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HOUSE BILL 920
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Short Title: Condominium Association Changes.

(Public)

Sponsors:

Referred to:

April 22, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING
3 CONDOMINIUMS AND CONDOMINIUM ASSOCIATIONS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 47C-2-109 reads as rewritten:

6 "§ 47C-2-109. Plats and plans.

7 (a) The declarant shall file with the register of deeds in each county where the
8 condominium is located the condominium's plat or plan prepared in accordance with this section.
9 The plat or plan shall be considered a part of the declaration but shall be recorded separately, and
10 the declaration shall refer by number to the file where such plat or plan is recorded. ~~Each plat or
11 plan must contain a certification by an architect licensed under the provisions of Chapter 83A of
12 the General Statutes or an engineer registered under the provisions of Chapter 89C of the General
13 Statutes that it contains all of the information required by this section.~~

14 (b) Each plat or plan or combination thereof must ~~show~~ show all of the following:

- 15 (1) The name and a survey or general schematic map of the entire
16 ~~econdominium;~~ condominium.
17 (2) The location and dimensions of all real estate not subject to development
18 rights or subject only to the development right to withdraw and the location
19 and dimensions of all existing improvements within that real ~~estate;~~ estate.
20 (3) The location and dimensions of any real estate subject to development rights,
21 labeled to identify the rights applicable to each ~~parcel;~~ parcel.
22 (4) The extent of any encroachments by or upon any portion of the
23 ~~econdominium;~~ condominium.
24 (5) The location and dimensions of all easements having specific location and
25 dimensions and serving or burdening any portion of the
26 ~~econdominium;~~ condominium.
27 (6) The verified statement of an architect licensed under the provisions of Chapter
28 83A of the General Statutes or an engineer registered under the provisions of
29 Chapter 89C of the General Statutes certifying that such plats or plans fully
30 and accurately depict (i) the layout, location, ceiling and floor elevations, unit
31 numbers and dimensions of the units, as built; locations and dimensions of the
32 horizontally limiting boundaries of each unit, to the extent those boundaries
33 lie within or coincide with the boundaries of the building in which the unit is
34 located, (ii) the location of any vertically limiting boundaries, with reference
35 to established datum, and (iii) an identifying number for each unit.



- 1 (6a) ~~The certificate by a registered land surveyor licensed under the provisions of~~
2 ~~Chapter 89C of the General Statutes stating that the plats or plans accurately~~
3 ~~depict the legal boundaries and the physical location of the units and other~~
4 ~~improvements relative to those boundaries;~~The certification of a Professional
5 Land Surveyor licensed under the provisions of Chapter 89C of the General
6 Statutes, that the plat conforms to the requirements of subdivisions (1), (2),
7 (3), (4), (5), (7), (8), and (9) of this subsection. The location and dimensions
8 referred to in these subdivisions shall be expressed in the plat in azimuths or
9 courses and distances. Distances shall be in feet or meters and decimals
10 thereof. Tie lines to an external boundary which is itself located and
11 dimensioned are required for buildings containing or comprising any units that
12 are not coincident with said external boundary. Each vertically limiting unit
13 boundary (commonly known as elevation) shall be expressed in feet or meters
14 and decimals as the distance above the referenced datum. The certification
15 required by this subsection shall also state that the plat meets the requirements
16 of NCAC Title 21, Chapter 56 (Board Rules).
- 17 (7) The locations and dimensions of limited common elements; however, parking
18 spaces and the limited common elements described in subsections
19 47C-2-102(2) and (4) need not be shown, except for decks, stoops, porches,
20 balconies, and ~~patios;~~patios.
- 21 (8) A legally sufficient description of any real estate in which the unit owners will
22 own only an estate for years, labeled as "leasehold real ~~estate";~~estate."
- 23 (9) The distance between noncontiguous parcels of real estate comprising the
24 ~~eondominium;~~condominium.
- 25 (10) Any unit in which the declarant has reserved the right to create additional units
26 or common elements.
- 27 (c) A plat may also show the intended location and dimensions of any contemplated
28 improvement to be constructed anywhere within the condominium. Any contemplated
29 improvement shown must be labeled either "MUST BE BUILT" or "NEED NOT BE BUILT".
- 30 (d) Upon exercising any development right, the declarant shall record either new plats
31 and plans necessary to conform to the requirements of subsections (a), (b), and (c) or new
32 certifications of plats and plans previously recorded if those plats and plans otherwise conform
33 to the requirements of those subsections.
- 34 (e) ~~In order to be recorded, plats or plans filed shall;~~prepared under subsection (b) of this
35 section shall comply with G.S. 47-30(a) and with either G.S. 47-30(b) or G.S. 47-30(o).
- 36 (1) ~~Be reproducible plats or plans on cloth, linen, film, or other permanent~~
37 ~~material and be submitted in that form; and~~
- 38 (2) ~~Have an outside marginal size of not more than 21 inches by 30 inches nor~~
39 ~~less than eight and one-half inches by 11 inches, including one and one-half~~
40 ~~inches for binding on the left margin and a one-half inch border on each of the~~
41 ~~other sides. Where size of the buildings or suitable scale to assure legibility~~
42 ~~require, plats or plans may be placed on two or more sheets with appropriate~~
43 ~~match lines.~~
- 44 (f) The fee for recording each plat or plan sheet submitted shall be as prescribed by
45 G.S. 161-10(a)(3).
- 46 (g) The provisions of this Article and of condominium instruments recorded pursuant
47 thereto shall be liberally construed in favor of the valid establishment of a condominium with
48 respect to the submitted property."

49 **SECTION 2.** G.S. 47C-2-105 reads as rewritten:

50 **"§ 47C-2-105. Contents of declaration.**

- 51 (a) The declaration for a condominium must ~~eontain;~~contain all of the following:

- 1 (1) The name of the condominium, which must include the word "condominium"
2 or be followed by the words "a condominium", and the name of the
3 ~~association;~~association.
- 4 (2) The name of every county in which any part of the condominium is
5 ~~situated;~~situated.
- 6 (3) A legally sufficient description of the real estate included in the
7 ~~econdominium;~~condominium.
- 8 (4) A statement of the maximum number of units which the declarant reserves the
9 right to ~~create;~~create.
- 10 (5) A ~~description (by description, by reference to the plats or plans described in~~
11 ~~G.S. 47C-2-109)~~G.S. 47C-2-109, of the boundaries of each unit created by
12 the declaration, including the unit's identifying ~~number;~~number. A declaration
13 may define a unit to include all or any portion of the airspace or subterranean
14 space between two legally identifiable elevations, to include or exclude the
15 surface of a legally described parcel of real property, to include or exclude
16 airspace lying above and subterranean space lying below such surface, and to
17 mean any specified combination of the foregoing, whether or not contiguous.
- 18 (6) A description of any limited common elements, other than those specified in
19 subsections 47C-2-102(2) and (4), as provided in ~~G.S.~~
20 ~~47C-2-109(b)(7);~~G.S. 47C-2-109(b)(7).
- 21 (7) A description of any real estate (except real estate subject to development
22 rights) which may be allocated subsequently as limited common elements,
23 other than limited common elements specified in subsections 47C-2-102(2)
24 and (4), together with a statement that they may be so ~~allcated;~~allocated.
- 25 (8) A description of any development rights and other special declarant rights
26 reserved by the declarant, together with a legally sufficient description of the
27 real estate to which each of those rights applies, and a time limit within or date
28 by which each of those rights must be exercised; provided, however, that if no
29 time limit or date is specified for the exercise of any particular development
30 right or other special declarant right is specified in the declaration, the time
31 limit for the exercise of that right shall be seven years from the date the
32 declaration was recorded or by July 1, 2027, whichever is later.
33 Notwithstanding the foregoing, the unit owners of units to which at least
34 sixty-seven percent (67%) of the votes in the association are allocated,
35 exclusive of any votes appurtenant to any unit owned by the declarant, may
36 consent to an extension, not exceeding 10 years from the expiration of any
37 time limit for the exercise of any development right or special declarant right
38 as specified in the declaration. An extension of a development right or special
39 declarant right is effective upon recording of an amendment to the declaration
40 approved by the unit owners as provided in this subdivision, provided that
41 such amendment must be recorded prior to the expiration of the development
42 right or special declarant right affected by such amendment. Approval by the
43 required number of unit owners may be evidenced by execution of the
44 amendment by the requisite number of unit owners or by certification of an
45 officer of the association executing such amending confirming that the
46 requisite number of unit owners approved such amendment at a duly called
47 meeting of the unit owners.
- 48 (9) If any development right may be exercised with respect to different parcels of
49 real estate at different times, a statement to that effect, together with (i) either
50 a statement fixing the boundaries of those portions and regulating the order in
51 which those portions may be subjected to the exercise of each development

1 right or a statement that no assurances are made in those regards, and (ii) a
 2 statement as to whether, if any development right is exercised in any portion
 3 of the real estate subject to that development right, that development right
 4 must be exercised in all or in any other portion of the remainder of that real
 5 ~~estate;estate.~~

6 (10) Any other conditions or limitations under which the rights described in
 7 paragraph (8) may be exercised or will ~~lapse;lapse.~~

8 (11) An allocation to each unit of the allocated interests in the manner described in
 9 ~~G.S. 47C-2-107;G.S. 47C-2-107.~~

10 (12) Any restrictions on use, occupancy, or alienation of the ~~units;units.~~

11 (13) The recording data for recorded easements and licenses appurtenant to or
 12 included in the condominium or to which any portion of the condominium is
 13 or may become subject by virtue of a reservation in the ~~declaration;~~
 14 ~~and~~declaration.

15 (14) All matters required by G.S. 47C-2-106, 47C-2-107, 47C-2-108, 47C-2-109,
 16 47C-2-115, 47C-2-116, and 47C-3-103(d).

17 (b) The declaration may contain any other matters the declarant deems appropriate."

18 **SECTION 3.(a)** G.S. 47C-2-117 reads as rewritten:

19 **"§ 47C-2-117. Amendment of declaration.**

20 (a) Except in cases of amendments that may be executed by a declarant under
 21 G.S. 47C-2-109(d) or 47C-2-110, the association under G.S. 47C-1-107, 47C-1-106(d),
 22 47C-2-112(a), or 47C-2-113, or certain unit owners under G.S. 47C-2-108(b), 47C-2-112(a),
 23 47C-2-113(b), or 47C-2-118(b), and except as limited by subsection (d), the declaration may be
 24 amended only by affirmative vote of or a written agreement signed by, unit owners of units to
 25 which at least sixty-seven percent (67%) of the votes in the association are allocated or any larger
 26 majority the declaration specifies. The declaration may specify a smaller number only if all of
 27 the units are restricted exclusively to nonresidential use.

28 (b) ~~No~~Provided that the approval requirements for any amendment adopted pursuant to
 29 this section or G.S. 47C-2-105(a)(8) have been met, no action to challenge the validity of an
 30 amendment adopted by the association pursuant to this section or pursuant to
 31 G.S. 47C-2-105(a)(8) may be brought more than one year after the amendment is recorded.

32 (c) Every amendment to the declaration must be recorded in every county in which any
 33 portion of the condominium is located and is effective only upon recordation. An amendment
 34 shall be indexed in the Grantee's index in the name of the condominium and the association and
 35 in the Grantor's index in the name of the parties executing the amendment.

36 (d) Except to the extent expressly permitted or required by other provisions of this
 37 Chapter, no amendment may create or increase special declarant rights, increase the number of
 38 units, or change the boundaries of any unit, the allocated interest of a unit, or the uses to which
 39 any unit is restricted, in the absence of unanimous consent of the unit owners.

40 (e) Amendments to the declaration required by this Chapter to be recorded by the
 41 association shall be prepared, executed, recorded, and certified on behalf of the association by
 42 any officer of the association designated for that purpose or, in the absence of designation, by the
 43 president of the association.

44 (f) The provisions of this Article and of condominium instruments recorded pursuant
 45 thereto shall be liberally construed in favor of the valid establishment of a condominium with
 46 respect to the submitted property. Except as otherwise provided in the declaration or explicitly
 47 prohibited by this Chapter, if any amendment to the declaration is necessary in the judgment of
 48 the executive board, then the executive board may, at its discretion, propose an amendment to
 49 the declaration for any of the following purposes:

50 (1) To cure any ambiguity, to establish marketable title to units, or to correct or
 51 supplement any provision of the declaration, including plats or plans, that is

1 defective, missing, or inconsistent with any other provision of the declaration
2 or with this Chapter.

3 (2) To conform to the requirements of any agency or entity that has established
4 national or regional standards with respect to loans secured by mortgages or
5 deeds of trust on units in condominium projects, such as the Federal National
6 Mortgage Association or the Federal Home Loan Mortgage Corporation.

7 (3) To comply with any statute, regulation, code, or ordinance which may be
8 applicable to the condominium or association.

9 (4) To make a reasonable accommodation or permit a reasonable modification in
10 favor of persons with disabilities, as may be defined by federal or State laws
11 or regulations applicable to the association or its employees, unit owners,
12 residents, or tenants.

13 The authority granted to the executive board under this subsection does not limit the authority
14 of the executive board to propose any amendment for any other purpose permitted in the
15 declaration or by this Chapter. Upon approval by the executive board of an amendment pursuant
16 to this subsection, the executive board shall set a date for a meeting of the unit owners to consider
17 ratification of the amendment not less than 10 nor more than 60 days after mailing of notice of
18 such meeting, which notice shall include a copy or summary of the proposed amendment. There
19 shall be no requirement that a quorum be present at the meeting. The amendment is ratified by
20 the unit owners unless at that meeting unit owners holding a majority of the votes in the
21 association reject the amendment. Any amendment recorded pursuant to this subsection in the
22 office of the register of deeds in the county or counties where the condominium is located shall
23 operate as correction of the declaration being corrected that relates back to, and is effective as of,
24 the date the declaration being corrected was originally recorded in the office of the register of
25 deeds, with the same effect as if the declaration were correct when the declaration was first
26 recorded."

27 **SECTION 3.(b)** Article 2 of Chapter 47C of the General Statutes is amended by
28 adding a new section to read:

29 **"§ 47C-2-117.1. Judicial reformation of declaration.**

30 (a) A unit owners' association may bring a civil action in superior court in the county
31 where the condominium or the greater part thereof is located to reform the condominium
32 instruments to resolve ambiguities, errors, or inconsistencies in the condominium instruments
33 that are the source of legal and other disputes pertaining to the legal rights and responsibilities
34 of the unit owners' association or individual unit owners. The condominium instruments may
35 also be reformed to correct scrivener's errors, including incorrectly identifying the unit owners'
36 association, incorrectly identifying an entity other than the unit owners' association, or errors
37 arising from oversight or from an inadvertent omission or mathematical mistake.

38 The superior court shall have jurisdiction over matters set forth in G.S. 47C-2-117(f)
39 regarding ownership of marketable title of the common elements or units and may, upon
40 consideration of pleadings and such other matters as the court may in its exercise of equity allow,
41 order (i) reformation, in whole or in part, of any provision of the condominium instruments and
42 (ii) correction of mistakes or any other error in the condominium instruments that may exist
43 with respect to the declaration for any other purpose set forth in G.S. 47C-2-117.1(f).

44 (b) A complaint filed by the unit owners' association with the court setting forth any
45 inconsistency or error made in the condominium instruments, or the necessity for any change
46 therein, shall be deemed sufficient basis for the reformation, in whole or in part, of the
47 condominium instruments, provided that all of the following requirements have been met:

48 (1) The unit owners' association has made at least three good-faith attempts to
49 convene a duly called meeting of the unit owners' association to present for
50 consideration amendments to the condominium instruments for the reasons
51 specified in the complaint, and where the attempts to convene a duly called

- 1 meeting have been unsuccessful as evidenced by an affidavit verified by oath
2 of the principal officer of the unit owners' association.
- 3 (2) Where the declarant of the condominium still owns a unit or continues to have
4 any special declarant rights in the condominium, the declarant has joined in
5 the complaint of the unit owners' association.
- 6 (3) A copy of the complaint has been served in accordance with Rule 4(j), 4(j1),
7 or Rule 4(j5) of the North Carolina Rules of Civil Procedure on all unit owners
8 and all beneficiaries of a deed of trust or mortgagees of record for a unit in the
9 condominium.
- 10 (4) The complaint notifies the recipient that if the recipient does not timely
11 respond to the complaint pursuant to Article 3 of the North Carolina Rules of
12 Civil Procedure, then the relief sought may be granted by the clerk of superior
13 court.
- 14 (5) No written response objecting to or disputing the petition is received within
15 45 days from the date the last person to be served was served with the
16 complaint as evidenced by an affidavit verified by oath of the principal officer
17 of the unit owners' association.
- 18 (c) If the response of any person served with the complaint objects to or disputes the
19 complaint, the action shall be transferred to the civil docket of the superior court for further
20 proceedings.
- 21 (d) Any unit owner or beneficiary of a deed of trust or mortgagee of a condominium unit
22 in the condominium objecting to or disputing the complaint shall have standing to participate in
23 the reformation action. No reformation pursuant to this section shall affect the rights, priority of
24 the lien, or otherwise materially impair or affect any condominium unit as collateral for a deed
25 of trust or mortgage, or affect a beneficiary of a deed of trust or mortgagee's right to foreclose
26 on a condominium unit as collateral without the duly acknowledged written consent of the
27 beneficiary of the deed of trust or mortgagee.
- 28 (e) Nothing contained in this section shall prevent or preclude any unit owner or owners,
29 at any time, from filing an action in superior court for judicial reformation related to the title,
30 formation, or construction of the condominium declaration, plat or plans, to establish marketable
31 title to the owner's or owners' unit or units.
- 32 (f) In any action brought under this section, the person prosecuting the reformation action
33 must file a notice of pending litigation complying with Article 11 of Chapter 1 of the General
34 Statutes.
- 35 (g) The period prescribed for the commencement of a collateral action contesting a
36 judgment ordering reformation or correction under this section shall be one year from the date of
37 entry of the judgment. This subsection does not apply to an action for damages sustained by any
38 party as a result of the reformation or correction."

39 **SECTION 4.** G.S. 47C-2-101 of the General Statutes reads as rewritten:

40 **"§ 47C-2-101. Execution and recordation of declaration.**

41 (a) A declaration creating a condominium shall be executed in the same manner as a
42 deed, shall be recorded in every county in which any portion of the condominium is located.

43 (b) A declaration or an amendment to a declaration adding units to a condominium, ~~may~~
44 ~~not be recorded unless all structural components and mechanical systems of all buildings~~
45 ~~containing or comprising any units thereby created are substantially completed in accordance~~
46 ~~with the plans, as evidenced by a recorded certificate of completion~~ condominium must contain
47 a certificate executed by an architect licensed under the provisions of Chapter 83 [83A] 83A of
48 the General Statutes or an engineer registered under the provisions of Chapter 89C of the General
49 Statutes. Statutes stating that the plans for such building or buildings fully and accurately depict
50 the structural components and mechanical systems of all buildings containing or comprising any
51 units thereby created; provided, however, that such requirement shall not apply to any unit or

1 portion of a unit, the boundaries of which comprise solely surface space, airspace, subterranean
2 space, or any specified combination thereof, as provided in G.S. 47C-2-105(a)(5)."

3 **SECTION 5.** G.S. 47C-2-114(a) reads as rewritten:

4 **"§ 47C-2-114. Easement for encroachments. Monuments as boundaries.**

5 (a) ~~To the extent that any unit or common element encroaches on any other unit or~~
6 ~~common element, a valid easement for the encroachment exists. The easement does not relieve~~
7 ~~a unit owner of liability in case of his willful misconduct nor relieve a declarant or any other~~
8 ~~person of liability for failure to adhere to the plats and plans. The existing physical boundaries of~~
9 a unit or the physical boundaries of a unit reconstructed in substantial accordance with the
10 description contained in the original declaration are its legal boundaries, rather than the
11 boundaries derived from the description contained in the original declaration, regardless of
12 vertical or lateral movement of the building or minor variance between those boundaries and the
13 boundaries derived from the description contained in the original declaration. This section does
14 not relieve a unit owner of liability for willful misconduct or relieve a declarant or any other
15 person of liability for failure to adhere to any plats and plans or, in a cooperative, for failure to
16 adhere to any representation in the public offering statement.

17 (b) With respect to all condominiums created prior to October 1, 1986, the provisions of
18 subsection (a) of this section shall be deemed to apply to such condominiums, unless an action
19 asserting otherwise shall have been brought within six months from October 1, 1986."

20 **SECTION 6.** Article 1 of Chapter 47C of the General Statutes is amended by adding
21 a new section to read:

22 **"§ 47C-1-110. Substantial compliance and marketability.**

23 In all instances where a declarant intended to establish on the declarant's property a
24 condominium pursuant to this chapter, as established by the recording of a declaration, plats and
25 plans, and by the subsequent recording of a deed or deeds intending to convey any unit or units,
26 but failed to substantially comply with this chapter due to defects in the drafting, execution, or
27 recording of the declaration, plats or plans, title to any unit that has been constructed and so
28 deeded by the declarant for at least four calendar years without legal challenge shall be deemed
29 to be marketable notwithstanding such defects."

30 **SECTION 7.** G.S. 47C-3-103 reads as rewritten:

31 **"§ 47C-3-103. Executive board members and officers.**

32 (a) Except as provided in the declaration, the bylaws, ~~or in~~ subsection (b) or in other
33 provisions of this chapter, the executive board may act in all instances on behalf of the
34 association. In the performance of their duties, the officers and members of the executive board
35 shall be deemed to stand in a fiduciary relationship to the association and the unit owners and
36 shall discharge their duties in good faith, and with that diligence and care which ordinarily
37 prudent ~~men~~ persons would exercise under similar circumstances in like positions. Officers shall
38 act according to the standards for officers of a nonprofit corporation set forth in G.S. 55A-8-42,
39 and members shall act according to the standards for directors of a nonprofit set forth in
40 G.S. 55A-8-30.

41 (b) The executive board may not act unilaterally on behalf of the association to amend
42 the declaration (G.S. 47C-2-117), to terminate the condominium (G.S. 47C-2-118), or to elect
43 members of the executive board or determine the qualifications, powers and duties, or terms of
44 office of executive board members (G.S. 47C-3-103(e) and (f)), but the executive board may
45 unilaterally fill vacancies in its membership for the unexpired portion of any term.
46 Notwithstanding any provision of the declaration or bylaws to the contrary, the unit owners, by
47 ~~at least sixty seven percent (67%)~~ a majority vote of all persons present and entitled to vote at
48 any meeting of the unit owners at which a quorum is present, may remove any member of the
49 executive board with or without cause, other than members appointed by the declarant.

50 (c) Within 30 days after adoption of any proposed budget for the condominium, the
51 executive board shall provide a summary of the budget to all the unit owners, and shall set a date

1 for a meeting of the unit owners to consider ratification of the budget not less than ~~14~~10 nor
2 more than ~~30~~60 days after mailing of the summary. There shall be no requirement that a quorum
3 be present at the meeting. The budget is ratified unless at that meeting a majority of all the unit
4 owners or any larger vote specified in the declaration rejects the budget. In the event the proposed
5 budget is rejected, the periodic budget last ratified shall be continued until such time as the unit
6 owners ratify a subsequent budget proposed by the executive board.

7"

8 **SECTION 8.** G.S. 47C-3-108 of the General Statutes reads as rewritten:

9 **"§ 47C-3-108. Meetings.**

10 (a) A meeting of the association shall be held at least once each year. Special meetings
11 of the association may be called by the president, a majority of the executive board, or by unit
12 owners having twenty percent (20%) or any lower percentage specified in the bylaws of the votes
13 in the association. Not less than 10 nor more than ~~50~~60 days in advance of any meeting, the
14 secretary or other officer specified in the bylaws shall cause notice to be hand-delivered or sent
15 prepaid by United States mail to the mailing address of each unit or to any other mailing address
16 designated in writing by the unit owner, or sent by electronic means, including by electronic mail
17 over the Internet, to an electronic mailing address designated in writing by the unit owner. The
18 notice of any meeting must state the time and place of the meeting and the items on the agenda,
19 including the general nature of any proposed amendment to the declaration or bylaws, any budget
20 changes, and any proposal to remove a director or officer.

21"

22 **SECTION 9.** G.S. 47C-3-109 reads as rewritten:

23 **"§ 47C-3-109. Quorums.**

24 (a) Unless the bylaws provide otherwise, a quorum is deemed present throughout any
25 meeting of the association if persons entitled to cast twenty percent (20%) of the votes which
26 may be cast for election of the executive board are present in person or by proxy at the beginning
27 of the meeting.

28 (b) Unless the bylaws specify a larger percentage, a quorum is deemed present throughout
29 any meeting of the executive board of persons entitled to cast fifty percent (50%) of the votes on
30 that board are present at the beginning of the meeting.

31 (c) In the event business cannot be conducted at any meeting because a quorum is not
32 present, that meeting may be adjourned to a later date by the affirmative vote of a majority of
33 those present in person or by proxy. Notwithstanding any provision to the contrary in the
34 declaration or the bylaws, the quorum requirement at the next meeting shall be one-half of the
35 quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision
36 shall continue to reduce the quorum by fifty percent (50%) from that required at the previous
37 meeting, as previously reduced, until such time as a quorum is present and business can be
38 conducted."

39 **SECTION 10.** G.S. 47C-3-115 reads as rewritten:

40 **"§ 47C-3-115. Assessments for common expense.**

41 ...

42 (e) If any common expense is caused by the misconduct of any unit ~~owner, owner or~~
43 occupant, the association may assess that expense exclusively against ~~his unit~~the unit of that
44 owner or occupant.

45"

46 **SECTION 11.** Section 3(b) of this act becomes effective October 1, 2020, and
47 applies to actions filed on or after that date. The remainder of this act is effective when it becomes
48 law.