

EXHIBIT B

To Declaration

B Y L A W S **OF** **BOARDWALK OFFICE ASSOCIATION, INC.**

ARTICLE I.

Plan of Condominium

1.1 **Unit Ownership.** The property located in Mecklenburg County, State of North Carolina, and more particularly described in the Declaration of Boardwalk Office Condominium, (the "Declaration") has been submitted to the provisions of the North Carolina Condominium Act (the "Act") by instrument recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina, simultaneously herewith, and shall be known as Boardwalk Office Condominium (the "Condominium").

1.2 **Application.** All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to the Declaration, these Bylaws and rules and regulations made pursuant hereto, and any amendment to these Bylaws or the Declaration upon the same being passed and recorded in the manner set forth in the respective Condominium Documents.

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

ARTICLE II.

Unit Owners

2.1 **Name and Nature of Association.** BOARDWALK OFFICE ASSOCIATION, INC. (the "Association") shall be a nonprofit corporation, organized under the laws of the State of North Carolina, and the membership shall be comprised of all of the Unit Owners

as herein provided, which Association shall be governed by the Executive Board (the "Board") as herein provided.

2.2 Place of Meetings. All meetings of the Association shall be held at the Property, or at such other place, within the State of North Carolina, as shall be designated in a notice of the meeting.

2.3 Annual Meeting. There shall be a regular annual meeting of the Unit Owners held each year during the same month of each succeeding year, for the purpose of electing members of the Board and for the transaction of such other business as may be properly brought before the meeting.

2.4 Substitute Annual Meetings. If the annual meeting shall not be held in the month designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 2.5 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

2.5 Special Meetings. Special meetings of the Unit Owners may be called at any time by the Board, the Chairman or upon the written request of the Unit Owners owning at least twenty percent (20%) in common interest in the Common Elements other than those Units held by the Declarant.

2.6 Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting shall be delivered or mailed not less than ten (10) days nor more than fifty (50) days prior to the date thereof, either personally or by postage prepaid mail, at the direction of the Board, the Chairman or Unit Owners calling the meeting, to each person entitled to vote at such meeting, and, to all First Mortgagees so requesting under the provisions of Article XIII of the Declaration, who may request a representative to attend the meeting of Unit Owners.

Notice given to any one tenant-in-common, tenant by the entirety or other joint owner of a Unit shall be deemed valid notice to all joint owners of such Unit.

The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, and budget changes, and any proposal to remove Board members or officers.

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

2.7 Quorum. The presence in person or by proxy at any meeting of the Voting Members (as defined in Section 2.8 of this Article) having at least twenty percent (20%) of the total votes shall constitute a quorum. If there is no quorum at the opening of the meeting of Unit Owners, such meeting may be adjourned from time to time by the vote of a majority of the Voting Members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the original meeting.

The Voting Members at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Members to leave less than a quorum.

2.8 Voting Rights. There shall be one person with respect to each Unit ownership who shall be entitled to vote at any meeting of the Unit Owners (the "Voting Member"). The Voting Member may be the Owner, or one of a group composed of all of the Owners of a Unit, or may be some other person designated by such Owner(s) to act as proxy on his or their behalf, and who need not be an Owner. Each Unit Owner or group of Owners (including the Board, if the Board or its designee shall then hold title to one or more Units) shall be entitled to one (1) vote for each Unit owned by such Owner.

2.9 Majority Vote. The vote of a majority of the votes represented at a meeting at which a quorum shall be present, in person or by proxy, shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required by the Declaration, these Bylaws or by law.

2.10 Proxies. The Voting Members may vote either in person or by agents duly authorized by written proxy executed by such Unit Owner or his duly authorized attorney-in-fact. A proxy shall be valid only for the particular meeting designated therein, unless the person executing it specifies therein the length of time for which it is to continue in force, which time shall not extend beyond eleven months from the date of its execution. Unless a proxy otherwise provides, any proxy-holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the secretary or duly acting secretary of the Association, either during or prior to the meeting in question.

2.11 Waiver of Notice. Any Voting Member may, at any time, waive notice of any meeting of the Association in writing, and such waiver shall be deemed to be

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

2.12 Informal Action by Unit Owners. Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Voting Members and filed with the secretary of the Association to be kept in the Association's minute book.

ARTICLE III.

Executive Board

3.1 Number. The business and property of the Condominium shall be managed and directed by the Executive Board (the "Board"), composed of three (3) persons, or by such executive committees as the Board may establish pursuant to the Bylaws; provided, however, that the Board may not act on behalf of the Association to amend the Declaration, to terminate the Condominium, to exercise the Association's right of first refusal under the Declaration, to elect members of the Executive Board, or to determine the qualifications, powers, duties or terms of office of Board members. The Board may, however, fill vacancies in its membership for the unexpired portion of any term.

3.2 Initial Members. The initial members of the Board (referred to as "directors" herein) shall be selected by the Declarant, and need not be Unit Owners. Such initial directors shall serve at the election of the Declarant from the date upon which the Declaration is recorded in the Mecklenburg County Public Registry, until such time as their successors are duly elected and qualified.

3.3 Election. Except as provided herein, the directors shall be elected at the annual meeting of the Association, and those persons who receive the highest number of votes shall be deemed to have been elected. Notwithstanding anything herein to the contrary, the Board shall consist of three (3) directors during the period that Declarant is entitled to appoint a majority of the directors. The Declarant shall have the right to appoint all of the directors until the earlier of the following three dates: (a) within 120 days after the date by which 75% of the Units have been conveyed to Unit purchasers, or (b) the date upon which Declarant surrenders control of the Condominium to the Unit Owners,

or (c) two (2) years after all Declarants have ceased to offer Units for sale in the ordinary course of business.

The Declarant can turn over control of the Association to such Unit Owners other than the Declarant prior to such dates in its sole discretion by causing all or part of its appointed directors to resign, whereupon it shall be the affirmative obligation of Unit Owners other than the Declarant to elect directors and assume control of the Association. Provided at least thirty (30) days' notice of Declarant's decision to cause its appointees to resign is given to Unit Owners, neither the Declarant, nor such appointees, shall be liable in any manner in connection with such resignations even if the Unit Owners other than the Declarant refuse or fail to assume control.

Within sixty (60) days after conveyance of twenty-five percent (25%) of the Units (including Units which may be created pursuant to special rights as provided in Section 1.23 of the Declaration) to Unit Owners other than the Declarant, at least one director and not less than twenty-five percent (25%) of the directors of the Board shall be elected by Unit Owners other than the Declarant. Within sixty (60) days after conveyance of fifty percent (50%) of the Units (including Units which may be created pursuant to special rights as provided in Section 1.23 of the Declaration) to Unit Owners other than the Declarant, not less than thirty-three percent (33%) of the directors of the Board shall be elected by Unit Owners other than the Declarant.

Within sixty (60) days after the Unit Owners other than the Declarant are entitled to elect such director or directors, or sooner if the Declarant has elected to accelerate such event as aforesaid, the Association shall call, and give not less than ten (10) days' nor more than fifty (50) days' notice of a meeting of the Unit Owners to elect such director or directors of the Board. The meeting may be called and the notice given by any Unit Owner if the Association fails to do so.

The size of the Board may be increased or decreased from time to time upon the affirmative vote of three-fourths (3/4) of all Unit Owners, provided that said Board shall not be less than three (3) in number.

3.4 Term and Qualification. Each director shall hold office for the term for which he was elected, or until his death, resignation, retirement, removal, disqualification or until his successor is elected and qualified. At the meeting of the Association in which the Unit Owners other than the Declarant are entitled to elect a majority of the directors, the directors of the Board shall remain at three (3) and divided into three (3) classes, the first class to consist of one (1) director, the second class to consist of one (1) director, and the third class to consist of one (1) director. The director of the first class shall initially

hold office for a term of three years; the director of the second class shall initially hold office for a term of two years; and the director of the third class shall initially hold office for a term of one year. At all annual elections thereafter, a number of directors shall be elected by the Voting Members to succeed the director whose term then expires. Each such director shall serve for a three-year term. So long as Declarant shall own one or more Units, the director of the Board which Declarant has the right to designate shall be a member(s) of the third class. Nothing herein contained shall be construed to prevent the election of a director to succeed himself. Each director, except those selected by the Declarant pursuant to the Bylaws, shall be one of the Unit Owners or co-owners, or a spouse of a Unit Owner or co-owner, provided, however, that in the event a Unit Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then an officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a director. At least one (1) director at all times shall be a Residential Unit Owner.

3.5 Removal. Directors may be removed from office with or without cause by the affirmative vote of at least sixty-seven percent (67 %) of the votes entitled to be cast by all Voting Members present and entitled to vote at any meeting of the Voting Members at which a quorum is present. If any directors are so removed, new Board members may be elected at the same meeting; provided, however, that the person(s) selected by Declarant cannot be removed without the prior written consent of Declarant.

3.6 Vacancies. A vacancy occurring in the Board may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director; but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting or a special meeting of Unit Owners called for that purpose. The Voting Members may elect a director at any time to fill any vacancy not filled by the Board.

In the event that Declarant, in accordance with the rights herein established, selects any person to serve on any Executive Board of the Association, Declarant shall have the absolute right at any time, in its sole discretion, to replace such person with another person to serve on any Board. Replacement of any person designated by Declarant to serve on the Board shall be made by written instrument delivered to any officer of the Association, which instrument shall specify the name of the person to be replaced and the name of the person designated as successor to the person so removed from the Board. The removal of any such Board member and the designation of his successor shall be effective immediately upon delivery of such written instrument by Declarant to any officer of the Association.

3.7 Compensation. The Board shall receive no compensation for their services unless expressly allowed by the Board at the direction of the Unit Owners other than the Declarant having two-thirds (2/3) of the total votes.

3.8 Executive Committees. The Board may, by resolution adopted by a majority of the number of directors fixed by these Bylaws, designate two or more of its members to constitute an executive committee, which committee, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board in the management of the Condominium.

The Board may, in like manner, create such other committees as it deems necessary and appropriate in aiding the Board to carry out its duties and responsibilities with respect to the management of the Condominium.

3.9 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Condominium, and may do all such acts and things, except such acts as by law or the Declaration or by these Bylaws may not be delegated to the Board. Such powers and duties of the Board shall include, but shall not be limited to, the following:

(a) Determining the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

(b) Collecting the Common Expenses from the Unit Owners.

(c) Supervising the operation, care, upkeep and maintenance of the Common Elements.

(d) Employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements.

(e) Adopting and amending such reasonable Rules and Regulations as it may deem advisable for the maintenance, conservation and beautification of the Property, and for the health, comfort, safety and general welfare of the owners and occupants of the Property. Written notice of such Rules and Regulations shall be given to all Unit Owners and occupants, and the entire Property shall at all times be maintained subject to such Rules and Regulations.

(f) Opening bank accounts on behalf of the Condominium and designating the signatories required therefor.

(g) Selling, mortgaging, voting the votes appurtenant to or otherwise dealing with Units acquired by the Association, or its designee, corporate or otherwise, on behalf of all Unit Owners, subject to the Declaration and other applicable restrictions, and organizing corporations to act as designees of the Board in acquiring title to Units on behalf of all Unit Owners.

(h) Maintaining and repairing any Unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the Common Elements, or any other portion of the Property, and a Unit Owner has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair has been delivered or mailed by the Board to said Unit Owner; provided, that the Board shall levy a specific assessment against such Unit Owner for the costs of said maintenance or repair, including a reasonable amount of supervision.

(i) Entering any Unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided that, except in the event of emergencies, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practical, and any damage caused thereby shall be repaired by the Board, with such expenses being treated as a Common Expense.

(j) Signing all agreements, contracts, deeds, easement agreements, and vouchers for the payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board. However, any contracts or leases executed on behalf of the Association prior to the passage of control of the Board to the Association must be terminable by the Association without penalty on not more than ninety (90) days written notice. In the absence of such determination by the Board, such document shall be signed by the treasurer and countersigned by the Chairman.

(k) Obtaining insurance for the Property, including the Units, pursuant to the applicable provisions of the Declaration.

(l) Making or contracting for repairs, additions and improvements to or alterations or restorations of the Property in accordance with the other provisions

of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceeding.

(m) Contracting for all goods, services and insurance, payment for which is to be made from the Common Expense fund.

(n) Instituting, defending, or intervening in litigation or administrative proceedings in the name of or on behalf of the Association or two or more Unit Owners on matters affecting the Condominium.

(o) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements or the acquisition of property, and granting mortgages on and/or security interests in Association owned property; provided, however, that the consent of the Unit Owners of at least two-thirds (2/3rds) the votes represented at a meeting at which a quorum has been attained in accordance with the provisions of these Bylaws shall be required for the borrowing of any sum in excess of \$5,000.

(p) Imposing charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, the Bylaws, or rules and regulations established by the Association, including the right to file a lien on a Unit, all in accordance with Sections 47C-3-107 and 47C-3-107A of the Act.

(q) At its discretion, authorizing Unit Owners or other persons to use portions of the Common Elements for private functions and gatherings and imposing reasonable charges for such private use.

(r) Exercising (i) all powers specifically set forth in the Declaration, the Articles of Incorporation, these Bylaws and in the Act, (ii) all powers incidental thereto, and (iii) all other powers of a non-profit North Carolina corporation.

(s) Suspending the right of any Unit Owner to vote or use the Common Elements of the Condominium as long as said Unit Owner is delinquent in the payment of Common Expenses or is otherwise in violation of the Declaration or any exhibits thereto or applicable rules and regulations.

(t) Grant easements for the installation and maintenance of electrical, natural gas, telephone, cable television, water and sewerage utilities and drainage facilities upon, over, under and across the Common Elements without the assent of

the Unit Owners if such easements are requisite for the convenient use and enjoyment of the Condominium as determined in the sole discretion of the Board.

3.10 Managing Agent. The Board may engage the services of any person, firm, or corporation to act as managing agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize, other than the powers set forth in subdivisions (a), (e), (g), (h), (i), (p) and (q) of Section 9 of this Article III. Any management agreement for the Condominium shall be terminable by either party without cause and without payment of a termination fee or penalty upon 90 days or less written notice thereof and the terms of such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods. Any management agreement shall be terminable by either party for cause upon the giving of not more than thirty (30) days written notice. When professional management has been previously required, any decision to establish self-management by the Association shall require the prior consent of 67 percent of the Unit Owners.

3.11 Duties of Declarant. Within a reasonable time after Unit Owners other than the Declarant elect a majority of the members of the Board (but not more than sixty (60) days after such event), the Declarant shall deliver control of the Association and shall deliver to the Association all property [noted in Subsections (a) through (o)] of the Unit Owners and of the Association held or controlled by the Declarant, including, if applicable:

(a) The original or a photocopy of the recorded Declaration of Condominium, and all amendments thereto. If a photocopy is provided, the Declarant must certify by affidavit that it is a complete copy of the actual recorded Declaration.

(b) A copy of the Articles of Incorporation of the Association.

(c) A copy of the Bylaws of the Association.

(d) The minute books, including all minutes, and other books and records of the Association.

(e) Any rules and regulations which have been adopted.

(f) Resignations of resigning officers and Board members.

(g) Association funds or the control thereof.

(h) A copy of the plans and specifications utilized in the construction or remodeling of improvements on the Property and the supplying of equipment; and for the construction and installation of all mechanical components servicing the improvements and the Condominium, with a certificate, in affidavit form, of the Declarant or an architect or engineer authorized to practice in North Carolina, that such plans and specifications represent, to the best of their knowledge and belief, the actual plans and specifications utilized in the construction and improvement of the Condominium and the construction and installation of the mechanical components serving the Improvements and the Condominium.

(i) Insurance policies.

(j) Copies of any Certificates of Occupancy which may have been issued for the Condominium.

(k) Any other permits issued by governmental bodies applicable to the Condominium in force or issued within one (1) year prior to the date the Unit Owners take control of the Association.

(l) All written warranties of contractors, subcontractors, suppliers and manufacturers, if any, that are still effective.

(m) A roster of Unit Owners and their addresses and telephone numbers, if known, as shown on the Declarant's records.

(n) Employment contracts or service contracts in which the Association is one of the contracting parties, or service contracts in which the Association or Unit Owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person or persons performing the service.

(o) All other contracts to which the Association is a party.

ARTICLE IV.

Meetings of Directors

4.1 **Organizational Meeting.** The first meeting of the initial Board shall be held at such time as the Declarant shall determine, but in no event later than one year from the date of incorporation of the Association. The first meeting of a newly elected Board shall be held within fifteen (15) days following the meeting of the Unit Owners at which the

Board was elected. No notice shall be necessary to the newly elected members of the Board in order to legally constitute such meeting, providing that a quorum is present.

4.2 Regular Meeting. A regular meeting of the Board shall be held immediately after, and at the same place as, the annual meeting or substitute annual meeting of the Unit Owners. In addition, the Board may provide by resolution the time and place, either within or without the State of North Carolina, for the holding of a regular meeting of the Board.

4.3 Special Meetings. Special meetings of the Board may be called by or with the request of the chairman, or by any two (2) directors. Such meetings may be held either within or without the State of North Carolina.

4.4 Notice of Meetings. Regular meetings of the Executive Board may be held without notice. The person(s) who called a special meeting of directors shall, at least two (2) days prior to said meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called.

Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called. Meetings of the Board shall be open to all Unit Owners and notices of meetings shall be posted conspicuously for the attention of Unit Owners in advance of the meeting, except for regular meetings of the Board, which may be held without notice.

4.5 Waiver of Notice. Any member of the Board may at any time waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all of the directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

4.6 Quorum. A majority of the number of directors fixed by these Bylaws shall be required for and constitute a quorum for the transaction of business at any meeting of the Board.

4.7 Manner of Acting. Except as otherwise provided in this section, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board. A vote of a majority of the number of directors fixed by these Bylaws

shall be required to adopt a resolution constituting an executive committee. Vacancies in the Board may be filled as provided in Section 3.6 of these Bylaws.

4.8 Organization. Each meeting of the Board shall be presided over by the chairman, and in the absence of the chairman, by any person selected to preside by vote of the majority of the Board members present. The secretary, or in his absence, an assistant secretary, or in the absence of both the secretary and the assistant secretary, any person designated by the chairman of the meeting shall act as secretary of the meeting.

4.9 Informal Action of Board. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

4.10 Minutes. The Board shall keep minutes of its proceedings, which shall be available for inspection by the Unit Owners during reasonable business hours.

4.11 Liability of the Board and Officers. The directors and the officers provided for in Article V hereof shall not be liable to the Unit Owners for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the directors and the officers against all contractual liability to others arising out of contracts made by the Board or the officers on behalf of the Condominium, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the directors or any officer shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent that they are Unit Owners and have liability as such. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board or the officers, or out of the aforesaid indemnity in favor of the directors or the officers, shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board, by the managing agent or by the officers on behalf of the Condominium shall provide that the members of the Board, the managing agent or the officers, as the case may be, are acting only as agents for the Unit Owners, and shall have no personal liability thereunder.

ARTICLE V.

Officers

5.1 Number. The principal officers of the Condominium shall consist of a chairman of the Board, a secretary, a treasurer, and such vice chairmen, assistant secretaries, assistant treasurers and other officers as the Board may from time to time elect. Any two or more offices may be held by the same person, except the offices of chairman and secretary.

5.2 Election and Term. The officers of the Condominium shall be elected by the Board. The chairman, vice chairman, secretary and treasurer shall be elected from among the Board, and all other officers, if any, need only be a Unit Owner. The officers elected by the initial Board are not required to be Unit Owners. The election of officers may be held at the regular annual meeting of the Board.

Each officer shall hold office for a period of one year, or until his death, resignation, retirement, removal, disqualification, or until his successor is elected and qualifies.

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

5.4 Compensation. No officer shall receive any compensation from the Condominium for acting as such.

5.5 Chairman of the Board. The chairman of the Board shall be the principal executive officer of the Condominium; and, subject to the control of the Board, shall supervise and control the management of the Condominium. The chairman shall, when present, preside at all meetings of the Board and of the Unit Owners and, in general, shall perform all duties incident to the office of chairman of the Board, and such other duties as may be prescribed from time to time by the Board.

5.6 Vice Chairman. The vice chairman, and if there be more than one, the vice chairmen, designated by the Board, shall, in the absence or disability of the chairman, have the powers and perform the duties of said office. In addition, each vice chairman shall perform such other duties and have such other powers as shall be prescribed by the chairman of the Board.

5.7 Secretary. The secretary shall keep accurate records of the acts and proceedings of all meetings of Unit Owners and directors. He shall give, or cause to be given, all notices required by law and by these Bylaws. He shall have general charge of the minute books and records of both the Association and the Board. He shall sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of secretary, and such other duties as may be assigned him from time to time by the chairman of the Board or by the Board.

5.8 Treasurer. The treasurer shall have custody of all Condominium funds and securities, and shall receive, deposit or disburse the same under the direction of the Board. He shall keep full and accurate accounts of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement of its assets and liabilities as of the close of each fiscal year, and of the results of its operations and changes in surplus for each fiscal year, all in reasonable detail, to be prepared and distributed to all Unit Owners and members of the Board on or before the 15th day of the third month following the close of each fiscal year. The statement so filed shall be kept available for inspection by any Unit Owner for a period of three (3) years. The treasurer shall also prepare and file all reports and returns required by federal, state or local law, and shall generally perform all other duties as may be assigned to him from time to time by the chairman of the Board.

5.9 Assistant Secretaries and Treasurers. The assistant secretaries and assistant treasurers, if any, shall, in the absence of the secretary and treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall in general perform such other duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the chairman of the Board or the Board.

ARTICLE VI.

Operation of the Property

6.1 Assessment and Determination of Common Expenses. The Board shall from time to time, and at least annually, prepare a budget for the Condominium, for the purpose of determining the amount of the Assessments to be collected from the Unit Owners in order to provide for the Common Expenses of the Condominium, and allocate and assess such Common Expenses among the Unit Owners, according to their percentage of interest in the Common Elements as set forth in the Declaration, taking into consideration any expected income and any surplus from the prior year's operation. The Common Expenses shall include, without limitation, the expenses, costs and charges incurred in connection with the administration, operation and management of the Condominium Property; the cost

of maintenance, repair, replacement and restoration of the Common Elements, or any part thereof; the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the provisions of the Declaration; such amounts as the Board may deem proper for the convenience, comfort and well-being of the Unit Owners, and for the operation, management and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year, in proper cases, the cost of administration and of maintenance and repair of the Limited Common Elements for payments of assessments owing by the Association to the Deer Park Community Association, Inc. pursuant to the terms of the Master Declaration of Covenants, Conditions and Restrictions for Deer Park duly recorded in the Mecklenburg County Public Registry, and any other expenses lawfully agreed upon.

In establishing a reserve fund for replacements, the Board shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall then set the required capital contribution in an amount sufficient to permit meeting the projected capital needs of the Association with respect to both amount and timing by equal annual installments over the applicable period.

Within thirty (30) days after adoption by the Board of any proposed budget for the Condominium, the Board shall provide a summary of the budget to all Unit Owners and shall give notice of a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing of the summary and notice. A quorum need not be present at the meeting. The budget is ratified unless at the meeting a majority of all the Unit Owners present and entitled to cast a vote reject the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

6.2 Payment of Assessments. All Unit Owners shall be obligated to pay (1) General Assessments for Common Expenses assessed by the Board from time to time, and at least quarterly in accordance with the percentage interest allocations set forth in the Declaration; (2) special assessments to be established and collected as provided herein, and (3) specific assessments against any Unit which are established pursuant to the terms of these Bylaws. A late payment charge in an amount to be determined by the Board shall be assessed for any assessment installment not paid within fifteen (15) days of its due date. Any installment not paid within fifteen (15) days of its due date shall be subject to the late

payment charge and shall accrue interest as provided in Section 6.5, and shall constitute a lien on the Unit as provided in Section 6.6 of this Article VI.

No Unit Owner shall be liable for the payment of any part of the Common Expenses assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of the Declaration and applicable restrictions of record) of such Unit, together with his interest in the Common Elements (and Limited Common Elements, if any). A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of Assessments assessed against such Unit prior to the acquisition by the purchaser of such Unit only if the purchaser expressly assumes such obligation in writing; provided, however the lien assessed against such Unit shall remain in full force and effect. Any such purchaser shall be entitled to a statement from the Board setting forth the amount of the unpaid Assessments against the seller, and the Unit conveyed shall not be subject to a lien for any unpaid assessments in excess of the amount shown on the statement. Provided, however, that a First Mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit or a First Mortgagee who takes a deed in lieu of foreclosure shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Expenses assessed prior to the foreclosure sale or deed in lieu of foreclosure. Such unpaid Common Expenses shall be deemed to be Common Expenses collectible from all of the Unit Owners, including such purchaser, his successors and assigns.

Upon acquisition of record title to a Unit, each Unit Owner shall contribute to the working capital reserve fund of the Association an amount equal to one-fourth (1/4) of the amount of the Annual Assessment for that Unit as determined by the Board. Such contributions are to be used by the Association solely for the maintenance, repair and replacement of the Common Elements and Declarant is prohibited from using the contributions to defray any of its expenses, reserve contributions or construction costs or to make up any budget deficit during the Declarant Control Period. Such contribution shall not be considered as advanced payment of the General Assessment applicable to the Unit. Declarant shall transfer control of the working capital reserve fund to a segregated fund of the Association upon expiration of the Declarant Control Period.

6.3 Special Assessments. The Association may levy Special Assessments for Common Expenses not covered by the General Assessment, applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Elements, including fixtures and personal property related thereto, provided that any such Assessment must be approved by the vote of Owners of Units to which at least two-thirds (2/3) of the votes in the Association are allocated cast in person or proxy at a meeting duly called for this purpose. Such Special Assessments shall be charged to the Units according to their

percentage interests in the Common Elements. In addition, the Board may levy Special Assessments against one or more, but less than all, of the Units to cover repairs or maintenance for which such Unit Owner or Owners are responsible and which they have failed to make, or for repairs or maintenance required of a Unit Owner or Unit Owners which impair the value of the Common Elements or the Unit or Units, or expenses which are incurred in the abatement of or as a result of a violation by a Unit Owner or Owners of the provisions of the Declaration, the Bylaws or the rules, regulations, or for fines levied for said violations, or where the Board has purchased a Unit on behalf of one or more Unit Owners. The period of assessment and manner of payment of such assessment shall be determined by the Board.

6.4 Collection of Assessments. The Board shall determine Common Expenses against the Unit Owners from time to time, at least quarterly, and may, as the Board shall determine, take prompt action to collect any Assessments due from any Unit Owner which remain unpaid for more than fifteen (15) days from their due date.

The Board shall notify First Mortgagees pursuant to the provisions of the Declaration for which any amount assessed pursuant to these Bylaws remains unpaid for more than sixty (60) days from their due date, and in any other case where the Unit Owner of such Unit is in default with respect to the performance of any obligation hereunder for a period in excess of sixty (60) days.

6.5 Default in Payment of Assessment. In the event of default by any Unit Owner in paying to the Board any amounts assessed by the Board, such Unit Owner shall be obligated to pay a late payment charge as established by the Board from time to time, and interest at the rate of twelve percent (12%) on such amounts which remain unpaid thirty (30) days from their due date; together with all expenses, including attorneys' fees (if permitted by law), incurred by the Board in collecting such unpaid sums. If a Unit Owner shall be in default in payment of an installment of an Assessment, the Board may accelerate the remaining installments upon ten (10) days' written notice to such Unit Owner, whereupon the entire unpaid balance of such Assessment shall become due upon the date stated in such notice.

6.6 Lien and Personal Obligation. Each Assessment provided for in this Article, together with late payment charges, interest and expenses, including attorneys' fees (as permitted by law), shall be a charge on and a continuing lien upon the Unit against which the Assessment is made when a notice of such lien has been filed of record in the office of the Clerk of Superior Court of Mecklenburg County, North Carolina, in the manner provided by Article 8, Chapter 44, of the North Carolina General Statutes, provided such notice of lien shall not be recorded until such sums assessed remain unpaid for a period of

fifteen (15) days after the same shall become due. Said notice of lien shall also secure all Assessments against the Unit becoming due thereafter until the lien has been satisfied. Said lien may be foreclosed in the manner as a deed of trust on real property. In addition, each Unit Owner shall be personally liable for any Assessment against his Unit becoming due and payable while he is the Owner of such Unit.

6.7 Priority of Assessment Lien. The lien of the Assessments provided for in this Article shall be prior and superior to all other liens except (a) ad valorem taxes, and (b) all sums unpaid on deeds of trust, mortgages or other encumbrances against the Unit prior to the docketing of the Assessment lien. The sale or transfer of any Unit shall not affect the Assessment lien against such Unit. Provided, however, the sale of a Unit pursuant to the foreclosure sale or execution sale instituted by a superior lien holder or conveyance to a First Mortgagee by deed in lieu of foreclosure shall extinguish the inferior Assessment lien against the subject Unit but no such sale or transfer shall relieve each Unit from liability for any Assessments thereafter becoming due or for any future lien in connection therewith. The Association shall share in the excess, if any, realized by the sale of any Unit pursuant to a foreclosure or action instituted by a superior lien holder, to the extent of its lien.

6.8 Owner's Non-Use. No Unit Owner may exempt himself from liability for Assessments and his other obligations to the Association by waiver of the use or enjoyment of any portion of the Common Elements or by the abandonment or sale of his Unit.

6.9 Foreclosure of Liens for Unpaid Assessments. Following the institution of any action by the Board to foreclose on a Unit because of unpaid Assessments, the Unit Owner shall pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the rental. The Board, acting on behalf of the Association, or on behalf of any one or more individual Unit Owners, if so instructed, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same, subject, however, to applicable restrictions of record. A suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiver of the Assessment lien. Where a First Mortgagee or the purchaser of a Unit obtains title to the Unit as a result of foreclosure of the First Mortgage, such purchaser, its successors and assigns, shall not be liable for the share of the Common Expenses or Assessments by the Board chargeable to such Unit which became due prior to the acquisition of title to such Unit by such purchaser. Such unpaid share of Common Expenses or Assessments shall be deemed to be a Common Expense collectible from all Unit Owners, including such purchaser, its successors and assigns.

6.10 Statement of Common Expenses. The Board shall promptly provide any Unit Owner so requesting the same in writing with a written statement of all unpaid charges due from such Unit Owner, for which it may institute a reasonable charge at its discretion.

6.11 Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board or the breach of any bylaw contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the Unit in which, or as to which, such violation or breach exists, and to make any repairs, and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition which may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or, (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach at the expense of the defaulting Unit Owner; (c) in any case of flagrant or repeated violation by a Unit Owner, to require such Unit Owner to give sufficient sureties for his future compliance with such Condominium documents; or (d) after notice and an opportunity to be heard, to levy reasonable assessments and fines in accordance with Sections 47C-3-107 and 47C-3-107A of the Act for such violations. The failure of the Board to so act with respect to any such violation or breach shall not be deemed a waiver of the Board's right to act with respect to the same or any other breach or violation.

6.12 Maintenance and Repair.

(a) Each Unit Owner shall maintain, repair and replace, at his sole cost and expense, all portions of his Unit which may become in need thereof, including the components of the heating and air conditioning system within and appurtenant to each Unit, if any, all bathroom and kitchen fixtures and appliances, light fixtures, interior, non-loadbearing walls, doors, floors, ceilings, carpeting, drapes and other items within the Unit, whether structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements not specifically set forth herein contained therein and not necessitated by the negligence, misuse or neglect of the Unit Owner, his invitees, guests, agents, servants, lessees, employees or contractors). Each Unit Owner shall clean the Limited Common Elements appurtenant to his Unit and replace all light bulbs in fixtures (if any) located in such Limited Common Elements. Each Unit Owner shall be responsible for replacing all heating and air conditioning filters, if any, required in his Unit. Each Unit Owner shall further be responsible for all damages to any and all other Units and/or to the Common Elements which his failure to undertake his maintenance responsibility may engender. All damages to the Common

Elements or other Units intentionally or negligently caused by the Unit Owner, his invitees, guests, agents, servants, lessees, employees or contractors shall be promptly repaired by the Unit Owner at his sole cost and expense; provided that there is excluded from the provisions contained in this section such repairs necessitated by casualties insured against by the Association to the extent the Association receives insurance proceeds for such repairs, the Unit Owner shall be in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall exceed the amount of the applicable insurance proceeds. If the Unit Owner does not make those repairs to be made by him within thirty (30) days from written demand by the Board, the same may be repaired by the Board, and the cost thereof shall be assessed against the Unit owned by the subject Unit Owner.

(b) The Association, through its Board, shall maintain, repair and replace all portions of the Common Elements and Limited Common Elements (except as provided in Section 6.12(a) above) which shall require same, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, his invitees, guests, agents, servants, lessees, employees or contractors, in which case such expense shall be charged to such Unit Owner, or unless herein provided to the contrary), and the cost thereof shall be charged to all the Unit Owners as a Common Expense.

6.13 Restrictions on Unit Owners. No Unit Owner shall perform or cause to be performed any maintenance, repair or replacement work which disturbs the rights of the other Unit Owners, jeopardizes the soundness or the safety of the Condominium property, or reduces the value thereof. Each Unit Owner shall cause any work so performed or being performed on the Unit, which, in the sole opinion of the Board, violates the terms of this section, to be immediately corrected, and he shall refrain from recommencing or continuing any such work without written consent of the Board.

6.14 Duty to Report. Each Unit Owner shall promptly report to the Board or its agent any defect or need for repairs or replacement the responsibility for which is that of the Association.

6.15 Additions, Alterations or Improvements by the Association. Whenever in the judgment of the Board the Common Elements shall require additions, alterations or improvements, the Board shall proceed with such additions, alterations or improvements, and shall assess all Unit Owners for the costs thereof, as a Common Expense, subject, however, to the provisions of Sections 6.1 and 6.3 of this Article VI.

6.16 Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any addition, alteration or improvement in or to his Unit, which impairs the structural integrity or mechanical systems or lessens the support of any part of the Condominium. No Unit Owner shall make any addition, alteration or improvement which affects the exterior portion or outward appearance of such Unit, without the prior written consent thereto of the Board. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed addition, alteration or improvement in or to such Unit Owner's Unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement.

6.17 Use of Common Elements. A Unit Owner shall not interfere with the use of the Common Elements by the remaining Unit Owners and their guests and invitees.

6.18 Right of Access. A Unit Owner shall grant a right of access to his Unit to the managing agent and/or any other person authorized by the Board or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any First Mortgage covering another Unit, provided that requests for entry are made in advance, and that any such entry is at a time reasonably convenient to the Unit Owner. In the case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time such request for entry is made, or such entry is at a time reasonably convenient to the Unit Owner.

6.19 Common Expenses for Utilities. Any utilities which may be provided to the Units through a single or common meter or facility, and utilities furnished to any portion of the Common Elements, shall be paid by each Unit Owner as and when billed according to the extent of such Unit Owner's use or, at the option of the Board, such may be paid by the Association and assessed against the Units as a Common Expense.

6.20 Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board. Such Rules and Regulations shall be equally applicable to all Unit Owners similarly situated and shall be uniform in their application and effect. Copies of such Rules and Regulations shall be furnished by the Board to each Unit Owner prior to their effective date.

6.21 Remedies Cumulative. All rights, remedies and privileges granted to the Association or the Owner or Owners of a Unit pursuant to any terms, provisions,

covenants or condition of the Declaration or other above-mentioned documents, shall be cumulative, and the exercise of any one or more shall not constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such party at law or in equity.

6.22 Nonwaiver of Remedies.

(a) The failure of the Association or any Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or the Unit Owner to enforce such right, provision, covenant or condition in the future.

(b) The failure of Declarant to enforce any right, privilege, covenant or condition which may be granted to it by the Declaration or other above-mentioned documents shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant or condition in the future.

(c) The failure of a First Mortgagee to enforce any right, provision, privilege, covenant or condition which may be granted to it or them by the Declaration or other above-mentioned documents, shall not constitute a waiver of the right of said party or parties to thereafter enforce such right, privilege, covenant or condition in the future.

ARTICLE VII.

Financial Records and Statements

7.1 Reports. The Board shall keep detailed records of the actions of the Board and the managing agent, minutes of the meetings of the Board, minutes of the meetings of the Association, and financing records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit, which, among other things, shall contain the amount of each Assessment against each Unit, the date when due, the amounts paid and the balance remaining unpaid. The financial records and books of account shall be available for examination by all Unit Owners, their duly authorized agents or attorneys, and all lien holders, their attorneys and authorized agents, at convenient hours that shall be set and announced for general knowledge. A written annual summary of all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day

of the third month following the close of each fiscal year. In addition, an annual report of the receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners and to all First Mortgagees who have requested the same, promptly after the end of each fiscal year.

7.2 Common Expense Funds. All sums collected by the Association, either as Assessments for the Common Expenses or Special Assessments may be commingled in a single fund, but they shall be held for the Owners for the purposes for which they are paid, and shall, subject to the right of withdrawal or refund provided herein, be credited to accounts from which shall be paid the charges for which the Assessments are made. Such accounts shall include the following, or such other and further accounts as the Board from time to time shall determine:

(a) General Common Expense Account--to which shall be credited collection of that portion of the Common Expense Assessments received for defraying the costs of operating the Condominium on a day-to-day basis, including normal maintenance and repairs, insurance and related charges;

(b) Capital Reserve Account--to which shall be credited, all sums collected which are to be allocated for capital expenditures for the reconstruction, repair and replacement of Common Elements at a future date.

All sums collected by the Association, either as Assessments of the Common Expenses or Special Assessments, during any fiscal year and allocated to the General Common Expense Account or to any other account from which non-capital expenditures may be made, in excess of expenditures during such fiscal year made from or chargeable to said account or accounts shall be deemed contributions to capital at the end of said fiscal year, and shall be transferred to the Capital Reserve Account. All amounts credited to said Capital Reserve Account shall be contributions to capital, and shall be held in trust by the Association for future expenditures of a capital nature, and shall serve to reduce the Assessments required for said capital expenditures.

7.3 Records. All books of account and financial records shall be kept in accordance with good and acceptable accounting practices. The Board may, in its discretion, have a certified public accountant prepared annual financial statement made available for inspection by all Unit Owners and all First Mortgagees on or before the 15th day of the second month following the close of each fiscal year.

ARTICLE VIII.

Amendments to Bylaws

8.1 Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is to be considered.

8.2 Adoption. A resolution for the adoption of a proposed amendment may be proposed either by a majority of the Board or by not less than one-third (1/3) of the Voting Members of the Association. Directors and members of the Association not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided that such approval is delivered to the Secretary at or prior to the meeting. The approval must be by not less than a majority of the votes of all Voting Members of the Association represented at a meeting at which a quorum has been attained.

8.3 Limitation. No amendment may be adopted which would eliminate, modify, prejudice, abridge or otherwise adversely affect any rights, benefits, privileges or priorities granted or reserved to the Declarant or First Mortgagees without the consent of said Declarant and First Mortgagees in each instance. No amendment shall be made that is in conflict with the Articles of Incorporation of the Association or Declaration without satisfaction of the requirements therein contained. No amendment to this Section shall be valid.

8.4 Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted as an amendment to the Declaration and Bylaws, which certificate shall be executed by the Chairman or Vice Chairman and attested by the Secretary or Assistant Secretary of the Association with the formalities of a deed, or by the Declarant alone if the amendment has been adopted consistent with the provisions of the Declaration allowing such action by the Declarant. The amendment shall be effective when the certificate and a copy of the amendment is recorded in the Register of Deeds for Mecklenburg County, North Carolina.

ARTICLE IX.

Condemnation

9.1 General. Whenever all or any part of the Condominium Property shall be taken over by any authority having the power of condemnation or eminent domain, each Unit Owner and all First Mortgagees shall be entitled to notice thereof and to participate in the proceedings incident thereto unless otherwise prohibited by law. The award made

for such taking shall be payable to the Association. Unless otherwise provided by law at the time of such taking, any award made therefor shall be disbursed by the Association as provided in this Article IX.

9.2 Common Elements. If the taking is confined to the Common Elements (general or limited) on which improvements shall have been constructed, and at least ninety (90%) per cent of the total vote of the members of the Association entitled to vote shall vote within sixty (60) days after such taking to replace the improvements, or any part thereof, on the remaining land included in the Common Elements (general or limited) and according to the plans therefor first approved by the Association, then the Board shall arrange for such replacement and the Association shall disburse the proceeds of such award in the same manner as they are required to disburse insurance proceeds where damage or destruction to the Common Elements (general or limited) is to be repaired or reconstructed as provided for in the Declaration or herein; subject, however, to the right hereby reserved to the Association by a majority vote of the Voting Members, to provide for the disbursement by the Association of the remaining proceeds held by it (after the payment of all costs incident to such replacement) to the Unit Owners or any one or more of them or to their First Mortgagees as their interests may appear in amounts disproportionate to their percentages of undivided interest in the Common Elements (general or limited) established herein, which disproportionate amounts shall correspond with the disproportionate damage sustained by the Unit Owners or any one or more of them as the Association may determine. If at least ninety (90%) per cent of the Voting Members shall not decide within sixty (60) days after such taking to replace said improvements or if the taking is confined to the Common Elements (general or limited) on which no improvements shall have been constructed, then the Association shall disburse the proceeds of the award in the manner hereinabove provided for the disbursement of the remaining proceeds of an award after payment of all costs incident to replacement of improvements taken has been made, including the right reserved to the Association to provide for the disbursement of the remaining proceeds held by it to the Unit Owners in disproportionate amounts. All disbursements made under this Section 9.2 shall be in strict compliance with Section 47C-1-107 of the Act.

9.3 Units. If the taking includes one or more Units, or any part or parts thereof, whether or not there is included in the taking any part of the Common Elements (limited or general), then the award shall be disbursed and all related matters shall be handled pursuant to and in accordance with the consent of all Unit Owners and First Mortgagees affected and the Executive Board of the Association thereafter, expressed in a duly recorded amendment to the Declaration of Condominium, all in accordance with Section 47C-1-107 of the Act.

9.4 Termination. The Executive Board shall call a meeting of all Unit Owners at least forty-five (45) days prior to any final taking by the condemning authority to determine the action to be taken pursuant to Sections 9.2 and 9.3 above. Except in the event of a taking of all the Units by eminent domain, in the event the condemnation involves more than ten per cent (10%) of the value of the Common Elements (limited or general) and/or more than fifteen per cent (15%) of the total value of all Units, the Condominium may be terminated at such meeting by written approval of not less than ninety per cent (90%) of the Voting Members. Any termination agreement shall be in strict compliance with 47C-2-118 of the Act.

ARTICLE X.

Miscellaneous

10.1 Ad Valorem Taxes. Each Unit shall be deemed to be a separate parcel and shall be separately assessed and taxed. Each Unit Owner shall be liable solely for the amount of tax assessed against his Unit and shall not be affected by the consequences resulting from the tax delinquency of other Unit Owners. All tangible personal property owned by the Association in connection with the maintenance, upkeep and repair of the Common Elements shall be listed for said taxes in the name of and paid by the Association. Each Unit Owner is also responsible for his pro rata share of taxes assessed on his portion of the Common Elements, if any.

10.2 Notification to Mortgagees. Any Owner who mortgages his Unit shall notify the Association of the name and address of the Mortgagee, and the Association shall maintain such information in a book entitled "Mortgagees of Condominiums." In addition to any other notification provided for in the Declaration or these Bylaws, the Association may, at the written request of a Mortgagee of any such Unit, report any unpaid assessments due from the Owner of such Unit. The Association shall notify each Mortgagee appearing in said book the name of each company insuring the Condominium Property under the master policy and the amounts of the coverages thereunder.

10.3 Severability. Invalidity of any covenant, condition, restriction or other provision of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof which shall remain in full force and effect.

10.4 Successors Bound. The rights, privileges, duties and responsibilities set forth in the Declaration or these Bylaws, as amended from time to time, shall run with the ownership of the Condominium Property and shall be binding upon all persons who own or hereafter acquire any interest in the Condominium Property.

10.5 Gender, Singular, Plural. Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include all genders.

10.6 Principal Office--Registered Office. The initial principal office and registered office of the Association shall be located at 18147 W. Catawba Avenue, Cornelius, North Carolina 28031.

10.7 Other Offices. The Association may have other offices at such other places within North Carolina as the Board may from time to time determine or as the affairs of the Association may require.

10.8 Seal. The seal of the Association shall contain the name of the Association, the word "Seal," the year of incorporation and such other words and figures as is desired by the Board of Directors. When obtained, the seal shall be impressed in the margin of this Section of the Bylaws.

10.9 Fiscal Year. The fiscal year of the Association shall be the calendar year.

10.10 Definitions. The Definitions contained in Article I of the Declaration are incorporated herein by this reference, unless the context clearly indicates a different meaning therefor.

* * * * *

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of Boardwalk Office Association, Inc., a North Carolina non-profit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the initial Executive Board thereof held on the _____ day of _____, 2002.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this _____ day of _____, 2002.

Secretary

EXHIBIT C

To Declaration

Plans

The Plans for BOARDWALK OFFICE CONDOMINIUM, ^{Mase!} prepared by David F. Furman, Registered Architect, were attached to this Declaration at the time it was filed for record, and are duly filed in the Office of the Register of Deeds for Mecklenburg County, North Carolina in Condominium Unit Ownership File No. 590, reference to which is hereby made, and said Plans are incorporated herein by reference as though fully set out herein.

EXHIBIT D

To Declaration

Plat

The plat of survey for BOARDWALK OFFICE CONDOMINIUM PHASE I dated December 12, 2001, prepared by James H. Mauney, N.C.P.L.S., entitled "SURVEY FOR KENNERLY DEVELOPMENT SERVICES, LLC AS-BUILT SURVEY OF BOARDWALK OFFICE CONDOMINIUM PHASE I" and consisting of one (1) sheet, which was attached to this Declaration at the time it was filed for record, is duly filed in the Office of the Register of Deeds for Mecklenburg County, North Carolina in Condominium Unit Ownership File No. 590. Said survey is incorporated herein by reference as though fully set out herein.

EXHIBIT E

To Declaration

<u>Unit Number</u>	<u>Unit Type</u>	<u>Unit Area (Square Ft)</u>	<u>Percentage of Undivided Interest in Common Elements</u>	<u>Percentage of Undivided Interest in Common Expenses</u>
580	Office	1207	12.5	12.5
582	Office	1207	12.5	12.5
584	Office	1207	12.5	12.5
586	Office	1207	12.5	12.5
705	Office	1207	12.5	12.5
707	Office	1207	12.5	12.5
709	Office	1207	12.5	12.5
711	Office	<u>1207</u>	<u>12.5</u>	<u>12.5</u>
		9656	100%	100%

EXHIBIT F

To Declaration

Liens, Defects and Encumbrances

1. Terms, conditions and restrictions of this Declaration, the Bylaws, the Plans and the Rules and Regulations, as each may be amended from time to time.
2. Restrictions, conditions and easements of public record.
3. Unrecorded easements, discrepancies or conflicts in boundary lines, shortages in area and encroachments which an accurate and complete survey would disclose, including easements and encroachments, if any, shown on the Plat and Plans.
4. Easements and restrictions described in Articles IV and V of this Declaration including, but not limited to,
 - (i) easements in favor of the appropriate utility companies to serve the Property and all appurtenances thereto;
 - (ii) easements in favor of the Association and to such persons as authorized by the Association for utility installations within the walls of the Units;
 - (iii) an easement in favor of the Declarant, the Association, appropriate utility, sewage disposal and service companies and governmental agencies and authorities for such service lines and equipment as may be necessary or desirable over the Units and Common Elements to serve any portion of the Property;
 - (iv) easements reserved by the Declarant through the Common Elements as reasonably necessary for discharging its obligations under this Declaration and completion of construction of the improvements in the Condominium;
 - (v) easements reserved by the Declarant to maintain sales offices or models in the Condominium and to place advertising signs for the Condominium on the Property;

(vi) an easement in favor of the Association, a Unit Owner, the Executive Board or any other person as permitted under the Declaration and Bylaws to inspect, maintain, repair and replace the Common Elements;

(vii) an easement for the encroachment of improvements upon any Unit or the Common Elements; and

(viii) the right of the Executive Board of the Association to grant easements encumbering the Common Elements for utility purposes and other purposes the Board deems for the benefit of the Condominium.

(ix) easements reserved to the Declarant and the Association over the Common Elements for the construction, installation, maintenance and replacement of signage and entrance monumentation, including lighting and landscaping, along Southeast Drive.

5. Terms and conditions of that certain Master Declaration of Covenants, Conditions and Restrictions for Deer Park recorded in Book 11338 at Page 402 in the Mecklenburg County Public Registry, as may be amended from time to time.

6. Sanitary sewer and water line right of way to the City of Charlotte recorded in Book 6301 at page 283 in the Mecklenburg County Public Registry.

7. Duke Power Company transmission line right of way recorded in Book 3087 at Page 297 and Book 3344 at Page 569 in the Mecklenburg County Public Registry.

8. Easement to Bell South Telecommunications, Inc. recorded in Book 717 at Page 423 in the Mecklenburg County Public Registry.

9. General utility easements of record.

EXHIBIT G

To Declaration

ARTICLES OF INCORPORATION **OF** **BOARDWALK OFFICE ASSOCIATION, INC.**

I, the undersigned, being a natural person of full age, make these Articles of Incorporation for the purpose of forming a nonprofit corporation pursuant to the provisions of Chapter 55A of the North Carolina General Statutes.

ARTICLE I

NAME

The name of the corporation is Boardwalk Office Association, Inc.

ARTICLE II

DURATION

The period of duration of the corporation shall be perpetual.

ARTICLE III

PURPOSES

The purpose for which the corporation is organized are:

(a) To provide for the management, maintenance, preservation, administration and operation of Boardwalk Office Condominium, a condominium organized pursuant to Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act, as set forth in that certain Declaration of Condominium to be recorded in the Office of the Register of Deeds for Mecklenburg County, North Carolina (the "Declaration").

(b) To promote the health, safety and welfare of the "Unit Owners" (as defined in the Declaration) and residents within the jurisdiction of this corporation.

(c) To engage in any and all lawful activities incidental to the foregoing purposes, except as restricted herein.

ARTICLE IV

POWERS

In order to carry out the purposes for which this corporation has been formed, the corporation shall have all of the powers set forth in Chapter 55A of the North Carolina General Statutes, including, but not by way of limitation, the power:

(a) To exercise all of the privileges and powers and to perform all of the duties and obligations of the corporation as set forth in the Declaration and the Bylaws attached thereto;

(b) To fix, levy, collect and enforce payment of (by any lawful means) all charges or assessments pursuant to the terms of the Declaration and Chapter 47C of the North Carolina General Statutes, the North Carolina Condominium Act; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the corporation, including all licenses, taxes or governmental charges levied or imposed against the property of the corporation;

(c) To acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the corporation;

(d) To borrow money, and, in accordance with the terms of the Declaration and the North Carolina Condominium Act, to mortgage, pledge, grant a deed of trust or hypothecate any or all of the Common Elements (as defined in the Declaration) as security for money borrowed or debts incurred, subject to the property rights of the members of the corporation as provided in the Declaration and the Bylaws attached thereto;

(e) To dedicate, sell or transfer all of any part of the Common Elements to any public agency, authority or utility or other entity for such purposes and subject to such conditions as may be agreed upon by the members of the corporation as provided in the Declaration and the Bylaws attached thereto.

In addition, the corporation shall have all of the powers set forth in North Carolina General Statutes Section 47C-3-102.

ARTICLE V

NO PECUNIARY GAIN

This corporation is a nonprofit corporation, and no part of the net earnings (if any) of the corporation shall inure to the pecuniary benefit of its Members (as defined hereinbelow), officers, or directors.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS

Membership in the corporation ("Membership") shall be limited to the Owners of Units (as defined in the Declaration) in Boardwalk Office Condominium, and every Owner of a Unit shall automatically be a member (a "Member") of the corporation. Members shall not include persons or entities who hold an interest in a Unit merely as security for the payment or performance of an obligation. Membership in the corporation shall be appurtenant to and may not be separated from Unit ownership.

Each Member shall be entitled to cast one (1) vote for each Unit owned by such Member. In the event fee simple title to a Unit is owned of record by more than one person or entity, all such persons or entities shall be Members, but the votes with respect to any such jointly owned Unit shall be cast as hereinafter provided.

If the fee simple title to any Unit is owned of record by two or more persons or entities (whether individually or in a fiduciary capacity), the votes with respect to any such jointly owned Unit may be cast by any one of the joint Owners in person or by proxy, except that the holder or holders of a life estate in a Unit shall have the sole right to cast the votes allocated to the Unit. If more than one of the joint Owners vote or more than one life estate holder in a Unit vote, the unanimous action of all joint Owners or joint life estate holders voting shall be necessary to effectively cast the votes allocated to the particular Unit. Such unanimous action shall be conclusively presumed if any one of such multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other of such joint Owners.

In no event may the votes which may be cast with respect to any Unit be divided among joint Owners of the Unit or cast in any manner other than as a whole, it being the intention that there be no "splitting" of votes that may be cast by any Member or Members.

ARTICLE VII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of voting members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII

REGISTERED AGENT AND OFFICE

The address of the initial registered office in the State of North Carolina is 18147 W. Catawba Avenue, Cornelius, Mecklenburg County, North Carolina, 28031, and the name of the initial registered agent at such address is J. Christopher Kennerly.

ARTICLE IX

EXECUTIVE BOARD OF DIRECTORS

The affairs of the corporation shall be managed by an Executive Board of no less than three (3) members who need not be Members of the corporation. The number of members of the Executive Board may be changed from time to time in accordance with the Bylaws of the corporation. The number of persons constituting the initial Executive Board is three (3), and the names and addresses of the persons who are to act as initial directors of the Executive Board until the first annual meeting of the Members or until their successors are elected and qualified are:

<u>Name</u>	<u>Address</u>
Timothy W. Gilbert	201 South Tryon Street, Suite 1200 Charlotte, N.C. 28202
J. Christopher Kennerly	18147 W. Catawba Avenue Cornelius, N.C. 28031

Oscar B. Hawkins, III

18147 West Catawba Avenue
Cornelius, N.C. 28031

The Members of the corporation shall elect members to serve on the Executive Board at each annual meeting, such members of the Executive Board to serve for a term or the terms as set forth in the Bylaws. Members of the Executive Board may succeed themselves in office.

ARTICLE X

AMENDMENTS

Amendments of these Articles of Incorporation shall require the assent of the Members entitled to exercise at least three-fourths (3/4ths) of the entire vote of the Membership. Provided, however, no amendment to these Articles of Incorporation shall be adopted or passed which shall impair or prejudice the rights of Declarant provided for in these Articles of Incorporation, in the Declaration, or in the Bylaws, without the consent of Declarant.

ARTICLE XI

INCORPORATOR

The name and address of the incorporator is: Timothy W. Gilbert, 201 S. Tryon Street, Suite 1200, Charlotte, North Carolina 28202.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this _____ day of _____, 2002.

_____(SEAL)
Timothy W. Gilbert

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This is to certify that on this _____ day of _____, 2002 before me, _____, a Notary Public of Mecklenburg County, North Carolina, personally appeared Timothy W. Gilbert, who executed the foregoing Articles of Incorporation of Boardwalk Office Association, Inc., and, after having first made known to him the contents thereof, he did acknowledge that he signed, sealed and delivered the same as his voluntary act and deed for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this _____ day of _____, 2002.

Notary Public

My commission expires:

(Notarial Seal)