

BYLAWS

OF

BLOUNT STREET COMMONS

CONDOMINIUM II ASSOCIATION, INC.

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BLOUNT STREET COMMONS CONDOMINIUM II ASSOCIATION, INC.

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BYLAWS
OF
BLOUNT STREET COMMONS CONDOMINIUM II ASSOCIATION , INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is BLOUNT STREET COMMONS CONDOMINIUM II ASSOCIATION, INC., hereinafter referred to as the "Association." At the time of the adoption of these Bylaws, the principal office of the corporation is located at 205 West Millbrook Road, Suite 210, Raleigh, Wake County, NC 27609, but may be located at such other places as from time to time may be determined by the Board of Directors of the Association (also known as the "Board"). Meetings of "Members" (also referred to herein as "Owners") may be held at such places within the State of North Carolina, County of Wake as from time to time may be determined by the Board.

ARTICLE II
PURPOSE AND POWERS

The Association specifically is organized as the "Association" in connection with a "DECLARATION OF BLOUNT STREET COMMONS CONDOMINIUM II", recorded in the Wake County, North Carolina Registry in Book 16157, Page 2449, and including all subsequent amendments and supplemental declarations thereto, the declaration and such amendments, subdivision declarations, and supplemental declarations being referred to herein together as the "Declaration"), the Declaration being incorporated by reference as if fully set out herein. The Declaration governs certain real property in the City of Raleigh, Wake County, North Carolina as described in the Declaration (the "Property"). The definitions of terms contained in the Declaration shall be applicable to these Bylaws, unless the context clearly indicates otherwise. As referred to herein and in the Declaration, the "Act" is the North Carolina Condominium Act, currently contained in Chapter 47C of the North Carolina General Statutes, and the "Nonprofit Corporation Act" is the North Carolina Nonprofit Corporation Act, currently contained in Chapter 55A of the North Carolina General Statutes, and such terms include all amendments, supplements, and replacements of the Act and Nonprofit Corporation Act. The Declaration subjects or will subject the Property to a condominium form of ownership pursuant to the Act. Except as otherwise provided herein or in other Governing Documents, the Association shall have all of the rights, powers, duties and obligations conferred upon it by the Act and the Nonprofit Corporation Act. The Association and its Members shall be subject to all of the terms of the Declaration, specifically including, without limitation, the provisions regarding membership in the Association and the obligation of Members of the Association to pay monetary assessments and other charges to the Association.

ARTICLE III
MEMBERSHIP AND VOTING

Section 1. Membership. Each Owner of a Condominium Unit is a "Member" of the Association, and the membership of an Owner shall terminate automatically upon such Owner being divested of the Owner's ownership interest in the Unit, regardless of the means by which such ownership is divested.

No person holding any lien, mortgage or other encumbrance upon any 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. Exercise of Voting Rights. The exercise of voting rights shall be as provided in these Bylaws or other applicable Governing Documents of the Association, including quorum requirements and exercise of voting rights by written consent or other method instead of a vote at a meeting of the Association, or by any combination of voting at a meeting and other method of voting. Any provision of the Declaration or other Governing Documents that refers to a vote of the membership of the Association shall not preclude the exercise of voting rights by such other methods. When there is more than one Owner of any Unit, all such Owners shall be Members and the voting rights appurtenant to their Unit shall be exercised as they, among themselves, determine (subject to any applicable provisions of the Governing Documents), but fractional voting of the votes allocated to such Unit shall not be allowed.

Section 3. Cumulative Voting. There shall be no cumulative voting.

Section 4. Multiple Owners. When any Unit entitling the Owner thereof to membership in the Association is owned of record in the name of two (2) or more Persons, their acts and presence with respect to voting, written consents, and quorum requirements shall be as follows:

(a) If only one (1) of multiple Owners of a Unit is present in person or by proxy at a meeting of the Association, then such Owner is entitled to cast the vote allocated to that Owner's Unit;

(b) If more than one (1) of multiple Owners of a Unit is present in person or by proxy at a meeting of the Association, the vote for that Unit may be cast only in accordance with the agreement of a majority in interest of such multiple Owners. Majority agreement is conclusively presumed if any one of the multiple Owners casts the vote allocated to such Owners' Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of that Unit (or Person possessing a valid proxy from any such other Owner);

(c) If more than one (1) of multiple Owners of a Unit is present in person or by proxy at a meeting of the Association, but the vote is evenly split on any particular matter, the vote shall not be counted (but the presence of such Owners in person or by proxy shall be counted for purposes of determining quorums);

(d) The presence at a meeting, in person or by proxy, of one (1) or more, but less than all, of multiple Owners of a Unit, shall be sufficient for quorum purposes with respect to the vote allocated to such Unit; and

(e) The principles of this Section shall apply, insofar as possible, to the execution of proxies, waivers, consents, written agreements, or objections.

Section 5. Voting Certificate. If a Member of the Association is not a natural person, the vote of such Member may be cast by any one or more natural persons authorized by such Member. Each such natural

person may be named in a certificate or other written document signed by an authorized director, officer, partner, member, manager, trustee or other authorized person of the Member and filed with the Association; provided, however, whether or not such certificate or other document is filed with the Association, any vote cast at a meeting of the Association on behalf of such Member by any director, officer, partner, member, manager, trustee, or other natural person with apparent authority, shall be deemed valid unless successfully challenged prior to the adjournment of the meeting at which the vote is cast by on behalf of the Member entitled to cast such vote. Such certificate or other document shall be valid until revoked by a subsequent certificate or other document similarly signed and filed with the Secretary. Wherever the approval or disapproval of a Member is required by the Governing Documents, such approval or disapproval may be made by any natural person who would be entitled to cast the vote of such Member at any meeting of the Association.

Section 6. Majority. Except when the Governing Documents or Legal Requirements specifically requires a higher percentage or requires the applicable percentage to be calculated based on the number of votes "entitled to be cast", or the "total number of votes allocated to", or the "total number of votes in the Association", or some other, similarly descriptive term, the affirmative vote of a majority of the votes cast by the Members or applicable portion of Members present in person or by proxy at a meeting of the Association at which a quorum is present is the act of the Members or portion of Members with respect to the matter voted upon. For the purposes of voting in the Association, a "majority" is defined as more than 50%. Provided, however, and in addition to the foregoing, as provided in the Governing Documents the written consent of Declarant also may be required to make effective any matter voted upon by any portion or all of the Members.

Section 7. Action by Written Consent. Unless otherwise specifically provided in the Governing Documents or any Legal Requirement, any matter that may be adopted by the vote of Members may be adopted by the written consent of the Members or applicable portion of Members, subject to the following: (i) the foregoing rules governing voting when there is more than one Owner of a Unit applies to written consents; (ii) the majority or other percentage required for adoption by voting is applicable to adoption by written consent, except that, with respect to written consents, the percentage shall be determined in relation to the total number of votes that the Members or portion of Members eligible to vote on the matter would be **entitled** to cast if a vote was held; (iii) the date on which the last required Member signs the written consent is the date for determining whether or not the required percentage of Members has consented; (iv) a written consent may be withdrawn if done so in the same manner required for giving the written consent and if done prior to the time that the last written consent necessary for adoption of the matter is executed; (v) a written consent given by any Owner is not revoked or invalid by reason of transfer of title by such Owner to that Owner's Unit, but may be revoked by a subsequent Owner if done in accordance with the requirements of the immediately preceding subsection (iv); and (vi) the last written consent necessary for the matter to be adopted must be obtained on or before one (1) year following the date on which the first such written consent was obtained.

Section 8. Voting Disqualification. No Member of the Association may vote at any meeting of the Association or, in the case of a natural person, be elected to serve as a director or officer of the

Association, if, as of the time of commencement of the meeting, there is an unpaid financial obligation of the Member to the Association that is more than sixty (60) days delinquent as measured from the payment due date. The Board shall resolve any dispute over whether or not a Member of the Association is disqualified from voting.

Section 9. Assignment to Lessee. The voting rights of an Owner of a Unit may be assigned to such Owner's lessee or sublessee only by written instrument signed by the Owner and only with respect to the Unit actually leased and occupied by the lessee or sublessee. No such assignment shall be effective until an original of the assignment instrument is delivered to the Secretary of the Association or to the property manager for the Association, and it shall be effective until revoked by the Owner in a writing delivered to the Secretary of the Association.

Section 10. No Additional Votes. Payment of special assessments or any other assessments or charges shall not entitle Members to votes in addition to those specified in the Governing Documents.

Section 11. Units Owned by Association. Notwithstanding anything to the contrary that may appear herein, no votes allocated to Units owned by the Association may be cast, nor may they be counted for purposes of determining a quorum.

Section 12. Proxies. All Members of the Association may vote and transact business at any meeting of the Association by proxy which is authorized in writing and meets the applicable requirements of the Governing Documents and Legal Requirements. A proxy is void if it is not dated. A proxy terminates one (1) year after its date, unless it specifies a shorter term. A Member may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Association. Proxies may not be used in connection with meetings of the Board or any Board committee.

Section 13. Ballots by Mail. When directed by the Board, in its sole discretion, a statement of certain motions or other matters to be introduced for vote of the Members at an annual or special meeting of the Association, and a ballot on which each Member may vote for or against each such motion, shall be sent with the notice of the annual or special meeting at which such vote is to be held. The form of the ballot and requirements for the execution, presentation and effectiveness thereof, not inconsistent with the Governing Documents or Legal Requirements, shall be as determined by the Board. Each mail ballot properly executed and presented at the applicable meeting shall be counted for voting purposes, including calculating the quorum requirements for the meeting, but such ballots shall not be counted in determining whether or not a quorum is present to vote on motions or other matters that do not appear on the ballot. With respect to any such ballot, the Board shall establish the rules for withdrawal or revocation of the ballot, which rules shall clearly be set forth on the ballot or on the notice of the meeting that accompanies any such ballot. Mail ballots received from Members who are not entitled to vote on the date of the meeting of the Association at which the vote is held shall not be counted for voting or quorum purposes.

ARTICLE IV MEETINGS OF THE ASSOCIATION

Section 1. Annual Meetings. A meeting of the Association shall be held at least once each calendar year, on such date and at such time as determined by the Board.

Section 2. Other Meetings. Other Meetings of the Association shall be held on such dates and at such times and places in Wake County, North Carolina, as determined from time to time by the Board, subject to these Bylaws and Legal Requirements.

Section 3. Special Meetings. Special meetings of the Association may be called by the President of the Association, a majority of the Board, or by Owners having twenty percent (20%) or more of the votes in the Association.

Section 4. Notice of Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary of the Association shall cause notice of the meeting to be hand-delivered, or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Owner of the Unit, or sent by electronic means, including by electronic mail over the Internet, to an electronic mailing address designated in writing by the Owner, or sent by any other means that complies with Legal Requirements for giving notices of Association meetings to Owners. The notice of any meeting must state 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 or Bylaws, any budget changes, and any proposal to remove a director from the Board or an officer of the Association.

Notwithstanding anything to the contrary herein, notice of a meeting at which any "material amendment" (as defined in the Declaration) to the Declaration or "extraordinary action" (as defined in the Declaration) to be taken by the Association is to be voted on at the meeting, notice of such meeting must be given not less than twenty-five (25) days prior to the meeting.

A Member may waive any notice required under the Articles, these Bylaws or Legal Requirements before or after the date and time stated in the notice. The waiver shall be in writing, signed by the Member entitled to the notice, and delivered to the Association for inclusion in the minutes or filing with the Association's records. A waiver of notice by any one of multiple Owners of a Unit constitutes a waiver of notice by all such Owners. A Member's attendance at a meeting: (i) waives objection to lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or conducting business at the meeting; and (ii) waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter before it is voted upon.

If an annual, regular, or special meeting of the Members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. Provided, however, and notwithstanding the immediately preceding

sentence, if a new record date for the adjourned meeting is or must be fixed under Section 55A-7-07 (or successor Section) of the Nonprofit Corporation Act, notice of the adjourned meeting shall be given in the manner required by these Bylaws and Legal Requirements to the Members of record entitled to vote at the meeting as of the new record date.

Section 5. Quorum. A quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) or more of the votes which may be cast for election of the Board are present in person or proxy at the beginning of the meeting. In the event that business cannot be conducted at any meeting of the Association because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those Members present in person or by proxy, and the quorum requirement at the next meeting shall be one-half ($\frac{1}{2}$) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by one-half ($\frac{1}{2}$) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 6. Conduct of Meetings. The President shall preside over all meetings of the Members and the Secretary shall keep the minutes of the meetings and record all resolutions adopted at the meetings and proceedings occurring at such meetings. The President may appoint a parliamentarian at any meeting of the Members. Unless otherwise determined by majority vote of the Members present at the meeting, in person or by proxy, the then current edition of "Robert's Rules of Order" shall govern the conduct of all meetings of the Members when not in conflict with the Governing Documents or Legal Requirements. The order of business to be conducted at a meeting of the Members shall be as determined by the presiding officer, except as otherwise determined by the Board before or during the meeting.

Section 7. Action Without Meeting. Actions that can be taken by the Members at an annual or special meeting of the Association may be taken without a meeting as allowed by the Governing Documents and Legal Requirements.

ARTICLE V EXECUTIVE BOARD

Section 1. Initial Directors. The initial members (or "directors") of the Executive Board (or Board) of the Association are those persons who sign these Bylaws as directors. The initial directors have been appointed by the incorporator and shall serve until their successors are appointed or elected as provided herein.

Section 2. Declarant Controlled Board. During the Declarant Control Period, Declarant shall have the right to establish the number of directors and appoint and remove the directors and officers of the Association. The "Declarant Control Period" or "Period of Declarant Control" is defined as the period commencing on the date of the recording of the Declaration in the Registry and continuing until the earlier of (i) one hundred twenty (120) days after conveyance of seventy-five percent (75%) of the Units (including Units that may be created pursuant to Special Declarant Rights) to an Owner other than Declarant; (ii) two

(2) years after Declarant ceases to offer Units for sale in the ordinary course of business; (iii) two (2) years after any Development Right provided in Article VII of the Declaration was last exercised; (iv) the later of the date that is seven (7) years immediately following the date of the recording of this Declaration in the Registry or the date that is five (5) years immediately following the date of the recording of the most recently recorded amendment to this Declaration by Declarant to exercise its rights to add Units to the Condominium; or (v) the date, if any, upon which Declarant voluntarily terminates the Declarant Control Period.

Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units (including Units which may be created pursuant to Declarant's Development Rights) to Owners other than a Declarant, at least one (1) director and not less than twenty-five percent (25%) of the directors of the Board shall be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty (50%) of the Units (including Units which may be created pursuant to Declarant's Development Rights) to Owners other than a Declarant, not less than thirty-three percent (33%) of the directors shall be elected by Owners other than Declarant.

Section 3. Member Controlled Board. Not later than the termination of the Declarant Control Period, the Owners shall elect a Board of at least three (3) directors, at least a majority of whom must be Owners.

Section 4. General Provisions.

(a) Except as otherwise provided in the Act, a director shall not be required to be an Owner of a Unit.

(b) The Association shall publish the names and addresses of all directors and officers of the Association within thirty (30) days of their election, but failure to do so shall not invalidate the appointment or election of any director or officer.

(c) No Member of the Association shall be elected as a director, or allowed to continue serving as a director, (i) if such Member is more than sixty (60) days delinquent in the payment of any financial obligation owed to the Association, as measured from the payment due date, or (ii) after a hearing at which such Member is given an opportunity to appear and be heard and such Member is found by the Board to be in violation of the Governing Documents or Association rules and regulations, during any period of time that such violation has not been completely remedied.

(d) Subject to the rights of Declarant during the Declarant Control Period, the Board may fill vacancies in its membership for the unexpired portion of any term.

(e) A director shall be deemed to have resigned if such director has failed to attend three (3) consecutive regular meetings of the Board without approval from the Board for any of such absences. Provided, such deemed resignation shall not prohibit reappointment or re-election of such director.

(f) No director shall receive compensation from the Association for serving as a director. However, as determined by the Board, directors may be reimbursed for actual expenses incurred in the performance of their duties as directors.

Section 5. Meetings. At the first regular meeting of the Board following an annual meeting of the Association (which may be held contemporaneously with the annual meeting), the Board shall elect the officers of the Association and review the operations of the Board and make any desired changes. Regular meetings of the Board shall be held at such time and place as shall be determined from time to time by a majority of the directors. Special meetings of the Board may be called by the President of the Association or the presiding officer of the Board, and shall be called upon the written request of two (2) or more directors. All meetings of the Board shall be open to Members of the Association as observers, except that the President of the Association or the presiding officer of the Board may call the Board into executive session on sensitive matters such as personnel, litigation, hearings with respect to violations of the Governing Documents, or as otherwise allowed by Legal Requirements. Any final action of the Board taken during an executive session shall be recorded in the minutes of the Board. If at any meeting of the Board there is less than a quorum present, a majority of those directors present may recess or adjourn the meeting from time to time.

As determined by the Board, and subject to Legal Requirements, the Board may permit any or all directors to participate in a regular or special meeting of the Board by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

At regular intervals, the Board shall provide Owners an opportunity to attend a portion of the Board meeting and to speak to the Board about their issues and concerns. The Board may place reasonable restrictions on the number of Persons who speak on each side of an issue and may place reasonable time restrictions on Persons who speak.

Section 6. Notice of Meetings. Regular meetings of the Board, held in accordance with a schedule of regular meetings adopted by the Board, may be held without notice. No notice of the first meeting of the Board held after the annual meeting of the Association is required if the meeting is held contemporaneously with the annual meeting. Except for regular meetings of the Board held in accordance with a schedule of regular meetings adopted by the Board, notice of all other meetings of the Board, including meetings held following adjournment of a meeting for lack of a quorum, shall be given to each director orally or in writing, either in person or by first class mail, telegraph, telecopier ("fax"), electronic mail ("e-mail"), telephone, private courier, or other usual means of communication then in existence, not less than five (5) days prior to the date of the meeting; provided, however, notice of the new date, time or place of an adjourned meeting need not be given to the directors who were present at the adjourned meeting. All such notices shall state the place, date and time of the meeting and, in the case of special meetings, the purpose thereof. A director's attendance at, or participation in, a meeting waives any required notice to that director of the meeting unless that director, at the beginning of the meeting or promptly upon that director's arrival or commencement of participation in the meeting, objects to holding the meeting or transacting business at

the meeting and does not thereafter vote for or assent to action taken at the meeting. A director may participate in a meeting of the Board in any manner allowed by Legal Requirements.

Section 7. Action Taken Without a Meeting. Any action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is taken by all of the directors. Such action shall be evidenced by one or more written consents describing the action taken, signed and dated by each director before or after such action, which consents shall be included in the minutes or filed with the corporate records. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different date. Provided, however, the last consent shall be signed on or before the thirtieth (30th) day following the date on which the first consent is signed. Further provided, a consent signed by a director who resigns, dies or is replaced before all the required consents are signed, shall remain valid until the end of the thirty (30) day time period and the written consent of the replacement director shall not be required. Actions taken under this section shall have the same force and effect as if taken by unanimous vote of the directors at a meeting of the Board.

Section 8. Quorum and Voting. At all meetings of the Board, a quorum is deemed present throughout the meeting if directors entitled to cast fifty percent (50%) or more of the votes on that Board are present at the beginning of the meeting. A majority vote of the directors on any matter at a meeting of the directors at which a quorum is present shall constitute a decision of the Board, unless otherwise provided by the Act, the Nonprofit Corporation Act or the Governing Documents.

Section 9. Powers. Subject to any restrictions in Legal Requirements or the Governing Documents, the Board shall have all rights and powers necessary for the administration of the business of the Association and, except as otherwise provided by Legal Requirements and the Governing Documents, may act in all instances on behalf of the Association. The Board may delegate any of its rights, powers, or duties to a property manager, agents, employees, committees, or other Persons; provided, however, with respect to each such delegation the Board shall remain responsible for any action undertaken by the Person to whom the Board right, power, or duty was delegated.

Section 10. Duties. In addition to or in furtherance of the duties of the Board described in the Declaration, Articles and Legal Requirements, on behalf of the Association the Board shall do, or employ or contract with appropriate Persons to do, all of the following:

- (a) implement performance of the functions of the Association, including maintenance of the Common Elements and provision of the services required by the Governing Documents and Legal Requirements.
- (b) elect the officers of the Association.
- (c) keep records of all of its acts and corporate business and make the same available to the Members as required by Legal Requirements or the Governing Documents.

(d) supervise all officers, agents and employees of the Association, including the property manager, and see that their duties are properly performed.

(e) as more fully provided in the Declaration:

(1) establish the amount of the annual assessment and special assessments;

(2) send written notice of each assessment to the Owner of each assessed Unit (provided, however, that failure of the Board to send any such notice shall in no way affect the obligation of an Owner to pay the assessment);

(3) collect the assessments, deposit the assessments in depositories designated by the Board and use the proceeds to maintain the Common Elements and pay the Common Expenses;

(4) prepare an annual operating budget for the Association; and

(5) establish and maintain reserve funds as the Board from time to time determines to be in the best interests of the Association.

(f) notify the Members of the Association of any litigation against the Association, or against directors, officers, or any Board committee members or others entitled to indemnity from the Association, when such litigation involves a claim in excess of twenty (20%) of the total annual assessment for the year in which the litigation is commenced.

(g) give notices to Eligible Mortgagees who have requested notification in the manner required by the Declaration.

(h) issue, or cause to be issued, as required by the Declaration and upon payment of any charge established therefor, a certificate setting forth whether or not any assessment or other charge has been paid, and whether or not the Owner of any Unit is current or delinquent in the payment of such assessments or other charges.

(i) obtain and maintain the insurance required to be obtained by the Declaration and Legal Requirements.

(j) cause all officers and employees having fiscal responsibilities to be bonded, as the Board deems appropriate.

(k) pay all applicable ad valorem property taxes levied against all Common Elements and other assets of the Association.

Section 11. Compensation. No director shall receive compensation from the Association for serving as a director. However, as determined by the Board, directors may be reimbursed for actual expenses incurred in the performance of their duties as directors.

ARTICLE VI OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, both of whom shall at all times be members of the Board and serve, respectively, as Chairman and Vice-Chairman of the Board, a Secretary, a Treasurer and such other officers as the Board may from time to time by resolution authorize. Any officer may hold more than one (1) office at a time. Except as otherwise provided herein, officers shall not be required to be directors or Members of the Association.

Section 2. Election of Officers. Except for any officers appointed by the Declarant during the Declarant Control Period, the election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term. Each officer shall hold office until his successor is elected or appointed, or until he sooner resigns or dies, or is removed by the Declarant or Board, as applicable, in its sole discretion, or otherwise becomes disqualified to serve. There is no limitation on the successive terms or number of terms that an officer may serve.

Section 4. Resignation and Removal. Any officer may be removed from office at any time by the Declarant, during the Declarant Control Period, or by the Board, with or without cause. Provided, however, the Board shall have no authority to remove any officer appointed by the Declarant. 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 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 5. Vacancies. A vacancy in any office may be filled by appointment by the Declarant or Board, as applicable.

Section 6. Duties. Each officer shall perform all duties incident to the office and generally shall perform such duties as are normally associated with such office in parliamentary organizations. In addition, the officers shall have the following specific duties:

(a) **President.** The President shall: serve as the chief executive officer of the Association; preside at all meetings of the Association; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds and other written instruments of the Association; and exercise and discharge such other duties as may be required by the Board.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) **Secretary.** The Secretary shall: record the votes and keep the minutes of all meetings and proceedings of the Association and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; give notices of meetings of the Board and of the Members; give notices of assessments to the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board.

(d) **Assistant Secretary.** The assistant secretary, if any, shall act in the place and stead of the secretary in the event of the Secretary's absence, inability or refusal to act, and shall exercise and discharge such other duties as required by the Board.

(e) **Treasurer.** The treasurer shall: receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board; keep full and accurate financial records and books of account showing all receipts and disbursements of the Association; prepare an annual statement of income and expenditures to be presented to the membership at its regular annual meeting; and exercise and discharge such other duties as may be required by the Board.

(f) **Assistant Treasurer.** The assistant treasurer, if any, shall act in the place and stead of the treasurer in the event of the Treasurer's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

Section 7. Compensation. No officer shall receive compensation for services rendered in such capacity to the Association; provided, however, an officer may be reimbursed for actual expenses incurred in the performance of such duties, the Association may pay for the services of a recording secretary, and the property manager is not prohibited from receiving compensation for performing duties of the secretary or treasurer as allowed herein.

ARTICLE VII PROPERTY MANAGER

Section 1. Compensation. To assist the Board in its duties, the Board may employ a "property manager" (or "management company", or similarly named Person, such terms being used interchangeably in the Governing Documents) at a compensation to be established by the Board.

Section 2. Requirements. The property manager shall be a bona fide business enterprise or independent contractor which manages common interest residential communities, including, in the Board's discretion, entities affiliated with the Declarant. The property manager or its principals, agents or employees handling Association business shall have a minimum of two years' experience in residential community management (unless a property manager with such experience is not reasonably available) and shall possess

competence in the technical skills necessary for proper management of the Property. The property manager must be able to advise the Board regarding the administrative operation of the Property and the Association and shall employ or have access to Persons knowledgeable in the areas of insurance, accounting, contract negotiation, labor relations and property management.

Section 3. Duties. The property manager shall perform such duties and services as the Board directs, and shall assist the officers in the performance of their duties. The property manager shall perform all of its obligations, duties and services in compliance with the provisions of all Legal Requirements and the Governing Documents.

Section 4. Standards. The Board shall impose appropriate standards of performance upon the property manager. Unless the property manager is instructed otherwise by the Board:

(a) any expenses required by the Governing Documents to be charged to one or more but less than all of the Members shall be accounted for and reported separately.

(b) monies and accounts of the Association shall not be commingled with any other Person's monies and accounts.

(c) no remuneration shall be accepted by the property manager from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees or otherwise, and any discounts given by such Persons shall benefit the Association.

(d) any financial or other interest which the property manager may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board.

(e) the property manager shall prepare financial reports for the Association as directed by the Board, including information on the following: (i) all income and expense activity; (ii) a balance sheet reflecting the financial condition of the Association on an unaudited basis; (iii) a budget report reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserves or ten percent of a major budget category (as distinct from a specific line item in an expanded chart of accounts); and (iv) a delinquency report listing all Members who are delinquent in paying assessments or other charges and describing the status of any actions to collect such assessments.

Section 5. Limitations. Subject to the Governing Documents, the Board may employ a property manager for such periods of time, and subject to such terms and conditions, as the Board determines. Unless otherwise determined by the Board to be in the best interests of the Association, any contract with the property manager must provide that it may be terminated, without payment of a termination fee and without cause on no more than ninety (90) days written notice, and without payment of a termination fee and with cause on no more than thirty (30) days written notice.

Section 6. Officer Duties. At the discretion and direction of the Board, the property manager may perform part or all of the duties of the Secretary and/or the Treasurer of the Association.

Section 7. Amendment of Declaration. As provided in the Declaration, each amendment of the Declaration, except for amendments recorded by Declarant in the exercise of its Development Rights, shall be transcribed and certified by the Secretary of the Association as having been duly adopted, and the original or an executed copy of the amendment, so certified and executed with the same formalities as a deed, shall be recorded in the Registry and indexed as provided in the Act or other Legal Requirements. In the event that the Secretary is unable or unwilling to act, the amendment may be transcribed by the President of the Association. Thereafter, a copy of the amendment, as recorded in the Registry, shall be delivered to the Owners in one or more of the manners allowed in the Declaration for giving notices (and delivery to any one of multiple Owners of a Unit shall constitute delivery to all Owners of that Unit), but delivery of a copy thereof shall not be a condition precedent to the effectiveness of the amendment.

ARTICLE VIII FIDUCIARY DUTIES

Section 1. Signature Requirements. Unless otherwise provided by the Board: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00), and all expenditures from reserve accounts, shall be signed by any two (2) Persons designated by the Board of Directors; and (ii) all such instruments for expenditures or obligations of Two Thousand Five Hundred and 00/100 (\$2,500.00) or less, except from reserve accounts, may be signed by any one (1) Person designated by the Board of Directors.

Section 2. Conflicts of Interest. Each director and each officer of the Association shall exercise such director's or officer's powers and duties in good faith and in the best interests of the Association. Unless prohibited by Legal Requirements, any interested director may be counted in determining the presence of a quorum at any meeting of the Board. The voidableness of a transaction involving a director or officer with a conflict of interest shall be determined in accordance with Legal Requirements.

ARTICLE IX COMMITTEES

At any time and from time to time the Board may appoint committees, consisting of one (1) or more natural persons, with such powers and duties, and subject to such procedures, as it deems appropriate in assisting the Board in carrying out the functions of the Association.

ARTICLE X BOOKS AND RECORDS

Section 1. Maintenance. The Association shall keep books and records as required by the Nonprofit Corporation Act and other Legal Requirements. The Association shall keep records of: (i) its Governing Documents; (ii) its actions (board resolutions, meeting minutes, etc.); and (iii) its financial condition (receipts and expenditures affecting the finances, operation and administration of the Association, budget, financial statements, etc.). All books and records shall be kept in accordance with generally accepted accounting principals, and the same shall be reviewed annually by an accountant or shall be audited upon (i) majority vote of the Members present at a meeting of the Members, or (ii) at the request of a majority of the Eligible Mortgagees, or (iii) upon the determination of the Board. Any such audit shall be conducted by a certified public accountant retained by the Board who shall not be a Member, director, officer or the property manager of the Association, the Declarant, or any employee, agent, director, officer, member, manager or partner of the Declarant. The cost of such review or audit shall be a Common Expense.

Section 2. Accounting Report. Within one hundred twenty (120) days after the end of each fiscal year of the Association, the Board shall make available to each Member and Eligible Mortgagee who submits a written request therefor to the Association, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves.

Section 3. Availability. Subject to the applicable provisions of the Act with respect to books and records of the Association, the books and records of the Association shall be available for examination and/or copying by the Members of the Association, their attorneys and accountants, and by Eligible Mortgagees and their authorized agents, during general business hours on business days, upon written notice of demand for inspection given to the Secretary of the Association not less than five (5) business days before the date on which such Person wishes to examine and/or copy such books or records. The Secretary may direct that the examination of the books and records of the Association be done at the office of the property manager. All Eligible Mortgagees or their authorized representatives shall have the right to examine the books and records of the Association on the same terms and conditions as the Members of the Association. The Board of Directors may fix from time to time a reasonable charge to cover the direct and indirect costs of providing copies (including forwarding by electronic means) of its books and records, including accounting reports.

ARTICLE XI CORPORATE SEAL

As determined by the Board from time to time, the corporate seal of the Association shall be a seal and/or stamp in circular or other form, having within same the name of the Association and such other words as are approved by the Board, which name of the Association and such other words may be imprinted or hand-written within such seal or stamp.

ARTICLE XII AMENDMENTS

Section 1. Amendment by the Members. Unless a greater percentage of votes is required by the Governing Documents or Legal Requirements, and except as otherwise provided herein, these Bylaws may be amended only by affirmative vote at a meeting of the Association of, or a written agreement or consent signed by, those Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, which shall include at least a majority of the votes of those Owners, other than Declarant, who vote at the meeting or sign the written agreement or consent, and, in addition, the affirmative vote or written agreement or consent of Declarant during the existence of the Declarant Control Period.

Section 2. Amendment by Declarant. In addition to any other provisions in these Bylaws for amending these Bylaws, Declarant may amend these Bylaws at any time and from time to time to make changes or revisions for these Bylaws to comply with the requirements of the Federal Housing Administration, Veterans Administration, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or other, substantially similar Governmental Authority organization, or as may be necessary to maintain the nonprofit corporation status of the Association.

Section 3. Amendment of Articles. In addition to any other provisions in these Bylaws for amending these Bylaws, upon any amendment of the Declaration or the Articles these Bylaws shall be deemed amended as necessary to conform to the amended Declaration or Articles, and the Secretary shall file such documents with the records of the Association as may be reasonably required to conform these Bylaws to the amended Declaration or Articles.

Section 4. Notice to Owners. A copy of each amendment of these Bylaws shall be delivered to the Owners in one or more of the manners allowed herein for giving notices (and delivery to any one of multiple Owners of a Unit shall constitute delivery to all Owners of that Unit), but delivery of a copy thereof shall not be a condition precedent to the effectiveness of the amendment.

ARTICLE XIII MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association is defined as the calendar year until such time as the Board, by appropriate resolution establishes a different fiscal year for the Association.

Section 2. Notice. Except as otherwise provided herein or otherwise required by Legal Requirements, whenever written notice to any Person (including Owners) is required hereunder, such notice may be hand delivered to such Person, or given by first class United States mail, postage prepaid, or given in such other manner specifically allowed or required by Legal Requirements, or given in such other manner determined by the Board to be proper and which does not violate any Legal Requirements, addressed to the address of such Person appearing on the records of the Association or to the address for such Person appearing in the records of the Wake County Revenue Department. For purposes of these Bylaws, unless

otherwise required by Legal Requirements, each of the following means of giving notices is authorized: (i) first class mail; (ii) personal delivery to the Person; (iii) registered mail or certified mail; (iv) national, regional or local same day or overnight courier service (for example, Federal Express or United Parcel Service); (v) electronic mail for Persons who have requested or consented to receipt of notices by electronic mail; (vi) telecopier ("fax") for Persons who have requested or consented to receipt of notices by telecopier; and (vii) other means that the Board determines to be fair and reasonable. Properly addressed notice shall be deemed to have been given by the Association as follows: (i) in the absence of any delays in delivery by the United States Postal Service resulting from acts of war or terrorism, on the third day following the date the notice was deposited in the United States mail, first class postage prepaid; or (ii) on the date of personal delivery to the Person, as evidenced by a receipt signed by the Person; or (iii) on the delivery date to the address of the intended recipient indicated on a return certified or registered mail receipt, or (iv) on the date indicated by the records of a national, regional or local same day or overnight courier service, which delivery may be made to any adult Person at the address of the intended recipient or which may be left at the address of the intended recipient without a written acknowledgment from any Person; or (v) on the date that receipt of the electronic mail is acknowledged by the intended recipient; (vi) on the date that receipt of the notice sent by telecopier (fax) is acknowledged by the intended recipient; (vii) or on the date of actual receipt by the intended person if any other delivery method is utilized. Waiver of notice is effective on the date that a written waiver is executed by the intended recipient. Notice to the Association may be given and shall be deemed to have been given in the same manner as notice to a Person, when addressed to the registered agent of the Association, the principal business office of the Association, or the address of the property manager employed by the Association. 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 such current mailing address the Association may use as the mailing address the street address of the Unit owned by such Owner or the address for such Owner in the records of the Wake County Revenue Department. If no address for an Owner is reasonably available to the Association, the Association shall not be required to give notice to such Owner. Notice given to any one of multiple Owners of any portion of the Property shall be deemed to have been given to all of such Owners.

Section 3. 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, except as necessary with respect to any cross-referencing of any provisions of these Bylaws.

Section 4. Number and Gender. Whenever the context of these Bylaws requires, the singular shall include the plural and one gender shall include all.

Section 5. Severability of Provisions. If any paragraph, section, sentence, clause or phrase of these Bylaws shall be or become illegal, null or void for any reason or shall be held by any court of competent jurisdiction to be illegal, null or void, the remaining paragraphs, sections, sentences, clauses and phrases hereof shall continue in full force and effect and shall not be affected thereby. To the extent that any provision of these Bylaws is determined to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision without destroying its intent, then the narrower or partially enforceable provision shall be applied and, to the extent lawful, shall be enforced. It is hereby

declared that said remaining paragraphs, sections, sentences, clauses and phrases would have been and are imposed irrespective of the fact that any one or more other paragraphs, sections, sentences, clauses or phrases shall become or be illegal, null or void.

Section 6. Conflicts. Whenever there exists a conflict among the Governing Documents of the Association, the provisions of the Declaration and thereafter, any applicable Supplemental Declaration or Subdivision Declaration shall control, except as to matters of compliance with the Nonprofit Corporation Act, in which event the Articles shall control. Whenever there is a conflict between the provisions of the Articles and Bylaws, the provisions of the Articles shall control. The provisions of these Bylaws shall control over any conflicting provision of any Restrictions and Rules, or Board resolutions. With respect to the foregoing, specific provisions shall control general provisions, except that a construction consistent with the Act, the Nonprofit Corporation Act and other Legal Requirements shall in all cases control over any construction inconsistent therewith. The provisions of the Act and Nonprofit Corporation Act shall in all cases control over any conflicting provisions of the City of Raleigh Code. The Governing Documents shall be construed together with the construction that avoids, insofar as possible, conflicts among them.

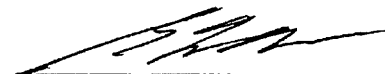
For the purposes of this Article and any other references in the Governing Documents to similar conflicts, a 'conflict' is a situation in which the provisions in question cannot be reconciled or where enforcement of one provision necessarily would prohibit enforcement of another provision - for example, where one provision allows a certain action and the other provision prohibits the same action. Two provisions that are different, but not mutually exclusive or prohibitive of each other do not constitute a conflict for the purposes of this Article.

(execution page follows)

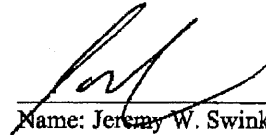
IN WITNESS WHEREOF, we, being all of the directors of BLOUNT STREET COMMONS
CONDOMINIUM II ASSOCIATION, INC., have executed these Bylaws effective this 23rd day of
September, 2015.



Name: Mark Bowles
Director



Name: George W. Weller
Director



Name: Jeremy W. Swink
Director

CERTIFICATION

I, the undersigned, hereby certify:

THAT I am the Secretary of BLOUNT STREET COMMONS CONDOMINIUM II ASSOCIATION, INC.; and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted pursuant to a consent to action in lieu of the organizational meeting of the Board of Directors thereof on the 23rd day of September, 2015.



Name: Jeremy W. Swink
Secretary