, right-of-way or

condemnations, any Administrator who serves on such body must recuse himself or herself from discussion or voting on such issue before that body.

**9. ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY UNIT OWNERS** - No Unit Owner shall make any structural addition, alteration, or improvement in or to his unit, without the prior written consent thereto of the Board of Administrators. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural addition, alteration, or improvement in such Unit Owner's unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Administrators to the proposed addition, alteration or improvement.

**10. USE OF COMMON AREAS AND FACILITIES** - A Unit Owner shall not place or cause to be placed in the common areas any facilities other than a patio or porch to which such Unit Owner has sole access, and other than the areas designated a storage areas, any furniture, packages or objects of any kinds.

**11. RIGHT OF ACCESS** - A Unit Owner shall grant a right of access to his unit to the managing agent and/or any other person authorized by the Board of Administrators or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating from his unit and threatening another unit or a common area and facility, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common areas and facilities in his unit or elsewhere in the building or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

**12. RULES OF CONDUCT** - Rules and regulations concerning the use for the units and the common areas and facilities may be promulgated and amended by the Board with the approval of a majority of the Unit Owners. Copies of such rules and regulations shall be furnished by the Board to each Unit Owner prior to the time when the same shall become effective.

**13. WATER CHARGES AND SEWER RENTS** - Water shall be supplied to all of the units and the common areas and facilities through one or more meters and the Board shall pay, as a common expense, all charges for water consumed on the Property, including the units, together with all related sewer rents arising therefrom, promptly after the bills for same shall have been rendered. In the event of a proposed sale of a unit by the owner thereof, the Board on request of the selling Unit Owner shall execute and deliver to the purchaser of such unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such unit, promptly after such charges have been billed by the Water Department.

**14. ELECTRICITY** - Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter and each Unit Owner shall be required to pay the bills for electricity consumed or used in his unit. The electricity serving the common areas and facilities shall be separately metered, and the Board of Administrators shall pay all bills for electricity consumed in any portions of the common areas and facilities as a common expense.

### **ARTICLE VII - RECORDS AND AUDITS**

The Board of Administrators or the managing agent shall keep detailed records of the actions of the Board and the managing agent, minutes of the meeting of the Board of Administrators, records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of the common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. The financial record and books of account shall be available for examination by all the Unit Owners, their duly authorized agents or attorneys at convenient hours on working days that shall be set and announced for general knowledge. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day of the third month following the close of each fiscal year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be rendered by the Board to all Unit Owners and to all mortgagees of units who have requested same, promptly after the end of each fiscal year.

### **ARTICLE VIII - AMENDMENTS TO BY-LAWS**

These By-Laws may be modified or amended by the vote of 66-2/3 % in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purposes; provided that no modification of or amendment to the By-Laws shall be effective unless set forth in an amended declaration, duly recorded.

### **ARTICLE IX - CONFLICTS**

These By-Laws are set forth to comply with the requirements of Chapter 47A of the Unit Ownership Act of the North Carolina General Statutes. In case any of these By-Laws conflict with the provisions of such statute or of the declaration, the provisions of such statute or of the declaration, as the case may be, shall control.



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The Manual shall be revised before December 31 of each year to reflect all amendments to By-Laws or rules and regulations enacted at the meetings of the Association. The Chair of the Board of Administrators shall revise and maintain the Manual and distribute each new edition to the Unit Owners.

IN WITNESS WHEREOF, The Village Green Unit Owners Association has caused these By-Laws to be executed by its duly authorized officers this the 6 day of Dec., 2000.

VILLAGE GREEN UNIT OWNERS ASSOCIATION

BY: Charles S. Mann (seal)  
PRESIDENT Charles S. Mann

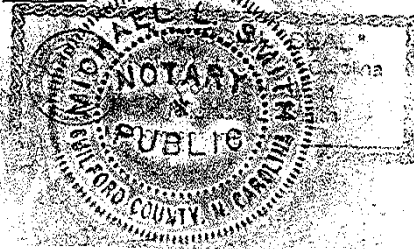
Joseph Sableski (seal)  
SECRETARY JOSEPH SABLESKI

NORTH CAROLINA  
ORANGE COUNTY

This the 7<sup>th</sup> day of December, 2000, CHARLES S. MANN and JOSEPH SABLESKI did personally come before me, a Notary Public for said county and state, and having duly taken oath, say that they are President and Secretary, respectively, of Village Green Unit Owners Association, and that by authority duly given to them and as an act of said Association, they sign and seal this instrument, and acknowledged this writing to be an act and deed of the Village Green Unit Owners Association.

WITNESS my hand and official seal, this the 7<sup>th</sup> day of December, 2000.

Michael L. Smith  
NOTARY PUBLIC  
My commission expires: 12/14/2000



NORTH CAROLINA - ORANGE COUNTY

The foregoing certificate(s) of Michael L. Smith

A Notary (or Notaries) Public of the designated Governmental units is (are) certified to be correct. Filed for registration this the 29th day of Jan. 2001, at 1:00:24 o'clock, PM in Record Book 2188 Page 581.

Return: \_\_\_\_\_

Joyce H. Pearson, Register of Deeds  
By: Pansie D. Decker  
Assistant/Deputy  
Register of Deeds