

EXHIBIT "F"

BY-LAWS  
OF  
MARKET CENTER TOWERS ASSOCIATION  
HIGH POINT, NORTH CAROLINA

DEVELOPER

MARKET CENTER INVESTMENT COMPANY,  
A Limited Partnership

ARTICLE I.

Plan of Apartment Ownership:

Section 1: The Project located in Guilford County, North Carolina, is submitted to the provisions of Chapter 47A of the General Statutes of North Carolina.

Section 2: The provisions of these By-Laws are applicable to the project. The term "Project" as used herein shall include the land.

Section 3: All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws and to Rules and Regulations adopted pursuant hereto.

Section 4: The mere acquisition or rental of any of the units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these By-Laws and the provisions of Rules and Regulations adopted pursuant hereto are accepted, ratified and will be complied with.

ARTICLE II.

Voting, Majority of Owners, Quorum, Proxies:

Section 1: Voting shall be on a basis of one vote per each unit.

Section 2: As used in these By-Laws the majority of owners shall mean those owners holding more than one-half of the units which have been built or under construction.

Section 3: Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III.

Administration:

Section 1: The owners of the units will constitute the association of owners known as "Market Center Towers" (hereinafter referred to as "Association") who will have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments, and arranging for the management of the project, which may be pursuant to an agreement containing provisions relating to the duties, obligations, removal and compensation of a management agent. Decisions and resolutions of the association will require approval by a majority of owners. The Association has the right, at any time, upon the majority of owner votes, to incorporate under the laws of North Carolina as a non-profit corporation without recording any correction or addenda to the Declaration thereto.

Section 2: Meetings of the association shall be held at the principal office of the project or such other suitable place convenient to the owners as may be designated by the Board of Directors.

Section 3: The first annual meeting of the association shall be held on the 1st day of December, 1981. Thereafter the annual meetings of the association shall be held on the day set by the Association in each succeeding year, unless this shall be a Sunday or legal holiday, in which case the meeting shall be held on the next business day. At such meetings, there shall be elected by ballot of

the owners a board of directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The owners may also transact such other business of the association as may properly come before them.

Section 4: It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice thereof unless by consent of two-thirds of all of the owners, and said two-thirds must be present either in person or by proxy.

Section 5: It shall be the duty of the Secretary to mail a notice of each annual or special meeting stating the purpose thereof as well as the time and place where it is to be held to each owner of record at least ten (10) but not more than sixty (60) days prior to such meeting. The mailing of a notice in the manner provided in this section shall be considered notice served.

Section 6: If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7: The order of business at all meetings of the owners of units shall be as follows:

- a) Roll Call
- b) Proof of Notice of Meeting, or Waiver of Notice
- c) Reading of minutes of preceding meeting
- d) Reports of Officers
- e) Report of Committees
- f) Election of Inspectors of Election
- g) Election of Directors
- h) Unfinished business
- i) New business

ARTICLE IV.

Board of Directors:

Section 1: The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) persons nor more than seven (7) as may be determined from time to time by the owners.

Each member of the Board of Directors shall be either the owner of a unit, have an interest therein, or in the event of corporate ownership, be an officer or designated agent of the corporation.

Section 2: The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the association and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the owners.

Section 3: In addition to duties imposed by these By-Laws or by resolutions of the association, the board of directors shall be responsible for the following:

- a) Care, upkeep and surveillance of the project and the common areas and facilities;
- b) Collection of monthly assessments from the owners;

c) Designation and dismissal of the personnel necessary for the maintenance and operation of the project and the common areas and facilities.

Section 4: The board of directors shall select for the association a management agent at a compensation established by the board of directors to perform such duties and services as the board shall authorize including but not limited to the duties listed in Section 3 of this Article.

Section 5: At the first annual meeting of the association, the term of office of at least one director shall be fixed at one year, the term of office of at least one director shall be fixed at two years, and the term of office of at least one director shall be fixed at three years. No director shall be elected for a longer term than three years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of three years. The directors shall hold office until their successors have been elected and hold their first meeting.

Section 6: Vacancies on the board of directors caused by any reason other than the removal of a director by a vote of the association shall be filled by vote of the majority of the then remaining directors even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the association.

Section 7: At any regular or special meeting duly called, any one or more of the directors may be removed with or without cause by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any director

whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

Section 8: The first meeting of a newly elected board of directors shall be held within five (5) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole board shall be present.

Section 9: Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the board of directors shall be given to each director, personally or by mail, telephone or telegraph, at least ten (10) days prior to the day named for each meeting.

Section 10: Special meetings of the board of directors may be called by the president on ten days' notice to each director given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the board of directors shall be called by the president or secretary in like manner and on like notice on the written request of at least fifty-one (51%) percent of the directors.

Section 11: Before or at any meeting of the board of directors, any director may in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him of the time and place thereof. If all

BOOK 3172 PAGE 781

the directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 12: At all meetings of the board of directors, a majority of the directors shall constitute a quorum for the transaction of business and the acts of the majority of the directors present at a meeting at which a quorum is present shall be acts of the board of directors. If at any meeting of the board of directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 13: The board of directors shall require that all officers and employees of the association handling or responsible for association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the association.

#### ARTICLE V.

##### Officers:

Section 1: The principal officers of the association shall be a president, a vice president, a secretary and a treasurer, all of whom shall be elected by and from the board of directors. The directors may appoint an assistant treasurer and an assistant secretary and such other officers as in their judgment may be necessary.

Section 2: The officers of the association shall be elected annually by the board of directors at the organization meeting of each new board and shall hold office at the pleasure of the board.

Section 3: Upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the board of directors, or at any special meeting of the board called for such purpose.

Section 4: The president shall be the chief executive officer of the association. He shall preside at all meetings of the association and of the board of directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the association.

Section 5: The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the board of directors shall appoint some other member of the board to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the board of directors.

Section 6: The secretary shall keep the minutes of all meetings of the board of directors and the minutes of all meetings of the association; he shall have charge of such books and papers as the board of directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 7: The Treasurer or person, partnership, or corporation designated by the Board of Directors shall be bonded and bond shall be delivered to the President and such Treasurer

person, partnership or corporation shall have responsibility for association funds and securities, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit, of the association, in such depositaries as may from time to time be designated by the board of directors, and all premiums shall be paid by the association.

ARTICLE VI.

Obligations of the Owners:

Section 1: All owners are obligated to pay monthly assessments imposed by the association to meet all project, communal expenses, which in any event shall include a liability insurance policy premium and an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard. The assessments shall be made pro rata according to the percentage of the unit owned, as stipulated in the Declaration of Condominium. Such assessments shall also include monthly payments to the following reserve funds:

a) A reserve fund for the purpose of effecting replacements of structural elements and mechanical equipment of the condominium, and for such other purposes as may from time to time appear to be necessary or appropriate.

b) A general operating reserve for the purpose of providing a measure of financial stability during periods of special stress, which may be used to meet deficiencies from time to time as a result of delinquent payment of assessments by owners of units in the condominium and other contingencies.

BULK 3172 PAGE 784

c) All assessments shall be paid within ten (10) days of billing.

Section 2: The obligations of the owners as to maintenance and repair are as follows:

a) Every owner must perform promptly all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender, unless prohibited by war, strikes or conditions not within control of owner.

b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, heat pumps for heat and air conditioning, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the owner's expense.

c) An owner shall reimburse the association for any expenditures incurred in repairing or replacing any common area and facility damaged through his fault.

Section 3: All units shall be utilized for residential purposes only except the one known as 533 North Hamilton Street on the ground floor which may be used for business, professional, or residential purposes.

Section 4: An owner shall not make structural modifications or alterations within his unit without previously notifying the association in writing, through the management agent, if any, or through the president of the board of directors. The association shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 5: All units shall be subject to the following rights of entry:

a) An owner shall grant the right of entry to the management agent or to any other person authorized by the board of directors or the association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

Section 6: Every resident of the project shall observe, as rules of conduct, the rules and regulations which are attached hereto and incorporated herein by reference. Either the board of directors or the owners, at a regular meeting or duly called special meeting, may modify, alter, amend, add to or revoke said rules and regulations in whole or in part, but recordation in the Register of Deeds shall not be necessary.

ARTICLE VII.

Mortgaging:

1. The mortgaging of units in the project shall be subject to the following provisions:

2. In the event proceedings are instituted to foreclose any mortgage or deed of trust on any unit, the association on behalf of one or more of the owners, shall have the right to purchase such unit at the foreclosure sale.

3. Nothing herein contained shall preclude any lender, private individual, corporation, mortgage institution, banker, savings and loan association, insurance company, or any other recognized lending institution, from owning a mortgage or deed of trust on any unit, and such lender shall have an unrestricted absolute right to accept title to the unit in settlement and satisfaction of said mortgage or deed of trust or to foreclose the mortgage or deed of trust in accordance with the terms thereof and the laws of North Carolina, and to bid upon said unit at the foreclosure sale, provided said lender owning said mortgage or deed of trust shall give to the association, its successors or assigns, written notice by certified mail of the said default mailed at least thirty (30) days prior to the institution of foreclosure proceedings.

ARTICLE VIII.

Amendments to Plan of Unit Ownership:

Section 1: These by-laws may be amended by the association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least 50% of the units. All unit owners shall be bound to abide by any amendment upon the same being passed and duly set forth in an amendment declaration of Condominium duly recorded. No such amendment shall become operative unless set forth in an amended Declaration of Condominium and duly recorded.

ARTICLE IX.

Mortgages or Deeds of Trust:

Section 1: An owner who encumbers his unit by mortgage or Deed of Trust or any other encumbrance shall notify the association through the President or management agent and furnish the address and name of the lienholder, and the association shall maintain such information in a book called "liens of units."

Section 2: The association shall at the request of a mortgagee or lienholder of a unit report any unpaid assessments due from the owner of such unit.

ARTICLE X.

Agent for Service of Process:

The Board of Directors shall at all times maintain a duly appointed process agent within Guilford County, North Carolina, as required by G.S. 47A-26. The Board of Directors by majority action may at any time revoke the appointment of any such agent, and appoint a successor, by an instrument duly recorded in the Office of the Register of Deeds of Guilford County.

ARTICLE XI.

Compliance:

These By-Laws are set forth to comply with the requirements of Chapter 47A of the General Statutes of North Carolina. In case any of these By-Laws conflict with the provisions of said Chapter, it is hereby agreed and accepted that the provisions of the Chapter will apply.

ARTICLE XII.

Title to Real Estate Acquired by the Association:

In the event that the association shall purchase or otherwise acquire the legal title to any unit, such title shall be vested in the board of directors as Trustees for each of the remaining unit owners in the percentages established in the Declaration of Concominium.

ARTICLE XIII.

Special Provisions Pertaining to Developer:

As long as the developers of Market Center Towers own at least one unit in either phase one or phase two six story building, said developers shall have the sole and exclusive right to name at least one Board member.

ARTICLE XIV.

The Association shall be responsible and pay all cost with respect to maintaining and keeping in good order and repair all roofs, and all parts thereof, all outside walls, including parking walls, all exterior walls, all exterior painting, all walks, all paving, including streets, curbing, grass, shrubs and trees, and all repairs necessary to all of the common areas.

ARTICLE XVI

Prior to completion of the project or until permanent Association is completed, the project shall be managed by Century 21 Fowler Realty, and each owner from the deed is delivered and accepted shall be responsible for his or her pro-rata expense; said expense to include insurance and upkeep as provided for in said By-laws.