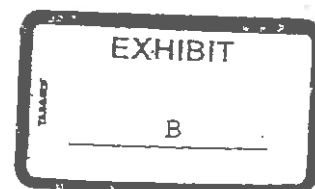


BYLAWS
OF
510 GLENWOOD CONDOMINIUM OWNERS ASSOCIATION



BYLAWS

OF

510 GLENWOOD CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE I

GENERAL PROVISIONS

Section 1.1. Name. These Bylaws provide for the governance of the Condominium by the Association. The name of the Association shall be "510 Glenwood Condominium Owners Association, Inc."

Section 1.2. Office. The office of the Condominium, the Association, the Subassociations, and the Board of Directors shall be located at 221 Glenwood Avenue, in the City of Raleigh, Wake County, North Carolina or at such other place as may be designated from time to time by the Board of Directors.

Section 1.3. Definitions. Terms used herein without definition shall have the meanings given for such terms in the Declaration of the Condominium. The following terms have the following meanings in these Bylaws.

"Association" means 510 Glenwood Condominium Owners Association, Inc.

"Board of Directors" or "Board" means those persons elected or appointed to act collectively as the directors of the Association.

"Committees" means the Office Executive Committee, Parking Executive Committee, Residential Executive Committee, and Retail Executive Committee collectively.

"Common Elements" means all parts of the Property other than the Units, as more fully set forth in the Declaration and shall include: (a) General Common Elements; (b) Residential Limited Common Elements; (c) Office Limited Common Elements; (d) Retail Limited Common Elements; (e) Parking Limited Common Elements; (f) Individual Office Limited Common Elements; (g) Individual Retail Limited Common Elements; and (h) Individual Residential Limited Common Elements. Each Member shall be the owner of an undivided interest as a tenant in common of the Common Elements with other Members, although the use and obligations with respect to certain Common Elements shall be restricted as set forth in the Declaration and in these Bylaws.

"Common Element Interest" means the percentage assigned to each Unit in the Declaration, which establishes for each Unit the: (a) appurtenant undivided interest in the Common Elements; (b) liability for Common Expenses; (c) interest in surplus funds of the Association; and (d) votes in the Association.

"Common Expenses" means and includes:

- (1) All lawful expenditures made or incurred by or on behalf of the (a) Association ("General Common Expenses"); (b) Residential Subassociation ("Residential Expenses"); (c) Office Subassociation ("Office Expenses"); (d) Retail Subassociation ("Retail Expenses"); (e) Parking Subassociation ("Parking Expenses"); and (f) one (1) or more but less than all the Units ("Limited Common Expenses"), together with all assessments for the creation and maintenance of reserves;
- (2) Expenses of administration, maintenance, repair or replacement of the Common Elements, including such repair and replacement reserve funds as may be established from time to time;
- (3) Expenses agreed upon to be Common Expenses by the Association; and
- (4) Expenses declared Common Expenses by the Declaration or these Bylaws.

"Condominium Instruments" means the Declaration, the Articles of Incorporation of the Association, the Bylaws, the Public Offering Statement and all attachments and exhibits thereto.

"Declarant" means Burcam Capital II, L.L.C., a North Carolina limited liability company, its successors, or any party to which it assigns its rights as Declarant under this Declaration.

"Declarant Control Period" means the period prior to the earliest of: (i) the date on which Residential Units to which seventy-five percent (75%) or more of the total Common Element Interests appurtenant to the Residential Units have been conveyed to Members other than the Declarant; (ii) five (5) years after the date of the first conveyance of a Unit to a Member other than the Declarant; or (iii) the date specified by the Declarant in a notice to the Association that the Declarant Control Period is to terminate on that date.

"Declaration" means the Declaration of Condominium for 510 Glenwood Condominium, applicable to the Property recorded in the Office of the Register of Deeds of Wake County, North Carolina (the terms of which are incorporated herein by reference).

"General Common Elements" means all of the Common Elements other than the (a) Office Limited Common Elements; (b) Residential Limited Common Elements; (c) Retail Limited Common Elements; (d) Parking Limited Common Elements; (e) Individual Office Limited Common Elements; (f) Individual Retail Limited Common Elements; and (g) Individual Residential Limited Common Elements. The General Common Elements shall include all areas shown on Plans which are not identified as units, Limited Common Elements, or Individual Limited Common Elements.

"General Common Expense" means and includes that part of the Common Expenses attributable to the maintenance, management, operation, repair and replacement of the General Common Elements or other Common Expenses incurred for the benefit of the Residential Units, Retail Units, Parking Units, and Office Units collectively.

"Individual Office Limited Common Elements" means those parts of the Common Elements which are reserved for the exclusive use and benefit of one (1) or more, but less than all, of the Office Units and their Owners.

"Individual Residential Limited Common Elements" means those parts of the Common Elements which are reserved for the exclusive use and benefit of one (1) or more, but less than all, of the Residential Units and their Owners.

"Individual Retail Limited Common Elements" means those parts of the Common Elements which are reserved for the exclusive use and benefit of one (1) or more, but less than all, of the Retail Units and their Owners.

"Land" shall mean and refer to the real property subject to the Declaration.

"Limited Common Expenses" means expenses separately assessed against one (1) or more but less than all of the Units. Except where the context requires otherwise, Common Expenses shall include Limited Common Expenses.

"Majority Vote" means a simple majority (more than fifty percent (50%)) of the voting interests actually cast in person or by proxy at a duly called and held meeting at which a quorum is present. Any specified percentage vote means that percentage vote with respect to the voting interests actually cast in person or by proxy at a duly held meeting at which a quorum is present. Any specified percentage vote of the Mortgagees means a vote by the Mortgagees of Units to which such percentage of the total number of votes appertain. With respect to the Residential Subassociation, Office Subassociation, Retail Subassociation, and Parking Subassociation, "Majority Vote" for any vote held by such Subassociations means a simple majority (more than fifty percent (50%)) of the voting interests actually cast in person or by proxy at a duly held meeting of each respective association (as applicable) at which a quorum is present.

"Managing Agent" means a Person employed by the Association or Subassociations to perform obligations, duties and services relating to the management and maintenance of the Property and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

"Members" means each of the Unit Owners collectively.

"Mortgagee" means a lender holding, insuring or guaranteeing a first mortgage or first deed of trust ("Mortgage") encumbering a unit in the Condominium, which has notified the Association of its status and has requested all rights under the Condominium Instruments.

"Office Executive Committee" means the persons elected by the Office Subassociation in accordance with these Bylaws who have the power to make decisions delegated to them by the Office Subassociation concerning matters affecting the Office Section in accordance with these Bylaws.

"Office Expenses" means all lawful expenditures made by, or incurred on behalf of, the Office Subassociation or which are for the exclusive benefit of the Office Limited Common Elements or the Office Units as a group.

"Office Limited Common Elements" means those parts of the Common Elements, now or hereafter established, which are reserved for the exclusive use of all of the Office Members. The Office Limited Common Elements existing at the time of the recordation of the Declaration are shown on the Plans, but shall also consist of any other portions of the Condominium which serve and benefit the Office Units exclusively.

"Office Members" means each of the owners of an Office Unit.

"Office Percentage Interest" means the percentage interest, as set forth in the Declaration, of each Office Member in governing the affairs of the Office Subassociation, and represents each Office Members percentage liability for Office Expenses.

"Office Section" means the Office Unit(s), together with the Office Limited Common Elements and Individual Office Limited Common Elements.

"Office Subassociation" means the unincorporated association comprised of the Office Members acting as a group in accordance with these Bylaws.

"Office Unit" means a Unit located within the Office Section and which is identified as such on the Plans.

"Officer" means any person holding an office in the Association pursuant to these Bylaws, but shall not mean members of the Board of Directors, Residential Executive Committee, Parking Executive Committee, Retail Executive Committee, or Office Executive Committee unless such directors or Executive Committee members are also officers pursuant to these Bylaws.

"Parking Executive Committee" means those persons elected by the Parking Members in accordance with these Bylaws who have the power to make decisions delegated to them by the Parking Subassociation concerning matters affecting the Parking Section in accordance with these Bylaws.

"Parking Expenses" means all lawful expenditures made by, or incurred on behalf of, the Parking Subassociation or which are for the exclusive benefit of the Parking Limited Common Elements or the Parking Units as a group.

"Parking Limited Common Elements" means those parts of the Common Elements, now or hereafter established, which are reserved for the exclusive use of the Parking

Members. The Parking Limited Common Elements existing at the time of the recordation of the Declaration are shown on the Plans, but shall also consist of any other portions of the Condominium which serve and benefit the Parking Unit exclusively.

"Parking Members" means each of the owners of a Parking Unit.

"Parking Section" means the Parking Unit(s), together with the Parking Limited Common Elements and Individual Parking Limited Common Elements.

"Parking Subassociation" means the unincorporated association comprised of the Parking Members acting as a group in accordance with these Bylaws.

"Parking Unit" means a Unit located within the Parking Section and which is identified as such on the Plans.

"Person" means an individual, partnership, joint venture, association, limited liability company, corporation, trust or any other legal entity.

"Plans" means the plans and specifications of the buildings and property prepared by Cline-Davis Architects, P.A., and recorded under the name of the Condominium and unit ownership file in the Office of the Register of Deeds of Wake County and Condominium file number 257-A1-64

"Property" means the Land, the Buildings and all other improvements and structures located on the Land; all easements, rights and appurtenances belonging or appertaining to the Land; and all articles of personal property intended for common use in connection therewith.

"Residential Executive Committee" means those persons elected by the Residential Members in accordance with these Bylaws who have exclusive power to make decisions delegated to them by the Residential Subassociation concerning matters affecting the Residential Section in accordance with these Bylaws.

"Residential Expenses" means all lawful expenditures made by or incurred on behalf of the Residential Subassociation or which are for the exclusive benefit of the Residential Limited Common Elements or the Residential Units as a group.

"Residential Limited Common Elements" means those parts of the Common Elements which are Limited Common Elements within the meaning of the Condominium Act and which are reserved for the exclusive use of all of the Residential Members. The Residential Limited Common Elements are shown on the Plans, but shall also consist of any other portions of the Condominium which serve and benefit the Residential Units exclusively.

"Residential Members" means each of the owners of a Residential Unit.

"Residential Percentage Interest" means the undivided percentage interest of each Residential Member, as set forth in the Declaration, in governing the affairs of the Residential

Subassociation, and represents each Residential Member's percentage liability for Residential Expenses.

"Residential Section" means the Residential Units, together with the Residential Limited Common Elements and the Individual Residential Limited Common Elements.

"Residential Subassociation" means the unincorporated association comprised of the Residential Members acting as a group in accordance with these Bylaws.

"Residential Unit" means a Unit located within the Residential Section which is designated as such on the Plans.

"Retail Executive Committee" means those persons elected by the Retail Subassociation in accordance with these Bylaws who have the exclusive power to make decisions delegated to them by the Retail Subassociation concerning matters affecting the Retail Section in accordance with these Bylaws.

"Retail Expenses" means all lawful expenditures made by, or incurred on behalf of, the Retail Subassociation or which are for the exclusive benefit of the Retail Limited Common Elements or the Retail Units as a group.

"Retail Limited Common Elements" means those parts of the Common Elements, now or hereafter established, which are reserved for the exclusive use of all of the Retail Members. The Retail Limited Common Elements existing at the time of the recordation of the Declaration are shown on the Plans, but shall also consist of any other portions of the Condominium which serve and benefit the Retail Units exclusively.

"Retail Members" means each of the owners of a Retail Unit.

"Retail Percentage Interest" means the percentage interest, as set forth in the Declaration, of each Retail Member in governing the affairs of the Retail Subassociation, and represents each Retail Members percentage liability for Retail Expenses.

"Retail Section" means the Retail Unit(s), together with the Retail Limited Common Elements and Individual Retail Limited Common Elements.

"Retail Subassociation" means the unincorporated association comprised of the Retail Members acting as a group in accordance with these Bylaws.

"Retail Unit" means a Unit located within the Retail Section and which is identified as such on the Plans.

"Rules" means those rules adopted from time to time by the Board of Directors ("Condominium Rules"), Residential Executive Committee ("Residential Rules"), Retail Executive Committee ("Retail Rules"), Parking Executive Committee ("Parking Rules"), or Office Executive Committee ("Office Rules"), that are deemed necessary for the enjoyment of

the General Common Elements, Residential Section, Retail Section, Parking Section, or Office Section, respectively, provided they are not in conflict with the Declaration and these Bylaws.

"Subassociations" means the Parking Subassociation, Office Subassociation, Residential Subassociation, and Retail Subassociation collectively.

"Unit Owners" means all Persons who own a Unit or Units in the Condominium.

ARTICLE 2 ASSOCIATION

Section 2.1. Composition. The Association shall consist of all of the Members. The Association shall have the responsibility of administering the Condominium (except for those areas of responsibility which are specifically and expressly delegated to, or specifically and expressly reserved for, the Residential Subassociation, Retail Subassociation, Parking Subassociation, or the Office Subassociation), establishing the means and methods of collecting assessments and charges for General Common Expenses, arranging for the management of the Association and General Common Elements and performing all of the other acts that may be required or permitted to be performed by the Association by the Declaration and these Bylaws. The foregoing responsibilities shall be performed by the Board of Directors or may be delegated by the Board of Directors to a Managing Agent.

Notwithstanding anything contained in these Bylaws or in the Declaration to the contrary, the Association shall take over the duties and powers of any of the Subassociations, and perform such duties and powers of such Subassociation or Subassociations, in the event the Association so decides, at a meeting of the Association, by a vote of Members representing seventy-five percent (75%) or more of the total Common Element Interest. Additionally, in the event a Subassociation fails to perform its duties, and such failure negatively effects the Association or one or more of the other Subassociations, in the Board of Director's reasonable discretion, the Association may perform such duties on behalf of the Subassociation for a period of three (3) months without first obtaining a vote of Members representing seventy-five percent (75%) or more of the total Common Element Interest and the Association shall be entitled to reimbursement from the Subassociation for any expenses incurred in the performance of such duties.

Section 2.2. Annual Meetings. The annual meetings of the Association shall be held on November 15 each year, or, in the event November 15 falls on a weekend, on the next business day thereafter.

Section 2.3. Place of Meetings. Meetings of the Association shall be held in Raleigh, North Carolina, at such place as may be designated by the Board of Directors in the notice of the meeting.

Section 2.4. Special Meetings.

(a) The President shall call a special meeting of the Association: (i) if so directed by resolution of the Board of Directors; or (ii) upon a petition signed and presented to

the Secretary by Unit Owners of not less than fifty one percent (51%) of the aggregate Common Element Interests. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) days after the date of the first such signatures. Such resolution or petition must (1) specify the time and place at which the meeting is to be held, (2) specify a date on which the meeting is to be held, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Secretary. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Upon recordation of the Declaration the members of the Board of Directors shall be designated by the Declarant. Such members of the Board of Directors shall serve until the first annual meeting of the Association.

Section 2.5. Notice of Meetings. The Secretary shall notify each Member of each annual or regularly scheduled meeting of the Members at least twenty one (21) but not more than sixty (60) days, and of each special meeting of the Members at least seven (7) but not more than sixty (60) days, prior to such meeting, stating the time, place and purpose thereof.

Section 2.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members representing fifty-one percent (51%) or more of the total Common Element Interest shall constitute a quorum at all meetings of the Association. If at any meeting of the Association a quorum is not present, Unit Owners of a majority of the Common Element Interests who are present at such meeting in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called, whereupon the Secretary shall make reasonable efforts to notify Members of such date, time and place. A quorum is not required for such subsequent meeting, but a Retail Member, and a Parking Member must be present at such subsequent meeting in order for any actions to be taken at such meeting.

Section 2.7. Voting.

(a) Voting at all meetings of the Association shall be on a percentage basis and the percentage of the vote to which each Member is entitled shall be the Common Element Interest assigned to such Member's Unit in the Declaration. Where the ownership of a Unit is in more than one (1) Person, the Person who shall be entitled to cast the vote of such Unit shall be the Person named in a certificate executed by all of the owners of such Unit and filed with the Secretary (if such a certificate is on file) or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Unit shall be the Person owning an interest in such Unit who is present. If more than one (1) Person owning an interest in such Unit is present, then such vote shall be cast only in accordance with their unanimous agreement. A fiduciary shall be entitled to cast a vote for a Unit owned in a fiduciary capacity. If a Member is not a natural person, the vote for such Unit may be cast by (i) any natural person having authority to execute deeds on behalf of such person, pursuant to N.C.G.S. Chapter 47, or (ii) any other natural person designated by power of attorney for the natural person referred to in subsection (i) above. The natural person referred to in subsection (i) above shall be named in a certificate signed by an authorized officer of the non-natural person, and the natural person

referred to in subsection (ii) above shall be named in a power of attorney signed by the natural person referred to in subsection (i) above. The aforesaid certificate and power of attorney shall be valid until revoked by a subsequent certificate or power of attorney similarly executed and filed.

(b) Except where a greater number is required by the Condominium Instruments, or where the consent of a certain percentage of Members or any percentage of Mortgagees is required pursuant to the Declaration or these Bylaws, a Majority Vote is required to adopt decisions at any meeting of the Association. If the Declarant owns or holds title to one (1) or more Units, the Declarant shall have the right at any meeting of the Association to cast the votes to which such Units are entitled.

(c) No Member may vote at any meeting of the Association if payment by such Member of any bona fide financial obligation to the Association is delinquent more than sixty (60) days after written notice has been given to such Member and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 2.8. Proxies. A vote may be cast in person or by proxy. Proxies may be granted by any Member in favor of another Member, an Officer, the Declarant, the Managing Agent, such Member's Mortgagee, or such Member's attorney. No Person other than the Declarant, the Managing Agent or an Officer shall cast votes as a proxy for more than one (1) Unit not owned by such Person; provided, however, that a Mortgagee, an attorney or a rental agent for a non-resident Member, or an Office Member (or its designee) may cast votes as a proxy for as many Units as such Person represents. Proxies shall be duly executed in writing, shall be dated, shall be signed by a person having authority at the time of the execution thereof to execute deeds on behalf of that Person, and must be filed with the Secretary. Such proxy shall be deemed revoked only upon actual receipt by the person presiding over the meeting of notice of revocation from any of the Persons owning such Unit. Any proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of that proxy, however such proxy shall remain valid for any meeting that is recessed for up to forty-eight (48) hours. Except with respect to proxies in favor of a tenant or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the execution thereof.

Section 2.9. Powers of the Association. All powers residing in the Association are expressly reserved to the Association, shall be delegated to and exercised by the Board of Directors with respect to the Association and the Common Elements, and may be delegated by the Board of Directors or these Bylaws to the Residential Executive Committee with respect to the Residential Section, the Office Executive Committee with respect to the Office Section, the Retail Executive Committee with respect to the Retail Section, the Parking Executive Committee with respect to the Parking Section, and/or any Managing Agent(s) employed by the Board of Directors or the Residential Executive Committee, Retail Executive Committee, Parking Executive Committee, or the Office Executive Committee.

ARTICLE 3
BOARD OF DIRECTORS

Section 3.1. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors shall delegate to one (1) or more of its members, or to a Managing Agent the authority to act on behalf of the Board on such matters, if any, which may arise between meetings of the Board as the Board deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall on behalf of the Association:

(a) Prepare and adopt an annual budget, in which there shall be expressed the assessments of each Member for the General Common Expenses or for the Common Expenses of the entire Property if the Board so agrees with each of the Subassociations.

(b) Make assessments against Members to pay the General Common Expenses, or Common Expenses, if applicable, and establish the means and methods for collecting such assessments from the Members.

(c) Provide for the operation, care, upkeep and maintenance of the General Common Elements, or Common Elements, if applicable.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the General Common Elements, or Common Elements, if applicable, and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(e) Collect the General Common Expense assessments, or Common Expense assessments, if applicable, from the Members, deposit the proceeds thereof in bank depositories designated by the Board of Directors and use the proceeds for the General Common Expenses or Common Expenses, as appropriate.

(f) Adopt and amend the Condominium Rules; provided, however, the Condominium Rules shall not be in conflict with the Condominium Instruments.

(g) Open bank accounts on behalf of the Association and designate the signatories thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations or restoration of the General Common Elements, or Common Elements, if applicable, in accordance with these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules, act on behalf of the Members with respect to all matters arising out of any condemnation or eminent domain proceeding affecting the Common Elements, and notify the

Members of any litigation against the Association involving a claim in excess of ten percent (10%) of the amount of the annual budget for the Association.

(j) Obtain and carry insurance against casualties and liabilities for the Association, pay the premiums therefor and adjust and settle any claims thereunder.

(k) Pay the cost of all authorized services rendered to the Association and not charged to owners of individual Units or to the Residential Subassociation, Retail Subassociation, Parking Subassociation, or the Office Subassociation.

(l) Keep books with accounts affecting the General Common Elements, and the administration of the General Common Elements, specifying the expenses of maintenance and repair of the General Common Elements and any other expenses incurred which are not the responsibility of the Residential Subassociation, Retail Subassociation, Parking Subassociation, or the Office Subassociation. Such books and vouchers accompanying the entries therein, together with copies of the Condominium Instruments, shall be available for examination by the Members, their attorneys, accountants, Mortgagees, insurers and guarantors of the Mortgages and authorized agents during normal business hours on normal business days at the times and in the manner set and announced by the Board of Directors for the general knowledge of the Members. All books and records shall be kept in a manner verifiable upon an audit and shall be subjected to an independent financial review at least annually by an independent auditor retained by the Board of Directors who shall not be a resident of the Condominium or a Member or an employee or agent of any Member. The books and records shall be subject to an independent audit upon the request of Members to which at least 51% of the votes in the Association appertain. The cost of such audit shall be a General Common Expense. The Board, on behalf of the Association, shall also keep current copies of the Declaration, Bylaws and Condominium Rules.

(m) Borrow money on behalf of the Condominium when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements; provided, however, that (except during the Declarant Control Period) a vote in writing by Members of Units to which at least fifty one percent (51%) of the votes in the Association appertain shall be required to borrow any sum in excess of ten percent (10%) of the total annual assessment for Common Expenses for that fiscal year.

(n) Acquire, hold and dispose of Units and mortgage the same without the prior approval of the Association if such expenditures and hypothecations are included in the budget adopted by the Association.

(o) Do such other things and acts not inconsistent with the Condominium Instruments which the Board of Directors may be authorized to do by a resolution of the Association.

Section 3.2. Legal Proceedings. The Board of Directors shall have the exclusive right to initiate any form of legal proceedings as it deems necessary and appropriate related to the use, operation, or maintenance of the Property, subject to the following requirements. "Legal Proceedings" as used in this Section shall mean any form of action or suit, including, but not

limited to, demands for performance of Declarant obligations hereunder, under the Condominium Instruments, or contained in any statute, regulation or ordinance or at common law; and shall include the assertion, through litigation, arbitration, or otherwise, or the defense of any claims or actions related to the Property. Notwithstanding the foregoing, the filing and enforcement of liens, the initiation of legal action for routine Common Expenses, assessment collection matters or legal actions required to enforce provisions of the Declaration, Bylaws or rules and regulations with respect to the Property shall not be deemed Legal Proceedings for purposes of this Section and such actions shall not be subject to the requirements of this Section.

Section 3.3. Managing Agent. The Board of Directors may employ for the Condominium a "Managing Agent" at a compensation to be established by the Board. Any such compensation shall be paid on a periodic fixed fee basis. The Managing Agent shall perform such duties and services as the Board of Directors shall direct. The Managing Agent shall perform the obligations, duties and services relating to the management of the property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws.

Section 3.4. Number and Term of Office.

(a) Designated Members. The initial Board of Directors of the Association shall consist of four (4) members, each of whom shall be selected by the Declarant during the Declarant Control Period. The Declarant shall have the right to remove and replace the directors during the Declarant Control Period.

(b) Elected Members. At the first annual meeting of the Association following the termination of the Declarant Control Period, four (4) members of the Board of Directors shall be elected, one (1) by the Residential Subassociation, one (1) by the Retail Subassociation, one (1) by the Office Subassociation, and one (1) by the Parking Subassociation, at their respective annual meetings held immediately before or simultaneously with the annual meeting for the Association. Commencing with the first annual meeting of the Association following the Declarant Control Period, the term of office of the directors shall be one (1) year. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of three (3) years. Such successors shall be elected by the Residential Subassociation, Retail Subassociation, Parking Subassociation, and Office Subassociation, respectively, as provided above. Each director shall hold office until the next meeting of the Board of Directors following the election of his successor. No person shall be elected as a director or continue to serve as a director if he or she is more than sixty (60) days delinquent in meeting bona fide financial obligations to the Association or if a lien has been filed against such person's Unit.

Section 3.5. Removal or Resignation of Directors. Except with respect to directors designated by the Declarant, at any regular or special meeting of the Association duly called, any one (1) or more of the directors may be removed with or without cause by a Majority Vote of the Members within the Residential Subassociation, with respect to Residential Subassociation Board of Directors representatives, or a Majority Vote of the Members within the Office Subassociation, with respect to Office Subassociation Board of Directors representatives, or a

Majority Vote of the Members within the Retail Subassociation, with respect to Retail Subassociation Board of Directors representatives, or a Majority Vote of the Members within the Parking Subassociation, with respect to Parking Subassociation Board of Directors representatives, and a successor may then and there be elected by the Residential Association, Parking Subassociation, Retail Subassociation, or Office Subassociation, as applicable, to fill the vacancy. Any director whose removal has been proposed by the Members shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A director may resign at any time and, except for a director designated by the Declarant, a director who was a Member at the time of such director's election shall be deemed to have resigned upon disposition of such director's Unit, or if not in attendance at three (3) consecutive regular meetings of the Board, unless the minutes reflect the Board's consent to such absences.

Section 3.6. Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a director by a vote of the Members shall be filled (i) if the director so vacating was elected by the Office Subassociation, by a vote of the remaining members of the Office Executive Committee at a special meeting held for that purpose promptly after the occurrence of any such vacancy, (ii) if the director so vacating was elected by the Residential Subassociation, by a vote of the remaining members of the Residential Executive Committee at a special meeting held for that purpose promptly after the occurrence of any such vacancy, (iii) if the director so vacating was elected by the Retail Subassociation, by a vote of the remaining members of the Retail Executive Committee at a special meeting held for that purpose promptly after the occurrence of any such vacancy; or (iv) if the director so vacating was elected by the Parking Subassociation, by a vote of the remaining members of the Parking Executive Committee at a special meeting held for that purpose promptly after the occurrence of any such vacancy. The aforementioned elections shall take place and the results thereof shall be binding even though the members present at such meeting may constitute less than a quorum. Each Person elected in accordance with this Section shall be a member of the Board of Directors for the remainder of the term of the predecessor member, and until a successor shall be elected. The Declarant shall designate the successor to any director previously designated by the Declarant who resigns or is removed.

Section 3.7. Meetings of Directors.

(a) Organization Meeting. The first meeting of the Board of Directors following the annual meeting of the Association shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the directors at the annual meeting.

(b) Regular Meetings. Regular meetings of the Board of Directors shall be held at such time on the Property, or other convenient location in the Raleigh, North Carolina metropolitan area, as shall be determined from time to time by a majority of the directors, but such meetings shall be held at least quarterly during each fiscal year.

(c) Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each director given personally or by mail, facsimile or telephone, which notice shall state the time, place and purpose of the meeting.

(d) Executive Session. All meetings of the Board of Directors shall be open to observers, except that the President or presiding officer may call the Board into executive session on sensitive matters, including but not limited to, litigation strategy or hearings for violations of the Condominium Instruments. Any final action taken by the Board in executive session shall be recorded in the minutes.

(e) Notice. Notice of meetings of the Board of Directors shall be given to each director, personally or by mail, telegraph or telephone, at least five (5) days prior to the day named for such meeting. No notice of a regular meeting shall be necessary if such meeting is held immediately following the annual meeting.

(f) Waiver of Notice. Any director may at any time, in writing, waive notice of any meeting of the Board of Directors, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director, in person or by telephone communication, at any meeting of the Board of Directors shall constitute a waiver of notice by such director of the time, place and purpose of such meeting. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

(g) Quorum of Board of Directors. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum, and the votes of a majority of the directors present at a meeting while a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A director who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

(h) Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions and proceedings occurring at such meetings. The then current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Condominium Instruments.

Section 3.8. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if a majority or such greater percentage of the directors as may otherwise be required for such action individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.9. Compensation. No director shall receive any compensation from the Association for acting as such, unless such compensation is approved by a majority of the Members, in which event such compensation shall be reasonable and customary. Reimbursement of expenses incurred by directors on behalf of the Association shall be permissible.

Section 3.10. Board of Directors as Agent. The Board of Directors shall have the power to act as agent for the Members of all of the Units and for each of them, to manage, control and deal with the interests of such Members in the Property of the Condominium to permit the Board of Directors to fulfill all of its powers, rights, functions and duties. The Board of Directors shall have the power to act as agent for each Member, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Condominium or the Property to: (i) adjust and settle all claims arising under insurance policies purchased by the Board of Directors with respect to the Property, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain affecting the Property.

Section 3.11. Liability of the Board of Directors, Officers, Members, and Association.

(a) The Officers and directors of the Association and members of the Covenants Committee shall not be liable to the Association or any Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the Officers and directors from and against all contractual liability to others arising out of contracts made by the Officers or the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Instruments, except to the extent that such liability is satisfied by directors and Officers liability insurance. Officers and directors shall have no personal liability with respect to any contract made by them on behalf of the Association. The liability of any Member arising out of any contract made by the Officers or Board of Directors, or out of the indemnification of the Officers or directors, or for damages as a result of injuries arising in connection with the Property solely by virtue of ownership of a Common Element Interest therein or for liabilities incurred by the Association, shall be limited to the total liability multiplied by such Member's Common Element Interest. Every agreement made by the Officers, the Board of Directors or the Managing Agent on behalf of the Association shall provide that the directors and the Managing Agent shall have no personal liability thereunder (except as Members), and that each Member's liability thereunder shall be limited to the total liability thereunder multiplied by such Member's Common Element Interest. The Association shall indemnify and hold harmless each of the members of the Covenants Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Instruments. The Association shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an Officer or director of the Association or a member of the Covenants Committee against expenses (including attorneys, fees), judgments, fines and amounts paid in settlement incurred by such Person in connection with such action, suit or proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Condominium.

(b) The Association shall not be liable for any failure of any utilities or other services to be obtained by the Association or paid for as a General Common Expense, or for injury or damage to person or property caused by the Member of any Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of

the Property or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Property. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property or from any action taken by the Association to comply with any law, ordinance, or with the order or directive of any governmental authority.

Section 3.12. Common or Interested Directors. Each director shall exercise such director's powers and duties in good faith and with a view to the interests of the Condominium. No contract or other transaction between the Association and any of its directors, or between the Association and any corporation, firm or association (including the Declarant) in which any of the directors of the Association are directors or Officers or are pecuniarily or otherwise interested, is either void or voidable because any such director is present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because such director's vote is counted for such purpose, if any of the conditions specified in any of the following subsections exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Members, and the Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Any common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such director of the Association were not an Officer or director of such other corporation, firm or association or not so interested.

Section 3.13. Covenants Committee.

(a) Purpose. The Board of Directors may appoint a Covenants Committee, consisting of at least three (3) Members, each to serve for a term of one (1) year, in order to assure that the Property shall always be utilized and maintained in a manner: (1) providing for visual harmony and soundness of repair; (2) avoiding activities deleterious to the aesthetic or property values of the Condominium, including all of the Units situated therein; (3) furthering the comfort of the Members, their guests and tenants; and (4) promoting the general welfare and safety of the Condominium community

(b) Powers. The Covenants Committee shall regulate the external design, appearance, use and maintenance of the Property. The Covenants Committee shall have the

power to impose reasonable application fees as well as the costs of reports, analyses, or consultations required in connection with improvements or changes proposed by a Member. The Covenants Committee shall have the power to impose reasonable charges upon, and issue a cease and desist request to a Member, a Member's tenant(s), or a Member's guests, invitees, or lessees whose actions are inconsistent with the provisions of the Condominium Instruments, the Rules, or resolutions of the Board of Directors. The Covenants Committee shall from time to time, as required, provide interpretations of the Condominium Instruments, Rules, and resolutions pursuant to the intents, provisions and qualifications thereof when requested to do so by a Member, the Board of Directors, Residential Executive Committee, Retail Executive Committee, Parking Executive Committee, or Office Executive Committee. Any action, ruling or decision of the Covenants Committee may be appealed to the Board of Directors by any party deemed by the Board to have standing as an aggrieved party and the Board may modify or reverse any such action, ruling or decision. In the event the Board of Directors does not establish a Covenants Committee or the Covenants Committee is not functioning for any reason at any time, the Board of Directors shall assume the purpose and all powers of the Covenants Committee.

(c) Authority. The Covenants Committee shall have such additional duties, power and authority as the Board of Directors may from time to time provide by resolution. The Board of Directors may relieve the Covenants Committee of any of its duties, powers and authority either generally or on a case-by-case basis. The Covenants Committee shall carry out its duties and exercise its powers and authority in the manner provided for in the Condominium Rules. The Covenants Committee shall act on all matters properly before it within forty-five (45) days; failure to do so within the stipulated time shall constitute an automatic referral of such matters to the Board of Directors for consideration.

Section 3.14. Other Committees. The Board of Directors may create and appoint members to such other committees as they determine.

ARTICLE 4 OFFICERS

Section 4.1. Designation and Duties. The principal Officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and such other Officers as in its judgment may be necessary. The President and Vice President shall be members of the Board of Directors. Any other Officers may, but need not, be directors. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments, and shall perform such other duties as may be assigned to such office by resolution of the Board of Directors. If any Officer is unable for any reason to perform the duties of the office, the President (or the Board of Directors if the President fails to do so) may appoint another qualified person to act in such Officer's stead on an interim basis.

Section 4.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. Any Officer may hold more than one (1) position;

provided, however, that the offices of President, Vice President and Secretary shall be held by three (3) different individuals. Except for death, resignation or removal, the officers shall hold office until their respective successors shall have been elected by the Board.

Section 4.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Board of Directors any officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.4. President. The President shall: be the chief executive Officer of the Association; preside at all meetings of the Association and of the Board of Directors; have direction of the business of the Association subject to the control of the Board; see that all orders and resolutions of the Board are carried into effect; and appoint committees from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5. Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors or by the President.

Section 4.6. Secretary. The Secretary shall: keep the minutes of all meetings of the Association and of the Board of Directors; have charge of such books and papers as the Board may direct; give or cause to be given all notices required to be given by the Association; maintain a register setting forth the place to which all notices to Members and Mortgagees hereunder shall be delivered; and, in general, perform all the duties incident to the office of Secretary.

Section 4.7. Treasurer. The Treasurer shall (together with the Managing Agent): be responsible for Association funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Board of Directors, the Association or the Managing Agent, in such depositories as may from time to time be designated by the Board; and, in general, perform all the duties incident to the office of Treasurer.

Section 4.8. Execution of Documents. Unless otherwise provided in the resolution of the Board of Directors: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Association for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00) and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Board of Directors; and (ii) all such instruments for expenditures or obligations of Two Thousand Dollars (\$2,000.00) or less, except from reserve accounts, may be executed by any one (1) person designated by the Board of Directors.

Section 4.9. Compensation of Officers. No Officer shall receive any compensation from the Association for acting as such Officer unless otherwise agreed by the Members representing a majority of the Common Element Interests and which compensation is reasonable

and customary. Officers may be reimbursed for expenses incurred in carrying out the functions of their office if approved by the Board of Directors.

ARTICLE 5
OPERATION OF THE PROPERTY

Section 5.1. Determination of Common Expenses and Assessments Against Members.

(a) Fiscal Year. The fiscal year of the Association shall be January 1 through December 31 unless otherwise determined by the Board of Directors. .

(b) Preparation and Approval of Budget.

(1) At least forty (40) days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the General Common Elements and those parts of the Condominium as to which it is the responsibility of the Association to maintain, repair and replace, pursuant to the Condominium Instruments, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be General Common Expenses by the Condominium Instruments or a resolution of the Association and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the General Common Elements and other parts of the condominium for which the Association is responsible pursuant to the Condominium Instruments. The Association may also enter into contracts or agreements with the Residential Executive Committee, Retail Executive Committee, Parking Executive Committee, and/or Office Executive Committee to maintain certain components or portions of the Residential Section, Retail Section, Parking Section, and/or Office Section of the Condominium, respectively. The cost of such maintenance or repair shall not be a General Common Expense, but shall be a Residential Expense, Retail Expense, Parking Expense, or Office Expense, as applicable, of the contracting party, unless agreed by the Association and the Subassociations to the contrary by a vote of seventy five percent (75%) of the Members of the Association and each of the Subassociations.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements with respect to the General Common Elements and other parts of the Condominium for which the Association is responsible pursuant to the Condominium Instruments. At least thirty days before the beginning of each fiscal year, the Board of Directors shall send to each Member a copy of the budget in a reasonably itemized form which sets forth the amount of the General Common Expenses and any special assessment payable by each Member. Such budget shall constitute the basis for determining each Member's assessment for the General Common Expenses of the condominium.

(c) Assessment and Payment of General Common Expenses. The total amount of the estimated funds required from assessments for the operation and maintenance of the General Common Elements and any other property for which the Association is responsible

pursuant to the Condominium Instruments set forth in the budget adopted by the Board of Directors shall be assessed against each Member in proportion to such Member's respective Common Element Interest. Such assessment shall be a lien against each Member's Unit. Beginning not later than sixty (60) days after the first Unit is sold, on or before the first day of each fiscal year, and the first day of each of the succeeding eleven (11) months in such fiscal year, each Member shall be obligated to pay to the Board of Directors or the Managing Agent (as determined by the Board) one-twelfth (1/12) of such assessment. Within ninety (90) days after the end of each fiscal year, the Board of Directors shall supply to all Members, and to each Mortgagee requesting the same, an itemized accounting of the Common Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Board of Directors for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors, be placed in reserve accounts or be credited according to each Member's Common Element Interest to the next monthly installments due from the Members under the current fiscal year's budget, until exhausted or distributed to the Members. Any net shortage shall be assessed promptly against the Members in accordance with their Common Element Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six (6) equal monthly installments, as the Board of Directors may determine.

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements as the same are associated with the General Common Elements or other property required to be maintained by the Association pursuant to the Condominium Instruments. Extraordinary expenditures associated with the General Common Elements or other property required to be maintained by the Association not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Association shall be charged first against such reserves. Unless otherwise determined by a vote of all the directors, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives, as evidenced by the Reserves for Replacements Budget attached to the Declaration. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the Members as the Board of Directors may determine. If the reserves are inadequate for any reason, including nonpayment of any Member's assessment, the Board of Directors may at any time levy a further assessment, which shall be assessed against the Members according to their respective Common Element Interests, and which may be payable in a lump sum or in installments as the Board may determine. The Board of Directors shall serve notice of any such further assessment on Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven (7) days after the delivery of such notice of further assessment. All Members so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is

not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date.

(e) Initial Budget and Initial Capital Payment.

(1) Upon taking office, the first Board of Directors elected or designated pursuant to these Bylaws shall determine the budget, as defined in this section, for the period commencing thirty (30) days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Members during such period.

(2) The Declarant, as the agent of the Board of Directors, may collect from each initial purchaser of all Units, at the time of settlement a non-refundable "initial capital payment" equivalent to twice the estimated monthly assessment for Common Expenses for such purchaser's Unit. The Declarant will deliver the funds so collected to the Board of Directors to provide the necessary working capital for the Association. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Board of Directors may determine.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Member's obligation to pay the allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Member shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due at least ten (10) days after such new annual or adjusted budget is adopted.

(g) Accounts. All sums collected by the Board of Directors with respect to Common Expense assessments against the Members or from any other source may be commingled into a single fund.

ARTICLE 6
RESIDENTIAL SUBASSOCIATION

Section 6.1. Composition. The Residential Subassociation shall consist of all of the Residential Members. For all purposes the Residential Subassociation shall act merely as an agent for the Residential Members as a group. The Residential Subassociation shall have the responsibility of administering the Residential Section, arranging for the management of the Residential Section, and performing all of the other acts that may be required or permitted to be performed by the Residential Subassociation by the Condominium Instruments. The foregoing responsibilities may be performed by the Residential Executive Committee or Managing Agent for the Residential Subassociation as set forth in these Bylaws.

Section 6.2. Meetings. Annual meetings of the Residential Subassociation shall be held at least thirty (30) days before the beginning of each fiscal year.

Section 6.3. Place of Meetings. Meetings of the Residential Subassociation shall be held in Raleigh, North Carolina, at such place as may be designated by the Residential Executive Committee in the notice of such meetings.

Section 6.4. Special Meetings.

(a) The Vice President of the Residential Subassociation shall call a special meeting of the Residential Subassociation: (i) if so directed by resolution of the Residential Executive Committee; (ii) after the termination of the Declarant Control Period, upon a petition signed and presented to the Assistant Secretary of the Residential Subassociation by Residential Members of not less than twenty-five percent (25%) of the aggregate Residential Percentage Interests; or (iii) during the Declarant Control Period, upon the request of the Declarant. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) days after the date of the first such signature. Such resolution, petition or request must (1) specify the time and place at which the meeting is to be held, (2) specify a date on which the meeting is to be held, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Assistant Secretary of the Residential Subassociation. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Not later than the time that Residential Units to which twenty-five percent (25%) of the Residential Percentage Interests appertain have been conveyed to Residential Members, a special meeting of the Residential Subassociation shall be held at which not less than one-quarter (1/4) of the members of the Residential Executive Committee shall be elected by the Residential Members, other than the Declarant, to serve until the date of the first annual meeting. If such election is held prior to the time required by this section, the members of the Residential Executive Committee elected at such election shall not take office until the earlier of the time such election is required to be held or resignation of a member of the Residential Executive Committee appointed by the Declarant without appointment of a replacement within ten (10) days. Any remaining members of the Residential Executive Committee designated by the Declarant shall continue to serve until their terms expire; provided, however, that no more than two (2) such members of the Residential Executive Committee may serve until the first annual meeting after the special meeting held pursuant to this subsection and no more than one (1) such member of the Residential Executive Committee may serve until the second annual meeting after the special meeting held pursuant to this subsection.

(c) Not later than the time that Residential Units to which fifty percent (50%) of the Residential Percentage Interests appertain have been conveyed to Residential Members, a special meeting of the Residential Subassociation shall be held at which not less than thirty-three and one-third percent (33 1/3%) of the members of the Residential Executive Committee shall be elected by the Residential Members, other than the Declarant, to serve until the date of the first annual meeting; provided, however, that if not less than one-third (1/3) of the members of the Residential Executive Committee then serving were elected pursuant to subsection (b), no special meeting is required by this subsection (c).

(d) Not later than the termination of the Declarant Control Period, a special meeting of the Residential Subassociation shall be held at which more than fifty percent (50%) of the directors shall be elected by the Residential Members, other than the Declarant, to serve terms as provided in Section 7.4 of these Bylaws.

Section 6.5. Notice of Meetings. The Assistant Secretary of the Residential Subassociation shall notify each Residential Member of each annual or regularly scheduled meeting of the Residential Members at least twenty-one (21) but not more than thirty (30) days, and of each special meeting of the Residential Members at least seven (7) but not more than thirty (30) days, prior to such meeting, stating the time, place and purpose thereof.

Section 6.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Residential Members representing twenty-five percent (25%) or more of the total Residential Percentage Interest shall constitute a quorum at all meetings of the Residential Subassociation. If at any meeting of the Residential Subassociation a quorum is not present, Residential Members of a majority of the Residential Percentage Interests who are present at such meeting in person or by proxy may: (i) recess the meeting to such date, time and place as such Residential Members may agree not more than forty-eight (48) hours after the time the original meeting was called; or (ii) adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called whereupon the Assistant Secretary of the Residential Subassociation shall make reasonable efforts to notify Residential Members of such date, time, and place. A quorum is not required for such subsequent meeting.

Section 6.7. Voting.

(a) Voting at all meetings of the Residential Subassociation shall be on a percentage basis and the percentage of the vote to which each Residential Member is entitled shall be the Residential Percentage Interest assigned to such Residential Member's Residential Unit in the Declaration. Where the ownership of a Residential Unit is in more than one (i) Persons, the Person who shall be entitled to cast the vote of such Residential Unit shall be the Person named in a certificate executed by all of the owners of such Residential Unit and filed with the Assistant Secretary of the Residential Subassociation (if such a certificate is on file) or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Residential Unit shall be the Person owning such Residential Unit who is present. A fiduciary shall be entitled to cast the vote for a Residential Unit owned in a fiduciary capacity. If more than one (1) person owning such Residential Unit is present, then such vote shall be cast only in accordance with their unanimous agreements. If a Residential Member is not a natural person, the vote for such Residential Unit may be cast by any natural person having authority to execute deeds on behalf of any Person, excluding natural persons, which is, either alone or in conjunction with one (1) or more Persons, a Residential Member: provided, however, that such natural person is named in a certificate signed by an authorized Officer of such Person. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a Residential Member is required by the Condominium Instruments, such approval or disapproval shall be made only by the Person who

would be entitled to cast the vote of such Residential Unit at any meeting of the Residential Subassociation. There shall be no cumulative voting.

(b) Except where a greater number is required by the Condominium Instruments, a Majority Vote is required to adopt decisions at any meeting of the Residential Subassociation. Except as otherwise provided herein, if the Declarant owns or holds title to one (1) or more Residential Units, the Declarant shall have the right at any meeting of the Residential Subassociation to cast the votes to which such Residential Units are entitled.

(c) No Residential Member may vote at any meeting of the Residential Subassociation or be elected to or serve on the Residential Executive Committee or as an Officer of the Residential Subassociation if payment by such Residential Member of any bona fide financial obligation to the Residential Subassociation is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 6.8. Proxies. A vote may be cast in person or by proxy at any meeting of the members of the Residential Subassociation. Proxies may be granted by any Residential Member in favor of another Residential Member, an Officer of the Residential Subassociation, the Declarant, the Managing Agent for the Residential Subassociation or such Residential Member's Mortgagee, or additionally in the case of a non-resident Residential Member, the Residential Member's lessee, attorney or rental agent. No Person other than the Declarant, the Managing Agent for the Residential Subassociation or an Officer of the Residential Subassociation shall cast votes as a proxy for more than one (1) Residential Unit not owned by such Person; Provided, however, that a Mortgagee, an attorney or a rental agent for a non-resident Residential Member may cast votes as a proxy for as many Residential Units as such Person represents. No officer of the Residential Subassociation shall cast votes as an uninstructed proxy for more than five (5) Residential Units not owned by such Person. Proxies shall be duly executed in writing, shall be dated, shall be signed by a Person having authority at the time of the execution thereof to execute deeds on behalf of that Person, and must be filed with the Assistant Secretary of the Residential Subassociation. The signatures of any Person executing the proxy shall be witnessed by a person who shall sign his or her full name and address. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of notice of revocation from any of the Persons owning such Residential Unit. Any proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of that proxy, however such proxy shall remain valid for any meeting that is recessed for up to forty-eight (48) hours. Except with respect to proxies in favor of a tenant or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the, execution thereof.

ARTICLE 7 RESIDENTIAL EXECUTIVE COMMITTEE

Section 7.1. Powers and Duties. The Residential Executive Committee shall have all of the powers and duties necessary for the administration of the affairs of the Residential Subassociation. The Residential Executive Committee may delegate to one (1) of its members, a Managing Agent, or the Association the authority to act on behalf of the Residential Executive

Committee on such matters, if any, which may arise between meetings of the Residential Executive Committee as the Residential Executive Committee deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Residential Subassociation that may hereafter be adopted, the Residential Executive Committee shall on behalf of the Residential Subassociation:

- (a) Prepare and adopt an annual budget for the Residential Subassociation, in which there shall be expressed the assessments of each Residential Member for the Residential Expenses.
- (b) Make assessments against Residential Members to defray the costs and expenses of the Residential Section, establish the means and methods for collecting such assessments from the Residential Members and establish the period of the installment payment of the annual assessment for Residential Expenses.
- (c) Provide for the operation, care, upkeep, and maintenance of all of the property and services of the Residential Section.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Residential Limited Common Elements and Individual Residential Limited Common Elements (to the extent maintained by the Residential Subassociation) and provide services for the Residential Section and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Residential Section.
- (e) Collect the assessments for Residential Expenses from the Residential Members, deposit the proceeds thereof in bank depositories designated by the Residential Executive Committee and use the proceeds to carry out the administration of the Residential Section.
- (f) Adopt and amend the Rules with respect to the occupancy and use of the Residential Section; Provided, however, that such Rules shall not be in conflict with the Condominium Instruments.
- (g) Open bank accounts on behalf of the Residential Subassociation and designate the signatories thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Residential Section, and repairs to and restoration of the Residential Section, in accordance with these Bylaws (to the extent the Residential Subassociation is responsible for the maintenance, repair and replacement of the components of the Residential Section), after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules with respect to the occupancy and use of the Residential Section, act on behalf of

the Residential Members with respect to all matters arising out of any condemnation or eminent domain proceeding affecting the Residential Section, and notify the Residential Members of any litigation against the Residential Subassociation involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(j) Pay the cost of all authorized services rendered to the Residential Subassociation and not billed to Residential Members of individual Residential Units.

(k) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Residential Section, and the administration of the Residential Section, specifying the expenses of maintenance and repair of the Residential Limited Common Elements and Individual Residential Limited Common Elements (to the extent maintained, repaired and replaced by the Residential Subassociation). Such books and vouchers accrediting the entries therein, together with copies of the Condominium Instruments, shall be available for examination by the Residential Members, their attorneys, accountants, Mortgagees, insurers and guarantors of the Mortgage, and authorized agents during normal business hours on business days at the times and in the manner set and announced by the Residential Executive Committee for the general knowledge of the Residential Members. All books and records shall be kept in a manner verifiable upon an audit and shall be subjected to an independent financial review at least once annually by an independent auditor retained by the Residential Executive Committee who shall not be a resident of the condominium or a Residential Member or an employee or agent of any Residential Member. The books and records shall be subject to an independent audit upon the request Members to which at least 33 1/3% of the votes in the Residential Subassociation appertain. The cost of such audit shall be a Residential Expense.

(l) Acquire, hold and dispose of Residential Units and mortgage the same without the prior approval of the Residential Subassociation if such expenditures and hypothecations are included in the budget adopted by the Residential Subassociation.

(m) Do such other things and acts not inconsistent with the Condominium Instruments which the Residential Executive Committee may be authorized to do by a resolution of the Residential Subassociation. Notwithstanding the foregoing, the Residential Subassociation may agree, by a vote of seventy five percent (75%) of the Residential Members, to allow the Association to perform the powers and duties of the Residential Subassociation and Residential Executive Committee.

Section 7.2. Managing Agent. The Residential Executive Committee may employ for the Residential Section a "Managing Agent" at a compensation to be established by the Residential Executive Committee. The Managing Agent shall perform such duties and services as the Residential Executive Committee shall direct.

Section 7.3. Number and Term of Office.

(a) Designated Members. During the Declarant Control Period, the Declarant shall be entitled to designate members of the Residential Executive Committee. The initial Residential Executive Committee shall consist of no less than three (3) nor more than five (5)

Persons, all of whom shall be designated by the Declarant. At the special meeting required by these Bylaws a number of the members of the Residential Executive Committee designated by the Declarant shall resign if necessary so that the requisite percentage of members of the Residential Executive committee shall have been elected. The Persons elected shall serve for the remainder of the terms of office of the resigning members of the Residential Executive Committee who such Persons replace. The members of the Residential Executive Committee receiving the greatest vote shall be elected for the longest available terms. At the expiration of the term of office of all members of the Residential Executive Committee designated by the Declarant or elected at the special meeting held pursuant to these Bylaws, all successor members of the Residential Executive Committee shall be elected to serve for a term of three (3) years.

(b) Elected Members. No later than the first annual meeting of the Residential Subassociation after the special meeting held pursuant to these Bylaws, the Residential Executive Committee shall be composed of five (5) Persons. An elected member of the Residential Executive Committee shall serve for a term of three (3) years unless elected to fill a vacancy, in which case such member shall serve pursuant to the terms of these Bylaws. Except for resignation or removal, the members of the Residential Executive Committee shall hold office until their respective successors shall have been elected by the Residential Subassociation. The one (1) member of the Residential Executive Committee receiving the highest number of votes shall serve in the dual capacity as a member of the Board of Directors of the Association and member of the Residential Executive Committee. If two (2) or more candidates receive the same number of votes and as a result thereof any position for which an election is required to be held under this section remains unfilled, a runoff election shall be held between the candidates who received both (a) the highest number of votes and (b) the same number of votes.

Section 7.4. Election of Residential Executive Committee.

(a) Elections Committee. At least sixty-five (65) days prior to the special meeting required by the terms of these Bylaws and each annual meeting of the Residential Subassociation, the Residential Executive Committee may appoint an Elections Committee consisting of a member of the Residential Executive Committee whose term is not then expiring and at least three (3) other Residential Members. The Elections Committee, if established, shall develop election procedures and administer such procedures as are approved by the Residential Executive Committee providing for election of members of the Residential Executive Committee by ballot of the Members at annual meetings and, where appropriate, special meetings.

(b) Qualifications. No Person shall be eligible for election as a member of the Residential Executive Committee unless such Person is (alone or together with one (1) or more other persons) a Residential Member or an agent (Officer, partner, etc.) or an employee of a Residential Member, a Mortgagee (or a designee of a Mortgagee) or a designee of the Declarant. No Person shall be elected as a member of the Residential Executive Committee or continue to serve as a member of the Residential Executive Committee if the Residential Member is more than sixty (60) days delinquent in meeting a financial obligation to the Residential Subassociation or if a lien has been filed against such Person's Residential Unit.

Section 7.5. Removal or Resignation of Members of the Residential Executive Committee. Except with respect to members of the Residential Executive Committee designated by the Declarant, at any regular or special meeting of the Residential Subassociation duly called, any one (1) or more of the members of the Residential Executive Committee may be removed with or without cause by a Majority Vote of the Residential Members and a successor may then and there be elected to fill the vacancy. Any member of the Residential Executive Committee whose removal has been proposed by the Residential Members shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Residential Executive Committee may resign at any time and, except for a member of the Residential Executive Committee designated by the Declarant, a member of the Residential Executive Committee who was a Residential Member at the time of election shall be deemed to have resigned upon disposition of such member's Residential Unit, or if not in attendance at three (3) consecutive regular meetings of the Residential Executive committee, unless the minutes reflect the Residential Executive committee's consent to such absences.

Section 7.6. Vacancies. Vacancies on the Residential Executive Committee caused by any reason other than the removal of a member thereof by a vote of the Residential Members shall be filled by a vote of a majority of the remaining members of the Residential Executive Committee at a special meeting of the Residential Executive Committee held for such purpose promptly after the occurrence of any such vacancy, even if the members present at such meeting constitute less than a quorum because a quorum is impossible to obtain because of said vacancy. Members of the Residential Executive Committee elected by the Residential Members or the Residential Executive Committee to fill a vacancy shall serve the remainder of the term of office of the member being replaced. During the Declarant Control Period, the Declarant shall designate the successor to any member of the Residential Executive Committee previously designated by the Declarant who resigns or is removed.

Section 7.7. Meetings of the Residential Executive Committee.

(a) Organization Meeting. The first meeting of the Residential Executive Committee following the annual meeting of the Residential Subassociation shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the members of the Residential Executive Committee at the annual meeting.

(b) Regular Meetings. Regular meetings of the Residential Executive Committee may be held on the Property at such time as shall be determined from time to time by a majority of the members thereof, but such meetings shall be held at least annually during each fiscal year.

(c) Special Meetings. Special meetings of the Residential Executive Committee may be called by the Vice President - Residential of the Residential Subassociation on three (3) days notice to each member of the Residential Executive Committee, given personally or by mail, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Residential Executive Committee shall be called by the Vice President - Residential or Assistant Secretary of the Residential Subassociation in like

manner and on like notice on the written request of at least three (3) members of the Residential Executive Committee.

(d) Notice. Notice of meetings of the Residential Executive Committee shall be given to each member thereof, personally or by mail, telegraph or telephone, at least three (3) days prior to the day named for such meeting. No notice of the organizational meeting shall be necessary if such meeting is held immediately following the annual meeting.

(e) Waiver of Notice. Any member of the Residential Executive Committee may at any time, in writing, waive notice of any meeting of the Residential Executive Committee and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Residential Executive Committee, in person or by telephone communication, at any meeting of the Residential Executive Committee shall constitute a waiver of notice by such member of the time, place and purpose of such meeting. If all members are present at any meeting of the Residential Executive Committee, no notice shall be required and any business may be transacted at such meeting.

(f) Quorum of Members of the Residential Executive Committee. At all meetings of the Residential Executive Committee a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting while a quorum is present shall constitute the decision of the Residential Executive Committee. If at any meeting of the Residential Executive Committee there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Residential Executive Committee who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 7.8. Action Without Meeting. Any action by the Residential Executive Committee required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Residential Executive Committee shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Residential Executive Committee.

Section 7.9. Compensation. No member of the Residential Executive Committee shall receive any compensation from the Residential Subassociation for acting as such. Reimbursement of expenses incurred by members of the Residential Executive Committee on behalf of the Residential Subassociation shall be permissible.

Section 7.10. Residential Executive Committee as Agent. The Residential Executive Committee shall have the power to act as agent for the Members of all of the Residential Units and for each of them, to manage, control and deal with the interests of such Residential Members in the Residential Limited Common Elements and Individual Residential Limited Common Elements to permit the Residential Executive Committee to fulfill all of its powers, rights, functions and duties. The Residential Executive Committee shall have the power to act as agent for each Residential Member, each Mortgagee, other named insureds and their beneficiaries and

any other holder of a lien or other interest in the Residential Section to: (i) adjust and settle all claims arising under insurance policies purchased by the Residential Executive Committee, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain affecting the Residential Section. The Residential Executive Committee may grant and accept easements and licenses with respect to the Residential Limited Common Elements.

Section 7.11. Liability of the Residential Executive Committee, Officers of the Residential Subassociation, Residential Members and Residential Subassociation.

(a) The Officers of the Residential Subassociation, and members of the Residential Executive Committee shall not be liable to the Residential Subassociation or any Residential Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Residential Subassociation shall indemnify and hold harmless each of the Officers of the Residential Subassociation and members of the Residential Executive Committee from and against all contractual liability to others arising out of contracts made by the Officers or the Residential Executive Committee on behalf of the Residential Subassociation unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Instruments, except to the extent that such liability is satisfied by directors and officers liability insurance maintained by the Residential Subassociation. Officers of the Residential Subassociation and members of the Residential Executive Committee shall have no personal liability with respect to any contract made by them on behalf of the Residential Subassociation. The liability of any Residential Member arising out of any contract made by the Officers of the Residential Subassociation or the Residential Executive Committee, or out of the indemnification of the officers of the Residential Subassociation or members of the Residential Executive Committee, or for damages as a result of injuries arising in connection with the Residential Limited Common Elements or Individual Residential Limited Common Elements solely by virtue of ownership of a Residential Percentage Interest therein or for liabilities incurred by the Residential Subassociation, shall be limited to the total liability multiplied by such Residential Member's Residential Percentage Interest. Every agreement made by the officers of the Residential Subassociation, the Residential Executive Committee or the Managing Agent on behalf of the Residential Subassociation shall, if obtainable, provide that the Officers of the Residential Subassociation, the members of the Residential Executive Committee or the Managing Agent, as the case may be, are acting only as agents for the Residential Subassociation and shall have no personal liability thereunder (except as Residential Members), and that each Residential Member's liability thereunder shall be limited to the total liability thereunder multiplied by such Residential Member's Residential Percentage Interest. The Residential Subassociation shall indemnify and hold harmless each of the members of the Residential Executive Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Instruments. The Residential Subassociation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such Person is or was an Officer of the Residential Subassociation or member of the Residential Executive Committee against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such Person in connection with such action, suit or proceeding if such

Person acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Residential Section.

(b) The Residential Subassociation shall not be liable for any failure of any utilities or other services to be obtained by the Residential Subassociation or paid for as a Residential Expense, or for injury or damage to person or property caused by the elements or by the Residential Member of any Residential Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Residential Limited Common Elements or Individual Residential Limited Common Elements or from any pipe, drain, conduit, appliance or equipment. The Residential Subassociation shall not be liable to any Residential Member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Residential Limited Common Elements or Individual Residential Limited Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Residential Limited Common Elements or Individual Residential Limited Common Elements or from any action taken by the Residential Subassociation to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 7.12. Common or Interested Members of the Residential Executive Committee. Each member of the Residential Executive Committee shall exercise such member's powers and duties in good faith and with a view to the interests of the Residential Section. No contract or other transaction between the Residential Subassociation and any of the members of the Residential Executive Committee, or between the Residential Subassociation and any corporation, firm or association (including the Declarant) in which any of the members of the Residential Executive Committee, or the Residential Subassociation are directors or Officers or are pecuniarily or otherwise interested, is either void or voidable because any such member of the Residential Executive Committee is present at the meeting of the Residential Executive Committee or any committee thereof which authorizes or approves the contract or transaction, or because such member's vote is counted for such purpose, if any of the conditions specified in any of the following subsections exist: -

(a) The fact of the common directorate or interest is disclosed or known to the Residential Executive Committee or noted in the minutes, and the Residential Executive Committee authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Residential Members, and the Residential Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Residential Subassociation at the time it is authorized, ratified, approved or executed.

Any common or interested members of the Residential Executive Committee may be counted in determining the presence of a quorum of any meeting of the Residential Executive

Committee or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such member of the Residential Executive Committee of the Residential Subassociation were not an Officer or director of such other corporation, firm or association or not so interested.

ARTICLE 8 OFFICERS OF RESIDENTIAL SUBASSOCIATION

Section 8.1. Designation and Duties. The principal officers of the Residential Subassociation shall be the Vice President - Residential, the Assistant Secretary and the Assistant Treasurer, all of whom shall be elected by the Residential Executive Committee. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments, and shall perform such other duties as may be assigned to such office by resolution of the Residential Executive Committee. If any officer is unable for any reason to perform the duties of the office, the Vice President - Residential (or the Residential Executive Committee if the Vice President - Residential fails to do so) may appoint another qualified person to act in such officer's stead on an interim basis.

Section 8.2. Election of Officers. The officers of the Residential Subassociation shall be elected annually by the Residential Executive Committee at the organizational meeting of each new Residential Executive Committee and shall hold office at the pleasure of the Residential Executive Committee. Any officer may hold more than one (1) position; provided, however, that the offices of Vice President - Residential and Assistant Secretary shall be held by two (2) different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Residential Executive Committee.

Section 8.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Residential Executive Committee any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Residential Executive Committee or at any special meeting of the Residential Executive Committee called for such purpose.

Section 8.4. Vice President - Residential. The Vice President - Residential shall be the chief executive Officer of the Residential Subassociation; preside at all meetings of the Residential Subassociation and of the Residential Executive Committee; have general and active direction of the business of the Residential Subassociation subject to the control of the Residential Executive Committee; see that all orders and resolutions of the Residential Executive Committee are carried into effect; and appoint committees from time to time as the Vice President - Residential may decide is appropriate to assist in the conduct of the affairs of the Residential Subassociation.

Section 8.5. Assistant Secretary. The Assistant Secretary shall keep the minutes of all meetings of the Residential Subassociation and of the Residential Executive Committee; have

charge of such books and papers as the Residential Executive committee may direct; give or cause to be given all notices required to be given by the Residential Subassociation (such notices may be distributed by the management agent, if any); maintain a register setting forth the place to which all notices to Residential Members and Mortgagees hereunder shall be delivered; and, in general, perform all duties incident to the office of Assistant Secretary.

Section 8.6. Assistant Treasurer. The Assistant Treasurer shall (together with the Managing Agent) be responsible for Residential Subassociation funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Residential Executive Committee, the Residential Subassociation or the Managing Agent, in such depositories as may from time to time be designated by the Residential Executive committee; and, in general, perform all the duties incident to the office of Assistant Treasurer.

Section 8.7. Execution of Documents. Unless otherwise provided by resolution of the Residential Executive Committee: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Residential Subassociation for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00) and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Residential Executive Committee; and (ii) all such instruments for expenditures or obligations of Two Thousand Dollars (\$2,000.00) or less, except from reserve accounts, may be executed by any one (1) person designated by the Residential Executive Committee. Any Officer of the Residential Subassociation may be designated by Residential Executive Committee resolution to sign Certificates for Resale on behalf of the Residential Subassociation. Any Officer may also be designated by Residential Executive Committee resolution to sign any amendment to subdivide a Residential Unit or relocate boundaries between Residential Units on behalf of the Residential Subassociation or at the request of a Residential Member.

Section 8.8. Compensation of Officers. No officer shall receive any compensation from the Residential Subassociation for acting as such Officer unless such compensation is approved by a majority of the Residential Members, in which event such compensation shall be reasonable and customary. Officers may be reimbursed for any expenses incurred in carrying out the functions of office if consented to by the Residential Executive Committee.

ARTICLE 9 OPERATION OF THE RESIDENTIAL SECTION

Section 9.1. Determination of Residential Expenses and Assessments Against Residential Members.

(a) Fiscal Year. The fiscal year of the Residential Subassociation shall be January 1 through December 30 unless otherwise determined by the Residential Executive Committee.

(b) Preparation and Approval of Budget.

(2) Such budget shall also include such reasonable amounts as the Residential Executive Committee considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty (30) days before the beginning of each fiscal year, the Residential Executive Committee shall send to each Residential Member a copy of the budget in a reasonably itemized form which sets forth the amount of the Residential Expenses and any special assessment payable by each Residential Member. Such budget shall constitute the basis for determining each Residential Member's assessment for the Residential Expenses of the Condominium.

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Interest to the next monthly installments due from Residential Members under the current fiscal year's budget, until exhausted, or distributed to the Residential Members. Any net shortage shall be assessed promptly against the Residential Members in accordance with their Residential Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six (6) equal monthly installments, as the Residential Executive Committee may determine.

(d) Reserves. The Residential Executive Committee shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements associated with the operation and maintenance of the Residential Limited Common Elements and Individual Residential Limited Common Elements (to the extent the Individual Residential Limited Common Elements are the maintenance, repair and replacement responsibility of the Residential Subassociation). Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Residential Subassociation shall be charged first against such reserves. Unless otherwise determined by a vote of three-fourths (3/4) of the total number of members of the Residential Executive Committee, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Residential Unit Owner's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the Residential Members as the Residential Executive Committee may determine if the reserves are inadequate for any reason, including nonpayment of any Residential Member's assessment, the Residential Executive Committee may at any time levy a further assessment, which shall be assessed against the Residential Members according to their respective Residential Percentage Interests, and which may be payable in a lump sum or in installments as the Residential Executive Committee may determine. ~~The Residential Executive Committee, shall serve notice of any such further assessment on Residential Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven (7) days after the delivery of such notice of further assessment. All Residential Members so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date.~~

(e) Initial Budget and Initial Capital Payment.

(1) Upon taking office, the first Residential Executive Committee elected or designated pursuant to these Bylaws shall determine the budget for the period commencing thirty (30) days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Residential Members during such period.

(2) The Declarant, as the agent of the Residential Executive Committee, may collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the (i) estimated monthly assessment for Residential Expenses for such purchaser's Residential Unit, and (ii) any Individual Residential Limited Common Element parking space charges. The Declarant will deliver the funds so collected to the Residential Executive Committee to provide the necessary working capital for the Residential Subassociation. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Residential Executive Committee may determine.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Residential Executive Committee to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Residential Member's obligation to pay the allocable share of the Residential Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Residential Member shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due at least ten (10) days after such new annual or adjusted budget is adopted.

(g) Accounts. All sums collected by the Residential Executive Committee with respect to assessments against the Residential Members or from any other source may be commingled into a single fund.

ARTICLE 10 OFFICE SUBASSOCIATION

Section 10.1. Composition. The Office Subassociation shall consist of all of the Office Members. For all purposes the Office Subassociation shall act merely as an agent for the Office Members as a group. The Office Subassociation shall have the responsibility of administering the Office Section, arranging for the management of the Office Section, and performing all of the other acts that may be required or permitted to be performed by the Office Subassociation by the Condominium Instruments. The foregoing responsibilities may be performed by the Office Executive Committee or Managing Agent for the Office Subassociation as set forth in these Bylaws.

Section 10.2. Meetings. Annual meetings of the Office Subassociation shall be held at least thirty (30) days before the beginning of each fiscal year.

Section 10.3. Place of Meetings. Meetings of the Office Subassociation shall be held in Raleigh, North Carolina, at such place as may be designated by the Office Executive Committee in the notice of such meetings.

Section 10.4. Special Meetings.

(a) The Vice President - Office of the Office Subassociation shall call a special meeting of the Office Subassociation: (i) if so directed by resolution of the Office

Executive Committee; (ii) after the termination of the Declarant Control Period, upon a petition signed and presented to the Assistant Secretary of the Office Subassociation by Office Members of not less than twenty-five percent (25%) of the aggregate Office Percentage Interests; or (iii) during the Declarant Control Period, upon the request of the Declarant. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) days after the date of the first such signature. Such resolution, petition or request must (1) specify the time and place at which the meeting is to be held, (2) specify a date on which the meeting is to be held, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Assistant Secretary of the Office Subassociation. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Not later than the time that Office Units to which twenty-five percent (25%) of the Office Percentage Interests appertain have been conveyed to Office Members, a special meeting of the Office Subassociation shall be held at which not less than one-quarter (1/4) of the members of the Office Executive Committee shall be elected by the Office Members, other than the Declarant, to serve until the date of the first annual meeting. If such election is held prior to the time required by this section, the members of the Office Executive Committee elected at such election shall not take office until the earlier of the time such election is required to be held or resignation of a member of the Office Executive Committee appointed by the Declarant without appointment of a replacement within ten (10) days. Any remaining members of the Office Executive Committee designated by the Declarant shall continue to serve until their terms expire; provided, however, that no more than two (2) such members of the Office Executive Committee may serve until the first annual meeting after the special meeting held pursuant to this subsection and no more than one (1) such member of the Office Executive Committee may serve until the second annual meeting after the special meeting held pursuant to this subsection.

~~(c) Not later than the time that Office Units to which fifty percent (50%) of~~ the Office Percentage Interests appertain have been conveyed to Office Members, a special meeting of the Office Subassociation shall be held at which not less than thirty-three and one-third percent (33 1/3%) of the members of the Office Executive Committee shall be elected by the Office Members, other than the Declarant, to serve until the date of the first annual meeting; provided, however, that if not less than one-third (1/3) of the members of the Office Executive Committee then serving were elected pursuant to subsection (b), no special meeting is required by this subsection (c).

(d) Not later than the termination of the Declarant Control Period, a special meeting of the Office Subassociation shall be held at which more than fifty percent (50%) of the directors shall be elected by the Office Members, other than the Declarant, to serve terms as provided in Section 11.4 of these Bylaws.

Section 10.5. Notice of Meetings. The Assistant Secretary of the Office Subassociation shall notify each Office Member of each annual or regularly scheduled meeting of the Office Members at least twenty-one (21) but not more than thirty (30) days, and of each special meeting

of the Office Members at least seven (7) but not more than thirty (30) days, prior to such meeting, stating the time, place and purpose thereof.

Section 10.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Office Members representing twenty-five percent (25%) or more of the total Office Percentage Interest shall constitute a quorum at all meetings of the Office Subassociation. If at any meeting of the Office Subassociation a quorum is not present, Office Members of a majority of the Office Percentage Interests who are present at such meeting in person or by proxy may: (i) recess the meeting to such date, time and place as such Office Members may agree not more than forty-eight (48) hours after the time the original meeting was called; or (ii) adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called whereupon the Assistant Secretary of the Office Subassociation shall make reasonable efforts to notify Office Members of such date, time, and place. A quorum is not required for such subsequent meeting.

Section 10.7. Voting.

(a) Voting at all meetings of the Office Subassociation shall be on a percentage basis and the percentage of the vote to which each Office Member is entitled shall be the Office Percentage Interest assigned to such Office Member's Office Unit in the Declaration. Where the ownership of a Office Unit is in more than one (i) Person, the Person who shall be entitled to cast the vote of such Office Unit shall be the Person named in a certificate executed by all of the owners of such Office Unit and filed with the Assistant Secretary of the Office Subassociation (if such a certificate is on file) or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Office Unit shall be the Person owning such Office Unit who is present. A fiduciary shall be entitled to cast the vote for a Office Unit owned in a fiduciary capacity. If more than one (1) person owning such Office Unit is present, then such vote shall be cast only in accordance with their unanimous agreements. If a Office Member is not a natural person, the vote for such Office Unit may be cast by any natural person having authority to execute deeds on behalf of any Person, excluding natural persons, which is, either alone or in conjunction with one (1) or more persons, a Office Member: provided, however, that such natural person is named in a certificate signed by an authorized Officer of such Person. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a Office Member is required by the Condominium Instruments, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Office Unit at any meeting of the Office Subassociation. There shall be no cumulative voting.

(b) Except where a greater number is required by the Condominium Instruments, a Majority Vote is required to adopt decisions at any meeting of the Office Subassociation. Except as otherwise provided herein, if the Declarant owns or holds title to one (1) or more Office Units, the Declarant shall have the right at any meeting of the Office Subassociation to cast the votes to which such Office Units are entitled.

(c) No Office Member may vote at any meeting of the Office Subassociation or be elected to or serve on the Office Executive Committee or as an Officer of the Office

Subassociation if payment by such Office Member of any bona fide financial obligation to the Office Subassociation is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 10.8. Proxies. A vote may be cast in person or by proxy at any meeting of the members of the Office Subassociation. Proxies may be granted by any Office Member in favor of another Office Member, an Officer of the Office Subassociation, the Declarant, the Managing Agent for the Office Subassociation or such Office Member's Mortgagee, or additionally in the case of a non-resident Office Member, the Office Member's lessee, attorney or rental agent. No Person other than the Declarant, the Managing Agent for the Office Subassociation or an Officer of the Office Subassociation shall cast votes as a proxy for more than one (1) Office Unit not owned by such Person; Provided, however, that a Mortgagee, an attorney or a rental agent for a non-resident Office Member may cast votes as a proxy for as many Office Units as such Person represents. No officer of the Office Subassociation shall cast votes as an uninstructed proxy for more than five (5) Office Units not owned by such Person. Proxies shall be duly executed in writing, shall be dated, shall be signed by a Person having authority at the time of the execution thereof to execute deeds on behalf of that Person, and must be filed with the Assistant Secretary of the Office Subassociation. The signatures of any Person executing the proxy shall be witnessed by a person who shall sign his or her full name and address. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of notice of revocation from any of the Persons owning such Office Unit. Any proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of that proxy, however such proxy shall remain valid for any meeting that is recessed for up to forty-eight (48) hours. Except with respect to proxies in favor of a tenant or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the, execution thereof.

ARTICLE 11 OFFICE EXECUTIVE COMMITTEE

Section 11.1. Powers and Duties. The Office Executive Committee shall have all of the powers and duties necessary for the administration of the affairs of the Office Subassociation. The Office Executive Committee may delegate to one (1) of its members, a Managing Agent, or the Association, the authority to act on behalf of the Office Executive Committee on such matters, if any, which may arise between meetings of the Office Executive Committee as the Office Executive Committee deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Office Subassociation that may hereafter be adopted, the Office Executive committee shall on behalf of the Office Subassociation:

(a) Prepare and adopt an annual budget for the Office Subassociation, in which there shall be expressed the assessments of each Office Member for the Office Expenses.

(b) Make assessments against Office Members to defray the costs and expenses of the Office Section, establish the means and methods for collecting such assessments from the Office Members and establish the period of the installment payment of the annual assessment for Office Expenses.

(c) Provide for the operation, care, upkeep, and maintenance of all of the property and services of the Office Section.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Office Limited Common Elements and Individual Office Limited Common Elements (to the extent maintained by the Office Subassociation) and provide services for the Office Section and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Office Section.

(e) Collect the assessments for Office Expenses from the Office Members, deposit the proceeds thereof in bank depositories designated by the Office Executive Committee and use the proceeds to carry out the administration of the Office Section.

(f) Adopt and amend the Rules with respect to the occupancy and use of the Office Section; Provided, however, that such rules and regulations shall not be in conflict with the Condominium Instruments.

(g) Open bank accounts on behalf of the Office Subassociation and designate the signatories thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Office Section, and repairs to and restoration of the Office Section, in accordance with these Bylaws (to the extent the Office Subassociation is responsible for the maintenance, repair and replacement of the components of the Office Section), after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules with respect to the occupancy and use of the Office Section, act on behalf of the Office Members with respect to all matters arising out of any condemnation or eminent domain proceeding affecting the Office Section, and notify the Office Members of any litigation against the Office Subassociation involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(j) Pay the cost of all authorized services rendered to the Office Subassociation and not billed to Office Members of individual Office Units.

(k) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Office Section, and the administration of the Office Section, specifying the expenses of maintenance and repair of the Office Limited Common Elements and Individual Office Limited Common Elements (to the extent maintained, repaired and replaced by the Office Subassociation). Such books and vouchers accrediting the entries therein shall be available for examination by the Office Members, their attorneys, accountants, Mortgagees and authorized agents during normal business hours on business days at the times and in the manner

set and announced by the Office Executive Committee for the general knowledge of the Office Members. All books and records shall be kept in a manner verifiable upon an audit and shall be subjected to an independent financial review at least once annually by an independent auditor retained by the Office Executive Committee who shall not be a resident of the condominium or a Office Member or an employee or agent of any Office Member. The books and records shall be subject to an independent audit upon the request Members to which at least 33 1/3% of the votes in the Office Subassociation appertain. The cost of such audit shall be a Office Expense.

(l) Acquire, hold and dispose of Office Units and mortgage the same without the prior approval of the Office Subassociation if such expenditures and hypothecations are included in the budget adopted by the Office Subassociation.

(m) Do such other things and acts not inconsistent with the Condominium Instruments which the Office Executive Committee may be authorized to do by a resolution of the Office Subassociation. Notwithstanding the foregoing, the Office Subassociation may agree, by a vote of seventy five percent (75%) of the Office Members, to allow the Association to perform the powers and duties of the Office Subassociation and Office Executive Committee.

Section 11.2. Managing Agent. The Office Executive Committee may employ for the Office Section a "Managing Agent" at a compensation to be established by the Office Executive Committee. The Managing Agent shall perform such duties and services as the Office Executive Committee shall direct.

Section 11.3. Number and Term of Office.

(a) Designated Members. During the Declarant Control Period, the Declarant shall be entitled to designate members of the Office Executive Committee. The initial Office Executive Committee shall consist of no less than three (3) nor more than five (5) Persons, all of whom shall be designated by the Declarant. At the special meeting required by these Bylaws a number of the members of the Office Executive Committee designated by the Declarant shall resign if necessary so that the requisite percentage of members of the Office Executive committee shall have been elected. The Persons elected shall serve for the remainder of the terms of office of the resigning members of the Office Executive Committee who such Persons replace. The members of the Office Executive Committee receiving the greatest vote shall be elected for the longest available terms. At the expiration of the term of office of all members of the Office Executive Committee designated by the Declarant or elected at the special meeting held pursuant to these Bylaws, all successor members of the Office Executive Committee shall be elected to serve for a term of three (3) years.

(b) Elected Members. No later than the first annual meeting of the Office Subassociation after the special meeting held pursuant to these Bylaws, the Office Executive Committee shall be composed of five (5) Persons. An elected member of the Office Executive Committee shall serve for a term of three (3) years unless elected to fill a vacancy, in which case such member shall serve pursuant to the terms of these Bylaws. Except for resignation or removal, the members of the Office Executive Committee shall hold office until their respective successors shall have been elected by the Office Subassociation. The one (1) member of the

Office Executive Committee receiving the highest number of votes shall serve in the dual capacity as a member of the Board of Directors of the Association and member of the Office Executive Committee. If two (2) or more candidates receive the same number of votes and as a result thereof any position for which an election is required to be held under this section remains unfilled, a runoff election shall be held between the candidates who received both (a) the highest number of votes and (b) the same number of votes.

Section 11.4. Election of Office Executive Committee.

(a) Elections Committee. At least sixty-five (65) days prior to the special meeting required by the terms of these Bylaws and each annual meeting of the Office Subassociation, the Office Executive Committee may appoint an Elections Committee consisting of a member of the Office Executive Committee whose term is not then expiring and at least three (3) other Office Members. The Elections Committee, if established, shall develop election procedures and administer such procedures as are approved by the Office Executive Committee providing for election of members of the Office Executive Committee by ballot of the Members at annual meetings and, where appropriate, special meetings.

(b) Qualifications. No Person shall be eligible for election as a member of the Office Executive Committee unless such Person is (alone or together with one (1) or more other persons) a Office Member or an agent (Officer, partner, etc.) or an employee of a Office Member, a Mortgagee (or a designee of a Mortgagee) or a designee of the Declarant. No person shall be elected as a member of the Office Executive Committee or continue to serve as a member of the Office Executive Committee if the Office Member is more than sixty (60) days delinquent in meeting a financial obligation to the Office Subassociation or if a lien has been filed against such Person's Office Unit.

Section 11.5. Removal or Resignation of Members of the Office Executive Committee. Except with respect to members of the Office Executive Committee designated by the Declarant, at any regular or special meeting of the Office Subassociation duly called, any one (1) or more of the members of the Office Executive Committee may be removed with or without cause by a Majority Vote of the Office Members and a successor may then and there be elected to fill the vacancy. Any member of the Office Executive Committee whose removal has been proposed by the Office Members shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Office Executive Committee may resign at any time and, except for a member of the Office Executive Committee designated by the Declarant, a member of the Office Executive Committee who was a Office Member at the time of election shall be deemed to have resigned upon disposition of such member's Office Unit, or if not in attendance at three (3) consecutive regular meetings of the Office Executive Committee, unless the minutes reflect the Office Executive Committee's consent to such absences.

Section 11.6. Vacancies. Vacancies on the Office Executive Committee caused by any reason other than the removal of a member thereof by a vote of the Office Members shall be filled by a vote of a majority of the remaining members of the Office Executive Committee at a special meeting of the Office Executive Committee held for such purpose promptly after the

occurrence of any such vacancy, even if the members present at such meeting may constitute less than a quorum because a quorum is impossible to obtain because of said vacancy. Members of the Office Executive Committee elected by the Office Members or the Office Executive Committee to fill a vacancy shall serve the remainder of the term of office of the member being replaced. During the Declarant Control Period, the Declarant shall designate the successor to any member of the Office Executive Committee previously designated by the Declarant who resigns or is removed.

Section 11.7. Meetings of the Office Executive Committee.

(a) Organization Meeting. The first meeting of the Office Executive Committee following the annual meeting of the Office Subassociation shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the members of the Office Executive Committee at the annual meeting.

(b) Regular Meetings. Regular meetings of the Office Executive Committee may be held on the Property at such time as shall be determined from time to time by a majority of the members thereof, but such meetings shall be held at least annually during each fiscal year.

(c) Special Meetings. Special meetings of the Office Executive Committee may be called by the Vice President - Office of the Office Subassociation on three (3) days notice to each member of the Office Executive Committee, given personally or by mail, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Office Executive Committee shall be called by the Vice President - Office or Assistant Secretary of the Office Subassociation in like manner and on like notice on the written request of at least three (3) members of the Office Executive Committee.

(d) Notice. Notice of meetings of the Office Executive Committee shall be given to each member thereof, personally or by mail, telegraph or telephone, at least three (3) days prior to the day named for such meeting. No notice of the organizational meeting shall be necessary if such meeting is held immediately following the annual meeting.

(e) Waiver of Notice. Any member of the Office Executive Committee may at any time, in writing, waive notice of any meeting of the Office Executive Committee and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Office Executive Committee, in person or by telephone communication, at any meeting of the Office Executive Committee shall constitute a waiver of notice by such member of the time, place and purpose of such meeting. If all members are present at any meeting of the Office Executive Committee, no notice shall be required and any business may be transacted at such meeting.

(f) Quorum of Members of the Office Executive Committee. At all meetings of the Office Executive Committee a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting while a quorum is present shall constitute the decision of the Office Executive Committee. If at any meeting of the Office Executive Committee there shall be less than a quorum present, a

majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Office Executive Committee who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 11.8. Action Without Meeting. Any action by the Office Executive Committee required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Office Executive Committee shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Office Executive Committee.

Section 11.9. Compensation. No member of the Office Executive Committee shall receive any compensation from the Office Subassociation for acting as such. Reimbursement of expenses incurred by members of the Office Executive Committee on behalf of the Office Subassociation shall be permissible.

Section 11.10. Office Executive Committee as Agent. The Office Executive Committee shall have the power to act as agent for the Members of all of the Office Units and for each of them, to manage, control and deal with the interests of such Office Members in the Office Limited Common Elements and Individual Office Limited Common Elements to permit the Office Executive Committee to fulfill all of its powers, rights, functions and duties. The Office Executive Committee shall have the power to act as agent for each Office Member, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Office Section to: (i) adjust and settle all claims arising under insurance policies purchased by the Office Executive Committee, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain affecting the Office Section. The Office Executive Committee may grant and accept easements and licenses with respect to the Office Limited Common Elements.

Section 11.11. Liability of the Office Executive Committee, Officers of the Office Subassociation, Office Members and Office Subassociation.

(a) The Officers of the Office Subassociation, and members of the Office Executive Committee shall not be liable to the Office Subassociation or any Office Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Office Subassociation shall indemnify and hold harmless each of the Officers of the Office Subassociation and members of the Office Executive Committee from and against all contractual liability to others arising out of contracts made by the Officers or the Office Executive Committee on behalf of the Office Subassociation unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Instruments, except to the extent that such liability is satisfied by directors and officers liability insurance maintained by the Office Subassociation. Officers of the Office Subassociation and members of the Office Executive Committee shall have no personal liability with respect to any contract made by them on behalf of the Office Subassociation. The liability of any Office Member arising out of any contract made by the Officers of the Office Subassociation or the Office Executive

Committee, or out of the indemnification of the officers of the Office Subassociation or members of the Office Executive Committee, or for damages as a result of injuries arising in connection with the Office Limited Common Elements or Individual Office Limited Common Elements solely by virtue of ownership of a Office Percentage Interest therein or for liabilities incurred by the Office Subassociation, shall be limited to the total liability multiplied by such Office Member's Office Percentage Interest. Every agreement made by the officers of the Office Subassociation, the Office Executive Committee or the Managing Agent on behalf of the Office Subassociation shall, if obtainable, provide that the Officers of the Office Subassociation, the members of the Office Executive Committee or the Managing Agent, as the case may be, are acting only as agents for the Office Subassociation and shall have no personal liability thereunder (except as Office Members), and that each Office Member's liability thereunder shall be limited to the total liability thereunder multiplied by such Office Member's Office Percentage Interest. The Office Subassociation shall indemnify and hold harmless each of the members of the Office Executive Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Instruments. The Office Subassociation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such person is or was an Officer of the Office Subassociation or member of the Office Executive Committee against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such Person in connection with such action, suit or proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Office Section.

(b) The Office Subassociation shall not be liable for any failure of any utilities or other services to be obtained by the Office Subassociation or paid for as a Office Expense, or for injury or damage to person or property caused by the elements or by the Office Member of any Office Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Office Limited Common Elements or Individual Office Limited Common Elements or from any pipe, drain, conduit, appliance or equipment. The Office Subassociation shall not be liable to any Office Member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Office Limited Common Elements or Individual Office Limited Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Office Limited Common Elements or Individual Office Limited Common Elements or from any action taken by the Office Subassociation to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 11.12. Common or Interested Members of the Office Executive Committee. Each member of the Office Executive Committee shall exercise such member's powers and duties in good faith and with a view to the interests of the Office Section. No contract or other transaction between the Office Subassociation and any of the members of the Office Executive Committee, or between the Office Subassociation and any corporation, firm or association (including the Declarant) in which any of the members of the Office Executive Committee, or the Office Subassociation are directors or Officers or are pecuniarily or otherwise interested, is either

void or voidable because any such member of the Office Executive Committee is present at the meeting of the Office Executive Committee or any committee thereof which authorizes or approves the contract or transaction, or because such member's vote is counted for such purpose, if any of the conditions specified in any of the following subsections exist:

(a) The fact of the common directorate or interest is disclosed or known to the Office Executive Committee or noted in the minutes, and the Office Executive Committee authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Office Members, and the Office Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Office Subassociation at the time it is authorized, ratified, approved or executed.

Any common or interested members of the Office Executive Committee may be counted in determining the presence of a quorum of any meeting of the Office Executive Committee or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such member of the Office Executive Committee of the Office Subassociation were not an Officer or director of such other corporation, firm or association or not so interested.

ARTICLE 12 OFFICERS OF THE OFFICE SUBASSOCIATION

Section 12.1. Designation and Duties. The principal officers of the Office Subassociation shall be the Vice President - Office, the Assistant Secretary and the Assistant Treasurer, all of who shall be elected by the Office Executive Committee. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments, and shall perform such other duties as may be assigned to such office by resolution of the Office Executive Committee. If any officer is unable for any reason to perform the duties of the office, the Vice President - Office (or the Office Executive Committee if the Vice President - Office fails to do so) may appoint another qualified person to act in such officer's stead on an interim basis.

Section 12.2. Election of Officers. The officers of the Office Subassociation shall be elected annually by the Office Executive Committee at the organizational meeting of each new Office Executive Committee and shall hold office at the pleasure of the Office Executive Committee. Any officer may hold more than one (1) position; provided, however, that the offices of Vice President - Office and Assistant Secretary shall be held by two (2) different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Office Executive Committee.

Section 12.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Office Executive Committee any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Office Executive Committee or at any special meeting of the Office Executive Committee called for such purpose.

Section 12.4. Vice President - Office. The Vice President - Office shall be the chief executive Officer of the Office Subassociation; preside at all meetings of the Office Subassociation and of the Office Executive Committee; have general and active direction of the business of the Office Subassociation subject to the control of the Office Executive Committee; see that all orders and resolutions of the Office Executive Committee are carried into effect; and appoint committees from time to time as the Vice President - Office may decide is appropriate to assist in the conduct of the affairs of the Office Subassociation.

Section 12.5. Assistant Secretary. The Assistant Secretary shall keep the minutes of all meetings of the Office Subassociation and of the Office Executive Committee; have charge of such books and papers as the Office Executive committee may direct; give or cause to be given all notices required to be given by the Office Subassociation (such notices may be distributed by the management agent, if any); maintain a register setting forth the place to which all notices to Office Members and Mortgagees hereunder shall be delivered; and, in general, perform all duties incident to the office of Assistant Secretary.

Section 12.6. Assistant Treasurer. The Assistant Treasurer shall (together with the Managing Agent) be responsible for Office Subassociation funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Office Executive Committee, the Office Subassociation or the Managing Agent, in such depositories as may from time to time be designated by the Office Executive committee; and, in general, perform all the duties incident to the office of Assistant Treasurer.

Section 12.7. Execution of Documents. Unless otherwise provided by resolution of the Office Executive Committee: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Office Subassociation for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00) and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Office Executive Committee; and (ii) all such instruments for expenditures or obligations of Two Thousand Dollars (\$2,000.00) or less, except from reserve accounts, may be executed by any one (1) person designated by the Office Executive Committee. Any Officer of the Office Subassociation may be designated by Office Executive Committee resolution to sign Certificates for Resale on behalf of the Office Subassociation. Any Officer may also be designated by Office Executive Committee resolution to sign any amendment to subdivide a Office Unit or relocate boundaries between Office Units on behalf of the Office Subassociation or at the request of a Office Member.

Section 12.8. Compensation of Officers. No officer shall receive any compensation from the Office Subassociation for acting as such Officer unless such compensation is approved by a majority of the Office Members, in which event such compensation shall be reasonable and

customary. Officers may be reimbursed for any expenses incurred in carrying out the functions of office if consented to by the Office Executive Committee.

ARTICLE 13
OPERATION OF THE OFFICE SECTION

Section 13.1. Determination of Office Expenses and Assessments Against Office Members.

(a) Fiscal Year. The fiscal year of the Office Subassociation shall be January 1 through December 30 unless otherwise determined by the Office Executive Committee.

(b) Preparation and Approval of Budget.

(1) At least forty (40) days before the beginning of each fiscal year, the Office Executive Committee shall adopt a budget for the Office Subassociation containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Office Limited Common Elements and Individual Office Limited Common Elements (to the extent the same are the maintenance, repair and replacement responsibility of the Office Subassociation) and those parts of the Office Units as to which it is the responsibility of the Office Subassociation to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Office Expenses by the Condominium Instruments or a resolution of the Office Subassociation and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Office Section and the rendering to the Office Members of all related services. The budget shall reflect the separate assessment of Individual Office Limited Common Expenses against any Office Unit and the owner thereof.

(2) Such budget shall also include such reasonable amounts as the Office Executive Committee considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty (30) days before the beginning of each fiscal year, the Office Executive Committee shall send to each Office Member a copy of the budget in a reasonably itemized form which sets forth the amount of the Office Expenses and any special assessment payable by each Office Member. Such budget shall constitute the basis for determining each Office Member's assessment for the Office Expenses of the Condominium.

(c) Assessment and Payment of Office Expenses. The total amount of the estimated funds required from assessments for the operation of the Office Section set forth in the budget adopted by the Office Executive Committee shall be assessed against each Office Member in proportion to such Office Member's respective Office Percentage Interest, except for Office Limited Common Expenses related to certain Individual Office Limited Common Elements which shall be assessed against each Office Member benefiting from such Individual Office Limited Common Elements. The assessment for Office Expenses, including Office Limited Common Expenses, shall be a lien against each Office Member's Unit. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such

fiscal year, each Office Member shall be obligated to pay to the Office Executive Committee or the Managing Agent (as determined by the Office Executive Committee), one-twelfth (1/12) of such assessment. within ninety (90) days after the end of each fiscal year, the Office Executive Committee shall supply to all Office Members, and to each Mortgagee requesting the same, an itemized accounting of the Office Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Office Executive Committee for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Office Executive Committee, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the Office Members, be credited according to each Office Member's Office Percentage Interest to the next monthly installments due from Office Members under the current. fiscal year's budget, until exhausted, or distributed to the Office Members. Any net shortage shall be assessed promptly against the Office Members in accordance with their Office Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six (6) equal monthly installments, as the Office Executive Committee may determine.

(d) Reserves. The Office Executive Committee shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements associated with the operation and maintenance of the Office Limited Common Elements and Individual Office Limited Common Elements (to the extent the Individual Office Limited Common Elements are the maintenance, repair and replacement responsibility of the Office Subassociation). Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Office Subassociation shall be charged first against such reserves. Unless otherwise determined by a ~~vote of three-fourths (3/4) of the total number of members of the Office Executive Committee,~~ the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Office Unit Owner's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the Office Members as the Office Executive Committee may determine if the reserves are inadequate for any reason, including nonpayment of any Office Member's assessment, the Office Executive Committee may at any time levy a further assessment, which shall be assessed against the Office Members according to their respective Office Percentage Interests, and which may be payable in a lump sum or in installments as the Office Executive Committee may determine. The Office Executive Committee, shall serve notice of any such further assessment on Office Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven (7) days after the delivery of such notice of further assessment. All Office Members so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date.

(e) Initial Budget and Initial Capital Payment.

(1) Upon taking office, the first Office Executive Committee elected or designated pursuant to these Bylaws shall determine the budget for the period commencing thirty (30) days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Office Members during such period.

(2) The Declarant, as the agent of the Office Executive Committee, may collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the (i) estimated monthly assessment for Office Expenses for such purchaser's Office Unit, and (ii) any Individual Office Limited Common Element parking space charges. The Declarant will deliver the funds so collected to the Office Executive Committee to provide the necessary working capital for the Office Subassociation. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Office Executive Committee may determine.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Office Executive Committee to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Office Member's obligation to pay the allocable share of the Office Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Office Member shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due at least ten (10) days after such new annual or adjusted budget is adopted.

(g) Accounts. All sums collected by the Office Executive Committee with respect to assessments against the Office Members or from any other source may be commingled into a single fund.

ARTICLE 14
RETAIL SUBASSOCIATION

Section 14.1. Composition. The Retail Subassociation shall consist of all of the Retail Members. For all purposes the Retail Subassociation shall act merely as an agent for the Retail Members as a group. The Retail Subassociation shall have the responsibility of administering the Retail Section, arranging for the management of the Retail Section, and performing all of the other acts that may be required or permitted to be performed by the Retail Subassociation by the Condominium Instruments. The foregoing responsibilities may be performed by the Retail Executive Committee or Managing Agent for the Retail Subassociation as set forth in these Bylaws.

Section 14.2. Meetings. Annual meetings of the Retail Subassociation shall be held at least thirty (30) days before the beginning of each fiscal year.

Section 14.3. Place of Meetings. Meetings of the Retail Subassociation shall be held in Raleigh, North Carolina, at such place as may be designated by the Retail Executive Committee in the notice of such meetings.

Section 14.4. Special Meetings.

(a) The Vice President - Retail of the Retail Subassociation shall call a special meeting of the Retail Subassociation: (i) if so directed by resolution of the Retail Executive Committee; (ii) after the termination of the Declarant Control Period, upon a petition signed and presented to the Assistant Secretary of the Retail Subassociation by Retail Members of not less than twenty-five percent (25%) of the aggregate Retail Percentage Interests; or (iii) during the Declarant Control Period, upon the request of the Declarant. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) days after the date of the first such signature. Such resolution, petition or request must (1) specify the time and place at which the meeting is to be held, (2) specify a date on which the meeting is to be held, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Assistant Secretary of the Retail Subassociation. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Not later than the time that Retail Units to which twenty-five percent (25%) of the Retail Percentage Interests appertain have been conveyed to Retail Members, a special meeting of the Retail Subassociation shall be held at which not less than one-quarter (1/4) of the members of the Retail Executive Committee shall be elected by the Retail Members, other than the Declarant, to serve until the date of the first annual meeting. If such election is held prior to the time required by this section, the members of the Retail Executive Committee elected at such election shall not take office until the earlier of the time such election is required to be held or resignation of a member of the Retail Executive Committee appointed by the Declarant without appointment of a replacement within ten (10) days. Any remaining members of the Retail Executive Committee designated by the Declarant shall continue to serve until their terms expire; provided, however, that no more than two (2) such members of the Retail Executive Committee may serve until the first annual meeting after the special meeting held pursuant to this subsection and no more than one (1) such member of the Retail Executive Committee may serve until the second annual meeting after the special meeting held pursuant to this subsection.

(c) Not later than the time that Retail Units to which fifty percent (50%) of the Retail Percentage Interests appertain have been conveyed to Retail Members, a special meeting of the Retail Subassociation shall be held at which not less than thirty-three and one-third percent (33 1/3%) of the members of the Retail Executive Committee shall be elected by the Retail Members, other than the Declarant, to serve until the date of the first annual meeting; provided, however; that if not less than one-third (1/3) of the members of the Retail Executive Committee then serving were elected pursuant to subsection (b), no special meeting is required by this subsection (c).

(d) Not later than the termination of the Declarant Control Period, a special meeting of the Retail Subassociation shall be held at which more than fifty percent (50%) of the

directors shall be elected by the Retail Members, other than the Declarant, to serve terms as provided in Section 15.4 of these Bylaws.

Section 14.5. Notice of Meetings. The Assistant Secretary of the Retail Subassociation shall notify each Retail Member of each annual or regularly scheduled meeting of the Retail Members at least twenty-one (21) but not more than thirty (30) days, and of each special meeting of the Retail Members at least seven (7) but not more than thirty (30) days, prior to such meeting, stating the time, place and purpose thereof.

Section 14.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Retail Members representing twenty-five percent (25%) or more of the total Retail Percentage Interest shall constitute a quorum at all meetings of the Retail Subassociation. If at any meeting of the Retail Subassociation a quorum is not present, Retail Members of a majority of the Retail Percentage Interests who are present at such meeting in person or by proxy may: (i) recess the meeting to such date, time and place as such Retail Members may agree not more than forty-eight (48) hours after the time the original meeting was called; or (ii) adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called whereupon the Assistant Secretary of the Retail Subassociation shall make reasonable efforts to notify Retail Members of such date, time, and place. A quorum is not required for such subsequent meeting.

Section 14.7. Voting.

(a) Voting at all meetings of the Retail Subassociation shall be on a percentage basis and the percentage of the vote to which each Retail Member is entitled shall be the Retail Percentage Interest assigned to such Retail Member's Retail Unit in the Declaration. Where the ownership of a Retail Unit is in more than one (1) Person, the Person who shall be entitled to cast the vote of such Retail Unit shall be the Person named in a certificate executed by all of the owners of such Retail Unit and filed with the Assistant Secretary of the Retail Subassociation (if such a certificate is on file) or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Retail Unit shall be the Person owning such Retail Unit who is present. A fiduciary shall be entitled to cast the vote for a Retail Unit owned in a fiduciary capacity. If more than one (1) person owning such Retail Unit is present, then such vote shall be cast only in accordance with their unanimous agreements. If a Retail Member is not a natural person, the vote for such Retail Unit may be cast by any natural person having authority to execute deeds on behalf of any Person, excluding natural persons, which is, either alone or in conjunction with one (1) or more Persons, a Retail Member: provided, however, that such natural person is named in a certificate signed by an authorized Officer of such Person. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a Retail Member is required by the Condominium Instruments, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Retail Unit at any meeting of the Retail Subassociation. There shall be no cumulative voting.

(b) Except where a greater number is required by the Condominium Instruments, a Majority Vote is required to adopt decisions at any meeting of the Retail

Subassociation. Except as otherwise provided herein, if the Declarant owns or holds title to one (1) or more Retail Units, the Declarant shall have the right at any meeting of the Retail Subassociation to cast the votes to which such Retail Units are entitled.

(c) No Retail Member may vote at any meeting of the Retail Subassociation or be elected to or serve on the Retail Executive Committee or as an Officer of the Retail Subassociation if payment by such Retail Member of any bona fide financial obligation to the Retail Subassociation is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 14.8. Proxies. A vote may be cast in person or by proxy at any meeting of the members of the Retail Subassociation. Proxies may be granted by any Retail Member in favor of another Retail Member, an Officer of the Retail Subassociation, the Declarant, the Managing Agent for the Retail Subassociation or such Retail Member's Mortgagee, or additionally in the case of a non-resident Retail Member, the Retail Member's lessee, attorney or rental agent. No Person other than the Declarant, the Managing Agent for the Retail Subassociation or an Officer of the Retail Subassociation shall cast votes as a proxy for more than one (1) Retail Unit not owned by such Person; Provided, however, that a Mortgagee, an attorney or a rental agent for a non-resident Retail Member may cast votes as a proxy for as many Retail Units as such Person represents. No officer of the Retail Subassociation shall cast votes as an uninstructed proxy for more than five (5) Retail Units not owned by such Person. Proxies shall be duly executed in writing, shall be dated, shall be signed by a Person having authority at the time of the execution thereof to execute deeds on behalf of that Person, and must be filed with the Assistant Secretary of the Retail Subassociation. The signatures of any Person executing the proxy shall be witnessed by a person who shall sign his or her full name and address. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of notice of revocation from any of the Persons owning such Retail Unit. Any proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of that proxy, however such proxy shall remain valid for any meeting that is recessed for up to forty-eight (48) hours. Except with respect to proxies in favor of a tenant or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the execution thereof.

ARTICLE 15 RETAIL EXECUTIVE COMMITTEE

Section 15.1. Powers and Duties. The Retail Executive Committee shall have all of the powers and duties necessary for the administration of the affairs of the Retail Subassociation. The Retail Executive Committee may delegate to one (1) of its members, a Managing Agent, or the Association the authority to act on behalf of the Retail Executive Committee on such matters, if any, which may arise between meetings of the Retail Executive Committee as the Retail Executive Committee deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Retail Subassociation that may hereafter be adopted, the Retail Executive committee shall on behalf of the Retail Subassociation:

(a) Prepare and adopt an annual budget for the Retail Subassociation, in which there shall be expressed the assessments of each Retail Member for the Retail Expenses.

(b) Make assessments against Retail Members to defray the costs and expenses of the Retail Section, establish the means and methods for collecting such assessments from the Retail Members and establish the period of the installment payment of the annual assessment for Retail Expenses.

(c) Provide for the operation, care, upkeep, and maintenance of all of the property and services of the Retail Section.

(d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Retail Limited Common Elements and Individual Retail Limited Common Elements (to the extent maintained by the Retail Subassociation) and provide services for the Retail Section and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Retail Section.

(e) Collect the assessments for Retail Expenses from the Retail Members, deposit the proceeds thereof in bank depositories designated by the Retail Executive Committee and use the proceeds to carry out the administration of the Retail Section.

(f) Adopt and amend the Rules with respect to the occupancy and use of the Retail Section; Provided, however, that such Rules shall not be in conflict with the Condominium Instruments.

(g) Open bank accounts on behalf of the Retail Subassociation and designate the signatories thereon.

(h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Retail Section, and repairs to and restoration of the Retail Section, in accordance with these Bylaws (to the extent the Retail Subassociation is responsible for the maintenance, repair and replacement of the components of the Retail Section), after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules with respect to the occupancy and use of the Retail Section, act on behalf of the Retail Members with respect to all matters arising out of any condemnation or eminent domain proceeding affecting the Retail Section, and notify the Retail Members of any litigation against the Retail Subassociation involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(j) Pay the cost of all authorized services rendered to the Retail Subassociation and not billed to Retail Members of individual Retail Units.

(k) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Retail Section, and the administration of the Retail Section, specifying the expenses of maintenance and repair of the Retail Limited Common Elements and Individual Retail Limited Common Elements (to the extent maintained, repaired and replaced by the Retail Subassociation). Such books and vouchers accrediting the entries therein shall be available for examination by the Retail Members, their attorneys, accountants, Mortgagees and authorized agents during normal business hours on business days at the times and in the manner set and announced by the Retail Executive Committee for the general knowledge of the Retail Members. All books and records shall be kept in a manner verifiable upon an audit and shall be subjected to an independent financial review at least once annually by an independent auditor retained by the Retail Executive Committee who shall not be a resident of the condominium or a Retail Member or an employee or agent of any Retail Member. The books and records shall be subject to an independent audit upon the request Members to which at least 33 1/3% of the votes in the Retail Subassociation appertain. The cost of such audit shall be a Retail Expense

(l) Acquire, hold and dispose of Retail Units and mortgage the same without the prior approval of the Retail Subassociation if such expenditures and hypothecations are included in the budget adopted by the Retail Subassociation.

(m) Do such other things and acts not inconsistent with the Condominium Instruments which the Retail Executive Committee may be authorized to do by a resolution of the Retail Subassociation. Notwithstanding the foregoing, the Retail Subassociation may agree, by a vote of seventy five percent (75%) of the Retail Members, to allow the Association to perform the powers and duties of the Retail Subassociation and Retail Executive Committee.

Section 15.2. Managing Agent. The Retail Executive Committee may employ for the Retail Section a "Managing Agent" at a compensation to be established by the Retail Executive Committee. The Managing Agent shall perform such duties and services as the Retail Executive Committee shall direct.

Section 15.3. Number and Term of Office.

(a) Designated Members. During the Declarant Control Period, the Declarant shall be entitled to designate members of the Retail Executive Committee. The initial Retail Executive Committee shall consist of no less than three (3) nor more than five (5) Persons, all of whom shall be designated by the Declarant. At the special meeting required by these Bylaws a number of the members of the Retail Executive Committee designated by the Declarant shall resign if necessary so that the requisite percentage of members of the Retail Executive committee shall have been elected. The Persons elected shall serve for the remainder of the terms of office of the resigning members of the Retail Executive Committee who such Persons replace. The members of the Retail Executive Committee receiving the greatest vote shall be elected for the longest available terms. At the expiration of the term of office of all members of the Retail Executive Committee designated by the Declarant or elected at the special meeting held pursuant to these Bylaws, all successor members of the Retail Executive Committee shall be elected to serve for a term of three (3) years.

Retail Executive committee, unless the minutes reflect the Retail Executive committee's consent to such absences.

Section 15.6. Vacancies. Vacancies on the Retail Executive Committee caused by any reason other than the removal of a member thereof by a vote of the Retail Members shall be filled by a vote of a majority of the remaining members of the Retail Executive Committee at a special meeting of the Retail Executive Committee held for such purpose promptly after the occurrence of any such vacancy, even if the members present at such meeting may constitute less than a quorum because a quorum is impossible to obtain because of said vacancy. Members of the Retail Executive Committee elected by the Retail Members or the Retail Executive Committee to fill a vacancy shall serve the remainder of the term of office of the member being replaced. During the Declarant Control Period, the Declarant shall designate the successor to any member of the Retail Executive Committee previously designated by the Declarant who resigns or is removed

Section 15.7. Meetings of the Retail Executive Committee.

(a) Organization Meeting. The first meeting of the Retail Executive Committee following the annual meeting of the Retail Subassociation shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the members of the Retail Executive Committee at the annual meeting.

(b) Regular Meetings. Regular meetings of the Retail Executive Committee may be held on the Property at such time as shall be determined from time to time by a majority of the members thereof, but such meetings shall be held at least annually during each fiscal year.

(c) Special Meetings. Special meetings of the Retail Executive Committee may be called by the Vice President - Retail of the Retail Subassociation on three (3) days notice to each member of the Retail Executive Committee, given personally or by mail, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Retail Executive Committee shall be called by the Vice President - Retail or Assistant Secretary of the Retail Subassociation in like manner and on like notice on the written request of at least three (3) members of the Retail Executive Committee.

(d) Notice. Notice of meetings of the Retail Executive Committee shall be given to each member thereof, personally or by mail, telegraph or telephone, at least three (3) days prior to the day named for such meeting. No notice of the organizational meeting shall be necessary if such meeting is held immediately following the annual meeting.

(e) Waiver of Notice. Any member of the Retail Executive Committee may at any time, in writing, waive notice of any meeting of the Retail Executive Committee and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Retail Executive Committee, in person or by telephone communication, at any meeting of the Retail Executive Committee shall constitute a waiver of notice by such member of the time, place and purpose of such meeting. If all members are present at any meeting of the Retail

(b) Elected Members. No later than the first annual meeting of the Retail Subassociation after the special meeting held pursuant to these Bylaws, the Retail Executive Committee shall be composed of five (5) Persons. An elected member of the Retail Executive Committee shall serve for a term of three (3) years unless elected to fill a vacancy, in which case such member shall serve pursuant to the terms of these Bylaws. Except for resignation or removal, the members of the Retail Executive Committee shall hold office until their respective successors shall have been elected by the Retail Subassociation. The one (1) member of the Retail Executive Committee receiving the highest number of votes shall serve in the dual capacity as a member of the Board of Directors of the Association and member of the Retail Executive Committee. If two (2) or more candidates receive the same number of votes and as a result thereof any position for which an election is required to be held under this section remains unfilled, a runoff election shall be held between the candidates who received both (a) the highest number of votes and (b) the same number of votes.

Section 15.4. Election of Retail Executive Committee.

(a) Elections Committee. At least sixty-five (65) days prior to the special meeting required by the terms of these Bylaws and each annual meeting of the Retail Subassociation, the Retail Executive Committee may appoint an Elections Committee consisting of a member of the Retail Executive Committee whose term is not then expiring and at least three (3) other Retail Members. The Elections Committee, if established, shall develop election procedures and administer such procedures as are approved by the Retail Executive Committee providing for election of members of the Retail Executive Committee by ballot of the Members at annual meetings and, where appropriate, special meetings.

(b) Qualifications. No Person shall be eligible for election as a member of the Retail Executive Committee unless such Person is (alone or together with one (1) or more other persons) a Retail Member or an agent (Officer, partner, etc.) or an employee of a Retail Member, ~~a Mortgagee (or a designee of a Mortgagee) or a designee of the Declarant. No Person shall be~~ elected as a member of the Retail Executive Committee or continue to serve as a member of the Retail Executive Committee if the Retail Member is more than sixty (60) days delinquent in meeting a financial obligation to the Retail Subassociation or if a lien has been filed against such Person's Retail Unit.

Section 15.5. Removal or Resignation of Members of the Retail Executive Committee. Except with respect to members of the Retail Executive Committee designated by the Declarant, at any regular or special meeting of the Retail Subassociation duly called, any one (1) or more of the members of the Retail Executive Committee may be removed with or without cause by a Majority Vote of the Retail Members and a successor may then and there be elected to fill the vacancy. Any member of the Retail Executive Committee whose removal has been proposed by the Retail Members shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Retail Executive Committee may resign at any time and, except for a member of the Retail Executive Committee designated by the Declarant, a member of the Retail Executive Committee who was a Retail Member at the time of election shall be deemed to have resigned upon disposition of such member's Retail Unit, or if not in attendance at three (3) consecutive regular meetings of the

Executive Committee, no notice shall be required and any business may be transacted at such meeting.

(f) Quorum of Members of the Retail Executive Committee. At all meetings of the Retail Executive Committee a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting while a quorum is present shall constitute the decision of the Retail Executive Committee. If at any meeting of the Retail Executive Committee there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Retail Executive Committee who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 15.8. Action Without Meeting. Any action by the Retail Executive Committee required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Retail Executive Committee shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Retail Executive Committee.

Section 15.9. Compensation. No member of the Retail Executive Committee shall receive any compensation from the Retail Subassociation for acting as such. Reimbursement of expenses incurred by members of the Retail Executive Committee on behalf of the Retail Subassociation shall be permissible.

Section 15.10. Retail Executive Committee as Agent. The Retail Executive Committee shall have the power to act as agent for the Members of all of the Retail Units and for each of them, to manage, control and deal with the interests of such Retail Members in the Retail Limited Common Elements and Individual Retail Limited Common Elements to permit the Retail Executive Committee to fulfill all of its powers, rights, functions and duties. The Retail Executive Committee shall have the power to act as agent for each Retail Member, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Retail Section to: (i) adjust and settle all claims arising under insurance policies purchased by the Retail Executive Committee, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain affecting the Retail Section. The Retail Executive Committee may grant and accept easements and licenses with respect to the Retail Limited Common Elements.

Section 15.11. Liability of the Retail Executive Committee, Officers of the Retail Subassociation, Retail Members and Retail Subassociation.

(a) The Officers of the Retail Subassociation, and members of the Retail Executive Committee shall not be liable to the Retail Subassociation or any Retail Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Retail Subassociation shall indemnify and hold harmless each of the Officers of the Retail Subassociation and members of the Retail Executive Committee from

and against all contractual liability to others arising out of contracts made by the Officers or the Retail Executive Committee on behalf of the Retail Subassociation unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Instruments, except to the extent that such liability is satisfied by directors and officers liability insurance maintained by the Retail Subassociation. Officers of the Retail Subassociation and members of the Retail Executive Committee shall have no personal liability with respect to any contract made by them on behalf of the Retail Subassociation. The liability of any Retail Member arising out of any contract made by the Officers of the Retail Subassociation or the Retail Executive Committee, or out of the indemnification of the officers of the Retail Subassociation or members of the Retail Executive Committee, or for damages as a result of injuries arising in connection with the Retail Limited Common Elements or Individual Retail Limited Common Elements solely by virtue of ownership of a Retail Percentage Interest therein or for liabilities incurred by the Retail Subassociation, shall be limited to the total liability multiplied by such Retail Member's Retail Percentage Interest. Every agreement made by the officers of the Retail Subassociation, the Retail Executive Committee or the Managing Agent on behalf of the Retail Subassociation shall, if obtainable, provide that the Officers of the Retail Subassociation, the members of the Retail Executive Committee or the Managing Agent, as the case may be, are acting only as agents for the Retail Subassociation and shall have no personal liability thereunder (except as Retail Members), and that each Retail Member's liability thereunder shall be limited to the total liability thereunder multiplied by such Retail Member's Retail Percentage Interest. The Retail Subassociation shall indemnify and hold harmless each of the members of the Retail Executive Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Instruments. The Retail Subassociation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such Person is or was an Officer of the Retail Subassociation or member of the Retail Executive Committee against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such Person in connection with such action, suit or proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Retail Section.

(b) The Retail Subassociation shall not be liable for any failure of any utilities or other services to be obtained by the Retail Subassociation or paid for as a Retail Expense, or for injury or damage to person or property caused by the elements or by the Retail Member of any Retail Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Retail Limited Common Elements or Individual Retail Limited Common Elements or from any pipe, drain, conduit, appliance or equipment. The Retail Subassociation shall not be liable to any Retail Member for loss or damage, by theft or otherwise; of articles which may be stored upon any of the Retail Limited Common Elements or Individual Retail Limited Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Retail Limited Common Elements or Individual Retail Limited Common Elements or from any action taken by the Retail

Subassociation to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 15.12. Common or Interested Members of the Retail Executive Committee. Each member of the Retail Executive Committee shall exercise such member's powers and duties in good faith and with a view to the interests of the Retail Section. No contract or other transaction between the Retail Subassociation and any of the members of the Retail Executive Committee, or between the Retail Subassociation and any corporation, firm or association (including the Declarant) in which any of the members of the Retail Executive Committee, or the Retail Subassociation are directors or Officers or are pecuniarily or otherwise interested, is either void or voidable because any such member of the Retail Executive Committee is present at the meeting of the Retail Executive Committee or any committee thereof which authorizes or approves the contract or transaction, or because such member's vote is counted for such purpose, if any of the conditions specified in any of the following subsections exist:

(a) The fact of the common directorate or interest is disclosed or known to the Retail Executive Committee or noted in the minutes, and the Retail Executive Committee authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Retail Members, and the Retail Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Retail Subassociation at the time it is authorized, ratified, approved or executed.

Any common or interested members of the Retail Executive Committee may be counted in determining the presence of a quorum of any meeting of the Retail Executive Committee or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such member of the Retail Executive Committee of the Retail Subassociation were not an Officer or director of such other corporation, firm or association or not so interested.

ARTICLE 16 OFFICERS OF THE RETAIL SUBASSOCIATION

Section 16.1. Designation and Duties. The principal officers of the Retail Subassociation shall be the Vice President - Retail, the Assistant Secretary and the Assistant Treasurer, all of whom shall be elected by the Retail Executive Committee. Each Officer shall perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments, and shall perform such other duties as may be assigned to such office by resolution of the Retail Executive Committee. If any officer is unable for any reason to perform the duties of the office, the Vice President - Retail (or the Retail Executive Committee if the Vice President - Retail fails to do so) may appoint another qualified person to act in such officer's stead on an interim basis.

Section 16.2. Election of Officers. The officers of the Retail Subassociation shall be elected annually by the Retail Executive Committee at the organizational meeting of each new Retail Executive Committee and shall hold office at the pleasure of the Retail Executive Committee. Any officer may hold more than one (1) position; provided, however, that the offices of Vice President - Retail and Assistant Secretary shall be held by two (2) different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Retail Executive Committee.

Section 16.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Retail Executive Committee any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Retail Executive Committee or at any special meeting of the Retail Executive Committee called for such purpose.

Section 16.4. Vice President - Retail. The Vice President - Retail shall be the chief executive Officer of the Retail Subassociation; preside at all meetings of the Retail Subassociation and of the Retail Executive Committee; have general and active direction of the business of the Retail Subassociation subject to the control of the Retail Executive Committee; see that all orders and resolutions of the Retail Executive Committee are carried into effect; and appoint committees from time to time as the Vice President - Retail may decide is appropriate to assist in the conduct of the affairs of the Retail Subassociation.

Section 16.5. Assistant Secretary. The Assistant Secretary shall keep the minutes of all meetings of the Retail Subassociation and of the Retail Executive Committee; have charge of such books and papers as the Retail Executive committee may direct; give or cause to be given all notices required to be given by the Retail Subassociation (such notices may be distributed by the management agent, if any); maintain a register setting forth the place to which all notices to Retail Members and Mortgagees hereunder shall be delivered; and, in general, perform all duties incident to the office of Assistant Secretary.

Section 16.6. Assistant Treasurer. The Assistant Treasurer shall (together with the Managing Agent) be responsible for Retail Subassociation funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Retail Executive Committee, the Retail Subassociation or the Managing Agent, in such depositories as may from time to time be designated by the Retail Executive committee; and, in general, perform all the duties incident to the office of Assistant Treasurer.

Section 16.7. Execution of Documents. Unless otherwise provided by resolution of the Retail Executive Committee: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Retail Subassociation for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00) and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Retail Executive Committee; and (ii) all such instruments for expenditures or obligations of Two Thousand Dollars (\$2,000.00) or less, except from reserve accounts, may be executed by any one (1) person designated by the Retail Executive Committee. Any Officer of the Retail Subassociation may be designated by Retail Executive Committee resolution to sign Certificates for Resale on behalf of the Retail Subassociation. Any Officer

may also be designated by Retail Executive Committee resolution to sign any amendment to subdivide a Retail Unit or relocate boundaries between Retail Units on behalf of the Retail Subassociation or at the request of a Retail Member.

Section 16.8. Compensation of Officers. No officer shall receive any compensation from the Retail Subassociation for acting as such Officer unless such compensation is approved by a majority of the Retail Members, in which event such compensation shall be reasonable and customary. Officers may be reimbursed for any expenses incurred in carrying out the functions of office if consented to by the Retail Executive Committee.

ARTICLE 17 OPERATION OF THE RETAIL SECTION

Section 17.1. Determination of Retail Expenses and Assessments Against Retail Members.

(a) Fiscal Year. The fiscal year of the Retail Subassociation shall be January 1 through December 30 unless otherwise determined by the Retail Executive Committee.

(b) Preparation and Approval of Budget.

(1) At least forty (40) days before the beginning of each fiscal year, the Retail Executive Committee shall adopt a budget for the Retail Subassociation containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Retail Limited Common Elements and Individual Retail Limited Common Elements (to the extent the same are the maintenance, repair and replacement responsibility of the Retail Subassociation) and those parts of the Retail Units as to which it is the responsibility of the Retail Subassociation to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Retail Expenses by the Condominium Instruments or a resolution of the Retail Subassociation and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Retail Section and the rendering to the Retail Members of all related services. The budget shall reflect the separate assessment of Individual Retail Limited Common Expenses against any Retail Unit and the owner thereof.

(2) Such budget shall also include such reasonable amounts as the Retail Executive Committee considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty (30) days before the beginning of each fiscal year, the Retail Executive Committee shall send to each Retail Member a copy of the budget in a reasonably itemized form which sets forth the amount of the Retail Expenses and any special assessment payable by each Retail Member. Such budget shall constitute the basis for determining each Retail Member's assessment for the Retail Expenses of the Condominium.

(c) Assessment and Payment of Retail Expenses. The total amount of the estimated funds required from assessments for the operation of the Retail Section set forth in the

budget adopted by the Retail Executive Committee shall be assessed against each Retail Member in proportion to such Retail Member's respective Retail Percentage Interest, except for Retail Limited Common Expenses related to certain Individual Retail Limited Common Elements which shall be assessed against each Retail Member benefiting from such Individual Retail Limited Common Elements. The assessment for Retail Expenses, including Retail Limited Common Expenses, shall be a lien against each Retail Member's Unit. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Retail Member shall be obligated to pay to the Retail Executive Committee or the Managing Agent (as determined by the Retail Executive Committee), one-twelfth (1/12) of such assessment. within ninety (90) days after the end of each fiscal year, the Retail Executive Committee shall supply to all Retail Members, and to each Mortgagee requesting the same, an itemized accounting of the Retail Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Retail Executive Committee for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Retail Executive Committee, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the Retail Members, be credited according to each Retail Member's Retail Percentage Interest to the next monthly installments due from Retail Members under the current fiscal year's budget, until exhausted, or distributed to the Retail Members. Any net shortage shall be assessed promptly against the Retail Members in accordance with their Retail Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six (6) equal monthly installments, as the Retail Executive Committee may determine.

(d) Reserves. The Retail Executive Committee shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements associated with the operation and maintenance of the Retail Limited Common Elements and Individual Retail Limited Common Elements (to the extent the Individual Retail Limited Common Elements are the maintenance, repair and replacement responsibility of the Retail Subassociation). Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Retail Subassociation shall be charged first against such reserves. Unless otherwise determined by a vote of three-fourths (3/4) of the total number of members of the Retail Executive Committee, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Retail Unit Owner's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the Retail Members as the Retail Executive Committee may determine if the reserves are inadequate for any reason, including nonpayment of any Retail Member's assessment, the Retail Executive Committee may at any time levy a further assessment, which shall be assessed against the Retail Members according to their respective Retail Percentage Interests, and which may be payable in a lump sum or in installments as the Retail Executive Committee may determine. The

Retail Executive Committee, shall serve notice of any such further assessment on Retail Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven (7) days after the delivery of such notice of further assessment. All Retail Members so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date.

(e) Initial Budget and Initial Capital Payment.

(1) Upon taking office, the first Retail Executive Committee elected or designated pursuant to these Bylaws shall determine the budget for the period commencing thirty (30) days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Retail Members during such period.

(2) The Declarant, as the agent of the Retail Executive Committee, may collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the (i) estimated monthly assessment for Retail Expenses for such purchaser's Retail Unit, and (ii) any Individual Retail Limited Common Element parking space charges. The Declarant will deliver the funds so collected to the Retail Executive Committee to provide the necessary working capital for the Retail Subassociation. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Retail Executive Committee may determine.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Retail Executive Committee to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Retail Member's obligation to pay the allocable share of the Retail Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Retail Member shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due at least ten (10) days after such new annual or adjusted budget is adopted.

(g) Accounts. All sums collected by the Retail Executive Committee with respect to assessments against the Retail Members or from any other source may be commingled into a single fund.

ARTICLE 18

PARKING SUBASSOCIATION

Section 18.1. Composition. The Parking Subassociation shall consist of all of the Parking Members. For all purposes the Parking Subassociation shall act merely as an agent for the Parking Members as a group. The Parking Subassociation shall have the responsibility of administering the Parking Section, arranging for the management of the Parking Section, and performing all of the other acts that may be required or permitted to be performed by the Parking

Subassociation by the Condominium Instruments. The foregoing responsibilities shall be performed by the Parking Executive Committee or Managing Agent for the Parking Subassociation as set forth in these Bylaws.

Section 18.2. Meetings. Annual meetings of the Parking Subassociation shall be held at least thirty (30) days before the beginning of each fiscal year.

Section 18.3. Place of Meetings. Meetings of the Parking Subassociation shall be held in Raleigh, North Carolina, at such place as may be designated by the Parking Executive Committee in the notice of such meetings.

Section 18.4. Special Meetings.

(a) The Vice President - Parking of the Parking Subassociation shall call a special meeting of the Parking Subassociation: (i) if so directed by resolution of the Parking Executive Committee; (ii) after the termination of the Declarant Control Period, upon a petition signed and presented to the Assistant Secretary of the Parking Subassociation by Parking Members of not less than twenty-five percent (25%) of the aggregate Parking Percentage Interests; or (iii) during the Declarant Control Period, upon the request of the Declarant. The signatures on a petition requesting a special meeting shall be valid for a period of one hundred eighty (180) days after the date of the first such signature. Such resolution, petition or request must (1) specify the time and place at which the meeting is to be held, (2) specify a date on which the meeting is to be held, (3) specify the purposes for which the meeting is to be held, and (4) be delivered to the Assistant Secretary of the Parking Subassociation. The notice of any special meeting shall state the time, place and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

(b) Not later than the time that Parking Units to which twenty-five percent (25%) of the Parking Percentage Interests appertain have been conveyed to Parking Members, a special meeting of the Parking Subassociation shall be held at which not less than one-quarter (1/4) of the members of the Parking Executive Committee shall be elected by the Parking Members, other than the Declarant, to serve until the date of the first annual meeting. If such election is held prior to the time required by this section, the members of the Parking Executive Committee elected at such election shall not take office until the earlier of the time such election is required to be held or resignation of a member of the Parking Executive Committee appointed by the Declarant without appointment of a replacement within ten (10) days. Any remaining members of the Parking Executive Committee designated by the Declarant shall continue to serve until their terms expire; provided, however, that no more than two (2) such members of the Parking Executive Committee may serve until the first annual meeting after the special meeting held pursuant to this subsection and no more than one (1) such member of the Parking Executive Committee may serve until the second annual meeting after the special meeting held pursuant to this subsection.

(c) Not later than the time that Parking Units to which fifty percent (50%) of the Parking Percentage Interests appertain have been conveyed to Parking Members, a special meeting of the Parking Subassociation shall be held at which not less than thirty-three and one-

third percent (33 1/3%) of the members of the Parking Executive Committee shall be elected by the Parking Members, other than the Declarant, to serve until the date of the first annual meeting; provided, however, that if not less than one-third (1/3) of the members of the Parking Executive Committee then serving were elected pursuant to subsection (b), no special meeting is required by this subsection (c).

(d) Not later than the termination of the Declarant Control Period, a special meeting of the Parking Subassociation shall be held at which more than fifty percent (50%) of the directors shall be elected by the Parking Members, other than the Declarant, to serve terms as provided in Section 19.4 of these Bylaws.

Section 18.5. Notice of Meetings. The Assistant Secretary of the Parking Subassociation shall notify each Parking Member of each annual or regularly scheduled meeting of the Parking Members at least twenty-one (21) but not more than thirty (30) days, and of each special meeting of the Parking Members at least seven (7) but not more than thirty (30) days, prior to such meeting, stating the time, place and purpose thereof.

Section 18.6. Quorum and Adjournment of Meetings. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Parking Members representing twenty-five percent (25%) or more of the total Parking Percentage Interest shall constitute a quorum at all meetings of the Parking Subassociation. If at any meeting of the Parking Subassociation a quorum is not present, Parking Members of a majority of the Parking Percentage Interests who are present at such meeting in person or by proxy may: (i) recess the meeting to such date, time and place as such Parking Members may agree not more than forty-eight (48) hours after the time the original meeting was called; or (ii) adjourn the meeting to a time not less than forty-eight (48) hours after the time the original meeting was called whereupon the Assistant Secretary of the Parking Subassociation shall make reasonable efforts to notify Parking Members of such date, time, and place. A quorum is not required for such subsequent meeting.

Section 18.7. Voting.

(a) Voting at all meetings of the Parking Subassociation shall be on a percentage basis and the percentage of the vote to which each Parking Member is entitled shall be the Parking Percentage Interest assigned to such Parking Member's Parking Unit in the Declaration. Where the ownership of a Parking Unit is in more than one (1) Person, the Person who shall be entitled to cast the vote of such Parking Unit shall be the Person named in a certificate executed by all of the owners of such Parking Unit and filed with the Assistant Secretary of the Parking Subassociation (if such a certificate is on file) or, in the absence of such named Person from the meeting, the Person who shall be entitled to cast the vote of such Parking Unit shall be the Person owning such Parking Unit who is present. A fiduciary shall be entitled to cast the vote for a Parking Unit owned in a fiduciary capacity. If more than one (1) Person owning such Parking Unit is present, then such vote shall be cast only in accordance with their unanimous agreements. If a Parking Member is not a natural person, the vote for such Parking Unit may be cast by any natural person having authority to execute deeds on behalf of any Person, excluding natural persons, which is, either alone or in conjunction with one (1) or more Persons, a Parking Member: provided, however, that such natural person is named in a certificate

signed by an authorized Officer of such Person. Such certificate shall be valid until revoked by a subsequent certificate similarly executed and filed. Wherever the approval or disapproval of a Parking Member is required by the Condominium Instruments, such approval or disapproval shall be made only by the Person who would be entitled to cast the vote of such Parking Unit at any meeting of the Parking Subassociation. There shall be no cumulative voting.

(b) Except where a greater number is required by the Condominium Instruments, a Majority Vote is required to adopt decisions at any meeting of the Parking Subassociation. Except as otherwise provided herein, if the Declarant owns or holds title to one (1) or more Parking Units, the Declarant shall have the right at any meeting of the Parking Subassociation to cast the votes to which such Parking Units are entitled.

(c) No Parking Member may vote at any meeting of the Parking Subassociation or be elected to or serve on the Parking Executive Committee or as an Officer of the Parking Subassociation if payment by such Parking Member of any bona fide financial obligation to the Parking Subassociation is delinquent more than sixty (60) days and the amount necessary to bring the account current has not been paid at the time of such meeting or election.

Section 18.8. Proxies. A vote may be cast in person or by proxy at any meeting of the members of the Parking Subassociation. Proxies may be granted by any Parking Member in favor of another Parking Member, an Officer of the Parking Subassociation, the Declarant, the Managing Agent for the Parking Subassociation or such Parking Member's Mortgagee, or additionally in the case of a non-resident Parking Member, the Parking Member's lessee, attorney or rental agent. No Person other than the Declarant, the Managing Agent for the Parking Subassociation or an Officer of the Parking Subassociation shall cast votes as a proxy for more than one (1) Parking Unit not owned by such Person; Provided, however, that a Mortgagee, an attorney or a rental agent for a non-resident Parking Member may cast votes as a proxy for as many Parking Units as such Person represents. No officer of the Parking Subassociation shall cast votes as an uninstruted proxy for more than five (5) Parking Units not owned by such Person. Proxies shall be duly executed in writing, shall be dated, shall be signed by a Person having authority at the time of the execution thereof to execute deeds on behalf of that Person, and must be filed with the Assistant Secretary of the Parking Subassociation. The signatures of any Person executing the proxy shall be witnessed by a person who shall sign his or her full name and address. Such proxy shall be deemed revoked only upon actual receipt by the Person presiding over the meeting of notice of revocation from any of the Persons owning such Parking Unit. Any proxy shall terminate automatically upon the final adjournment of the first meeting held on or after the date of that proxy, however such proxy shall remain valid for any meeting that is recessed for up to forty-eight (48) hours. Except with respect to proxies in favor of a tenant or Mortgagee, no proxy shall in any event be valid for a period in excess of one hundred and eighty (180) days after the, execution thereof.

ARTICLE 19 PARKING EXECUTIVE COMMITTEE

Section 19.1. Powers and Duties. The Parking Executive Committee shall have all of the powers and duties necessary for the administration of the affairs of the Parking

Subassociation. The Parking Executive Committee may delegate to one (1) of its members, a Managing Agent, or the Association, the authority to act on behalf of the Parking Executive Committee on such matters, if any, which may arise between meetings of the Parking Executive Committee as the Parking Executive Committee deems appropriate. In addition to the duties imposed by these Bylaws or by any resolution of the Parking Subassociation that may hereafter be adopted, the Parking Executive Committee shall on behalf of the Parking Subassociation:

- (a) Prepare and adopt an annual budget for the Parking Subassociation, in which there shall be expressed the assessments of each Parking Member for the Parking Expenses.
- (b) Make assessments against Parking Members to defray the costs and expenses of the Parking Section, establish the means and methods for collecting such assessments from the Parking Members and establish the period of the installment payment of the annual assessment for Parking Expenses.
- (c) Provide for the operation, care, upkeep, and maintenance of all of the property and services of the Parking Section.
- (d) Designate, hire and dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Parking Limited Common Elements and Individual Parking Limited Common Elements (to the extent maintained by the Parking Subassociation) and provide services for the Parking Section and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and material to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Parking Section.
- (e) Collect the assessments for Parking Expenses from the Parking Members, deposit the proceeds thereof in bank depositories designated by the Parking Executive Committee and use the proceeds to carry out the administration of the Parking Section.
- (f) Adopt and amend the Rules with respect to the occupancy and use of the Parking Section; Provided, however, that such Rules shall not be in conflict with the Condominium Instruments.
- (g) Open bank accounts on behalf of the Parking Subassociation and designate the signatories thereon.
- (h) Make, or contract for the making of, repairs, additions and improvements to or alterations of the Parking Section, and repairs to and restoration of the Parking Section, in accordance with these Bylaws (to the extent the Parking Subassociation is responsible for the maintenance, repair and replacement of the components of the Parking Section), after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (i) Enforce by legal means the provisions of the Declaration, these Bylaws and the Rules with respect to the occupancy and use of the Parking Section, act on behalf of the

Parking Members with respect to all matters arising out of any condemnation or eminent domain proceeding affecting the Parking Section, and notify the Parking Members of any litigation against the Parking Subassociation involving a claim in excess of ten percent (10%) of the amount of the annual budget.

(j) Pay the cost of all authorized services rendered to the Parking Subassociation and not billed to Parking Members of individual Parking Units.

(k) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Parking Section, and the administration of the Parking Section, specifying the expenses of maintenance and repair of the Parking Limited Common Elements and Individual Parking Limited Common Elements (to the extent maintained, repaired and replaced by the Parking Subassociation). Such books and vouchers accrediting the entries therein shall be available for examination by the Parking Members, their attorneys, accountants, Mortgagees and authorized agents during normal business hours on business days at the times and in the manner set and announced by the Parking Executive Committee for the general knowledge of the Parking Members. All books and records shall be kept in a manner verifiable upon an audit and shall be subjected to an independent financial review at least once annually by an independent auditor retained by the Parking Executive Committee who shall not be a resident of the condominium or a Parking Member or an employee or agent of any Parking Member. The books and records shall be subject to an independent audit upon the request Members to which at least 33 1/3% of the votes in the Parking Subassociation appertain. The cost of such audit shall be a Parking Expense.

(l) Acquire, hold and dispose of Parking Units and mortgage the same without the prior approval of the Parking Subassociation if such expenditures and hypothecations are included in the budget adopted by the Parking Subassociation.

~~(m) Do such other things and acts not inconsistent with the Condominium~~
Instruments which the Parking Executive Committee may be authorized to do by a resolution of the Parking Subassociation. Notwithstanding the foregoing, the Parking Subassociation may agree, by a vote of seventy five percent (75%) of the Parking Members, to allow the Association to perform the powers and duties of the Parking Subassociation and Parking Executive Committee.

Section 19.2. Managing Agent. The Parking Executive Committee may employ for the Parking Section a "Managing Agent" at a compensation to be established by the Parking Executive Committee. The Managing Agent shall perform such duties and services as the Parking Executive Committee shall direct.

Section 19.3. Number and Term of Office.

(a) Designated Members. During the Declarant Control Period, the Declarant shall be entitled to designate members of the Parking Executive Committee. The initial Parking Executive Committee shall consist of no less than three (3) nor more than five (5) Persons, all of whom shall be designated by the Declarant. At the special meeting required by these Bylaws a

number of the members of the Parking Executive Committee designated by the Declarant shall resign if necessary so that the requisite percentage of members of the Parking Executive committee shall have been elected. The Persons elected shall serve for the remainder of the terms of office of the resigning members of the Parking Executive Committee who such Persons replace. The members of the Parking Executive Committee receiving the greatest vote shall be elected for the longest available terms. At the expiration of the term of office of all members of the Parking Executive Committee designated by the Declarant or elected at the special meeting held pursuant to these Bylaws, all successor members of the Parking Executive Committee shall be elected to serve for a term of three (3) years.

(b) Elected Members. No later than the first annual meeting of the Parking Subassociation after the special meeting held pursuant to these Bylaws, the Parking Executive Committee shall be composed of five (5) Persons. An elected member of the Parking Executive Committee shall serve for a term of three (3) years unless elected to fill a vacancy, in which case such member shall serve pursuant to the terms of these Bylaws. Except for resignation or removal, the members of the Parking Executive Committee shall hold office until their respective successors shall have been elected by the Parking Subassociation. The one (1) member of the Parking Executive Committee receiving the highest number of votes shall serve in the dual capacity as a member of the Board of Directors of the Association and member of the Parking Executive Committee. If two (2) or more candidates receive the same number of votes and as a result thereof any position for which an election is required to be held under this section remains unfilled, a runoff election shall be held between the candidates who received both (a) the highest number of votes and (b) the same number of votes.

Section 19.4. Election of Parking Executive Committee.

(a) Elections Committee. At least sixty-five (65) days prior to the special meeting required by the terms of these Bylaws and each annual meeting of the Parking Subassociation, the Parking Executive Committee may appoint an Elections Committee consisting of a member of the Parking Executive Committee whose term is not then expiring and at least three (3) other Parking Members. The Elections Committee, if established, shall develop election procedures and administer such procedures as are approved by the Parking Executive Committee providing for election of members of the Parking Executive Committee by ballot of the Members at annual meetings and, where appropriate, special meetings.

(b) Qualifications. No Person shall be eligible for election as a member of the Parking Executive Committee unless such Person is (alone or together with one (1) or more other persons) a Parking Member or an agent (Officer, partner, etc.) or an employee of a Parking Member, a Mortgagee (or a designee of a Mortgagee) or a designee of the Declarant. No Person shall be elected as a member of the Parking Executive Committee or continue to serve as a member of the Parking Executive Committee if the Parking Member is more than sixty (60) days delinquent in meeting a financial obligation to the Parking Subassociation or if a lien has been filed against such Person's Parking Unit.

Section 19.5. Removal or Resignation of Members of the Parking Executive Committee. Except with respect to members of the Parking Executive Committee designated by the

Declarant, at any regular or special meeting of the Parking Subassociation duly called, any one (1) or more of the members of the Parking Executive Committee may be removed with or without cause by a Majority Vote of the Parking Members and a successor may then and there be elected to fill the vacancy. Any member of the Parking Executive Committee whose removal has been proposed by the Parking Members shall be given at least seven (7) days notice of the time, place and purpose of the meeting and shall be given an opportunity to be heard at the meeting. A member of the Parking Executive Committee may resign at any time and, except for a member of the Parking Executive Committee designated by the Declarant, a member of the Parking Executive Committee who was a Parking Member at the time of election shall be deemed to have resigned upon disposition of such member's Parking Unit, or if not in attendance at three (3) consecutive regular meetings of the Parking Executive Committee, unless the minutes reflect the Parking Executive Committee's consent to such absences.

Section 19.6. Vacancies. Vacancies on the Parking Executive Committee caused by any reason other than the removal of a member thereof by a vote of the Parking Members shall be filled by a vote of a majority of the remaining members of the Parking Executive Committee at a special meeting of the Parking Executive Committee held for such purpose promptly after the occurrence of any such vacancy, even if the members present at such meeting may constitute less than a quorum because a quorum is impossible to obtain because of said vacancy. Members of the Parking Executive Committee elected by the Parking Members or the Parking Executive Committee to fill a vacancy shall serve the remainder of the term of office of the member being replaced. During the Declarant Control Period, the Declarant shall designate the successor to any member of the Parking Executive Committee previously designated by the Declarant who resigns or is removed.

Section 19.7. Meetings of the Parking Executive Committee.

(a) Organization Meeting. The first meeting of the Parking Executive Committee following the annual meeting of the Parking Subassociation shall be held within thirty (30) days thereafter at such time and place as shall be determined by a majority of the members of the Parking Executive Committee at the annual meeting.

(b) Regular Meetings. Regular meetings of the Parking Executive Committee may be held on the Property at such time as shall be determined from time to time by a majority of the members thereof, but such meetings shall be held at least annually during each fiscal year.

(c) Special Meetings. Special meetings of the Parking Executive Committee may be called by the Vice President - Parking of the Parking Subassociation on three (3) days notice to each member of the Parking Executive Committee, given personally or by mail, telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Parking Executive Committee shall be called by the Vice President - Parking or Assistant Secretary of the Parking Subassociation in like manner and on like notice on the written request of at least three (3) members of the Parking Executive Committee.

(d) Notice. Notice of meetings of the Parking Executive Committee shall be given to each member thereof, personally or by mail, telegraph or telephone, at least three (3)

days prior to the day named for such meeting. No notice of the organizational meeting shall be necessary if such meeting is held immediately following the annual meeting.

(e) Waiver of Notice. Any member of the Parking Executive Committee may at any time, in writing, waive notice of any meeting of the Parking Executive Committee and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Parking Executive Committee, in person or by telephone communication, at any meeting of the Parking Executive Committee shall constitute a waiver of notice by such member of the time, place and purpose of such meeting. If all members are present at any meeting of the Parking Executive Committee, no notice shall be required and any business may be transacted at such meeting.

(f) Quorum of Members of the Parking Executive Committee. At all meetings of the Parking Executive Committee a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members present at a meeting while a quorum is present shall constitute the decision of the Parking Executive Committee. If at any meeting of the Parking Executive Committee there shall be less than a quorum present, a majority of those present may adjourn or recess the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. A member of the Parking Executive Committee who participates in a meeting by means of telephone communication shall be deemed present at the meeting for all purposes.

Section 19.8. Action Without Meeting. Any action by the Parking Executive Committee required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Parking Executive Committee shall individually or collectively consent in writing to such action. Any such written consent shall be filed with the minutes of the proceedings of the Parking Executive Committee.

Section 19.9. Compensation. No member of the Parking Executive Committee shall receive any compensation from the Parking Subassociation for acting as such. Reimbursement of expenses incurred by members of the Parking Executive Committee on behalf of the Parking Subassociation shall be permissible.

Section 19.10. Parking Executive Committee as Agent. The Parking Executive Committee shall have the power to act as agent for the Members of all of the Parking Units and for each of them, to manage, control and deal with the interests of such Parking Members in the Parking Limited Common Elements and Individual Parking Limited Common Elements to permit the Parking Executive Committee to fulfill all of its powers, rights, functions and duties. The Parking Executive Committee shall have the power to act as agent for each Parking Member, each Mortgagee, other named insureds and their beneficiaries and any other holder of a lien or other interest in the Parking Section to: (i) adjust and settle all claims arising under insurance policies purchased by the Parking Executive Committee, (ii) execute and deliver releases upon the payment of claims and (iii) act on their behalf in any condemnation proceeding or action of eminent domain affecting the Parking Section. The Parking Executive Committee may grant and accept easements and licenses with respect to the Parking Limited Common Elements.

Section 19.11. Liability of the Parking Executive Committee, Officers of the Parking Subassociation, Parking Members and Parking Subassociation.

(a) The Officers of the Parking Subassociation, and members of the Parking Executive Committee shall not be liable to the Parking Subassociation or any Parking Member for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Parking Subassociation shall indemnify and hold harmless each of the Officers of the Parking Subassociation and members of the Parking Executive Committee from and against all contractual liability to others arising out of contracts made by the Officers or the Parking Executive Committee on behalf of the Parking Subassociation unless any such contract shall have been made in bad faith or contrary to the provisions of the Condominium Instruments, except to the extent that such liability is satisfied by directors and officers liability insurance maintained by the Parking Subassociation. Officers of the Parking Subassociation and members of the Parking Executive Committee shall have no personal liability with respect to any contract made by them on behalf of the Parking Subassociation. The liability of any Parking Member arising out of any contract made by the Officers of the Parking Subassociation or the Parking Executive Committee, or out of the indemnification of the officers of the Parking Subassociation or members of the Parking Executive Committee, or for damages as a result of injuries arising in connection with the Parking Limited Common Elements or Individual Parking Limited Common Elements solely by virtue of ownership of a Parking Percentage Interest therein or for liabilities incurred by the Parking Subassociation, shall be limited to the total liability multiplied by such Parking Member's Parking Percentage Interest. Every agreement made by the officers of the Parking Subassociation, the Parking Executive Committee or the Managing Agent on behalf of the Parking Subassociation shall, if obtainable, provide that the Officers of the Parking Subassociation, the members of the Parking Executive Committee or the Managing Agent, as the case may be, are acting only as agents for the Parking Subassociation and shall have no personal liability thereunder (except as Parking Members), and that each Parking Member's liability thereunder shall be limited to the total liability thereunder multiplied by such Parking Member's Parking Percentage Interest. The Parking Subassociation shall indemnify and hold harmless each of the members of the Parking Executive Committee from and against all liability to others arising out of the due exercise of their responsibilities unless their action shall have been taken in bad faith or contrary to the provisions of the Condominium Instruments. The Parking Subassociation shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such Person is or was an Officer of the Parking Subassociation or member of the Parking Executive Committee against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement incurred by such Person in connection with such action, suit or proceeding if such Person acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Parking Section.

(b) The Parking Subassociation shall not be liable for any failure of any utilities or other services to be obtained by the Parking Subassociation or paid for as a Parking Expense, or for injury or damage to person or property caused by the elements or by the owner of any Parking Unit, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Parking Limited Common Elements or Individual Parking Limited Common Elements or from any pipe, drain, conduit, appliance or equipment.

The Parking Subassociation shall not be liable to any Parking Member for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Parking Limited Common Elements or Individual Parking Limited Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Parking Limited Common Elements or Individual Parking Limited Common Elements or from any action taken by the Parking Subassociation to comply with any law, ordinance or with the order or directive of any governmental authority.

Section 19.12. Common or Interested Members of the Parking Executive Committee. Each member of the Parking Executive Committee shall exercise such member's powers and duties in good faith and with a view to the interests of the Parking Section. No contract or other transaction between the Parking Subassociation and any of the members of the Parking Executive Committee, or between the Parking Subassociation and any corporation, firm or association (including the Declarant) in which any of the members of the Parking Executive Committee, or the Parking Subassociation are directors or Officers or are pecuniarily or otherwise interested, is either void or voidable because any such member of the Parking Executive Committee is present at the meeting of the Parking Executive Committee or any committee thereof which authorizes or approves the contract or transaction, or because such member's vote is counted for such purpose, if any of the conditions specified in any of the following subsections exist:

(a) The fact of the common directorate or interest is disclosed or known to the Parking Executive Committee or noted in the minutes, and the Parking Executive Committee authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The fact of the common directorate or interest is disclosed or known to at least a majority of the Parking Members, and the Parking Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or

(c) The contract or transaction is commercially reasonable to the Parking Subassociation at the time it is authorized, ratified, approved or executed.

Any common or interested members of the Parking Executive Committee may be counted in determining the presence of a quorum of any meeting of the Parking Executive Committee or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote at the meeting to authorize any contract or transaction with like force and effect as if such member of the Parking Executive Committee of the Parking Subassociation were not an Officer or director of such other corporation, firm or association or not so interested.

ARTICLE 20 OFFICERS OF THE PARKING SUBASSOCIATION

Section 20.1. Designation and Duties. The principal officers of the Parking Subassociation shall be the Vice President - Parking, the Assistant Secretary and the Assistant Treasurer, all of whom shall be elected by the Parking Executive Committee. Each Officer shall

perform such duties as are normally associated with such office in parliamentary organizations, except to the extent (if any) inconsistent with the Condominium Instruments, and shall perform such other duties as may be assigned to such office by resolution of the Parking Executive Committee. If any officer is unable for any reason to perform the duties of the office, the Vice President - Parking (or the Parking Executive Committee if the Vice President - Parking fails to do so) may appoint another qualified person to act in such officer's stead on an interim basis.

Section 20.2. Election of Officers. The officers of the Parking Subassociation shall be elected annually by the Parking Executive Committee at the organizational meeting of each new Parking Executive Committee and shall hold office at the pleasure of the Parking Executive Committee. Any officer may hold more than one (1) position; provided, however, that the offices of Vice President - Parking and Assistant Secretary shall be held by two (2) different individuals. Except for death, resignation or removal, the Officers shall hold office until their respective successors shall have been elected by the Parking Executive Committee.

Section 20.3. Removal of Officers. Upon the affirmative vote of a majority of all members of the Parking Executive Committee any Officer may be removed, either with or without cause, and a successor may be elected at any regular meeting of the Parking Executive Committee or at any special meeting of the Parking Executive Committee called for such purpose.

Section 20.4. Vice President - Parking. The Vice President - Parking shall be the chief executive Officer of the Parking Subassociation; preside at all meetings of the Parking Subassociation and of the Parking Executive Committee; have general and active direction of the business of the Parking Subassociation subject to the control of the Parking Executive Committee; see that all orders and resolutions of the Parking Executive Committee are carried into effect; and appoint committees from time to time as the Vice President - Parking may decide is appropriate to assist in the conduct of the affairs of the Parking Subassociation.

Section 20.5. Assistant Secretary. The Assistant Secretary shall keep the minutes of all meetings of the Parking Subassociation and of the Parking Executive Committee; have charge of such books and papers as the Parking Executive committee may direct; give or cause to be given all notices required to be given by the Parking Subassociation (such notices may be distributed by the management agent, if any); maintain a register setting forth the place to which all notices to Parking Members and Mortgagees hereunder shall be delivered; and, in general, perform all duties incident to the office of Assistant Secretary.

Section 20.6. Assistant Treasurer. The Assistant Treasurer shall (together with the Managing Agent) be responsible for Parking Subassociation funds and securities; keep full and accurate financial records and books of account showing all receipts and disbursements; prepare all required financial data; deposit all monies and other valuable effects in the name of the Parking Executive Committee, the Parking Subassociation or the Managing Agent, in such depositories as may from time to time be designated by the Parking Executive committee; and, in general, perform all the duties incident to the office of Assistant Treasurer.

Section 20.7. Execution of Documents. Unless otherwise provided by resolution of the Parking Executive Committee: (i) all agreements, contracts, deeds, leases, checks and other instruments of the Parking Subassociation for expenditures or obligations in excess of Two Thousand Dollars (\$2,000.00) and all checks drawn upon reserve accounts shall be executed by any two (2) persons designated by the Parking Executive Committee; and (ii) all such instruments for expenditures or obligations of Two Thousand Dollars (\$2,000.00) or less, except from reserve accounts, may be executed by any one (1) person designated by the Parking Executive Committee. Any Officer of the Parking Subassociation may be designated by Parking Executive Committee resolution to sign Certificates for Resale on behalf of the Parking Subassociation. Any Officer may also be designated by Parking Executive Committee resolution to sign any amendment to subdivide a Parking Unit or relocate boundaries between Parking Units on behalf of the Parking Subassociation or at the request of a Parking Member.

Section 20.8. Compensation of Officers. No officer shall receive any compensation from the Parking Subassociation for acting as such Officer unless such compensation is approved by a majority of the Parking Members, in which event such compensation shall be reasonable and customary. Officers may be reimbursed for any expenses incurred in carrying out the functions of office if consented to by the Parking Executive Committee.

ARTICLE 21 OPERATION OF THE PARKING SECTION

Section 21.1. Determination of Parking Expenses and Assessments Against Parking Members.

(a) Fiscal Year. The fiscal year of the Parking Subassociation shall be January 1 through December 30 unless otherwise determined by the Parking Executive Committee.

(b) Preparation and Approval of Budget.

(1) At least forty (40) days before the beginning of each fiscal year, the Parking Executive Committee shall adopt a budget for the Parking Subassociation containing an estimate of the total amount considered necessary to pay the cost of maintenance, management, operation, repair and replacement of the Parking Limited Common Elements and Individual Parking Limited Common Elements (to the extent the same are the maintenance, repair and replacement responsibility of the Parking Subassociation) and those parts of the Parking Units as to which it is the responsibility of the Parking Subassociation to maintain, repair and replace, and the cost of wages, materials, insurance premiums, services, supplies and other expenses that may be declared to be Parking Expenses by the Condominium Instruments or a resolution of the Parking Subassociation and which will be required during the ensuing fiscal year for the administration, operation, maintenance and repair of the Parking Section and the rendering to the Parking Members of all related services. The budget shall reflect the separate assessment of Parking Limited Common Expenses against any Parking Unit and the owner thereof.

(2) Such budget shall also include such reasonable amounts as the Parking Executive Committee considers necessary to provide working capital, a general operating reserve and reserves for contingencies and replacements. At least thirty (30) days before the beginning of each fiscal year, the Parking Executive Committee shall send to each Parking Member a copy of the budget in a reasonably itemized form which sets forth the amount of the Parking Expenses and any special assessment payable by each Parking Member. Such budget shall constitute the basis for determining each Parking Member's assessment for the Parking Expenses of the Condominium.

(c) Assessment and Payment of Parking Expenses. The total amount of the estimated funds required from assessments for the operation of the Parking Section set forth in the budget adopted by the Parking Executive Committee shall be assessed against each Parking Member in proportion to such Parking Member's respective Parking Percentage Interest, except for Parking Limited Common Expenses related to certain Individual Parking Limited Common Elements which shall be assessed against each Parking Member benefiting from such Individual Parking Limited Common Elements. The assessment for Parking Expenses, including Parking Limited Common Expenses, shall be a lien against each Parking Member's Unit. On or before the first day of each fiscal year, and the first day of each of the succeeding eleven months in such fiscal year, each Parking Member shall be obligated to pay to the Parking Executive Committee or the Managing Agent (as determined by the Parking Executive Committee), one-twelfth (1/12) of such assessment, within ninety (90) days after the end of each fiscal year, the Parking Executive Committee shall supply to all Parking Members, and to each Mortgagee requesting the same, an itemized accounting of the Parking Expenses for such fiscal year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget adopted by the Parking Executive Committee for such fiscal year, and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Parking Executive Committee, be placed in reserve accounts, be placed in a special account to be expended solely for the general welfare of the Parking Members, be credited according to each Parking Member's Parking Percentage Interest to the next monthly installments due from Parking Members under the current fiscal year's budget, until exhausted, or distributed to the Parking Members. Any net shortage shall be assessed promptly against the Parking Members in accordance with their Parking Percentage Interests and shall be payable either: (1) in full with payment of the next monthly assessment due; or (2) in not more than six (6) equal monthly installments, as the Parking Executive Committee may determine.

(d) Reserves. The Parking Executive Committee shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements associated with the operation and maintenance of the Parking Limited Common Elements and Individual Parking Limited Common Elements (to the extent the Individual Parking Limited Common Elements are the maintenance, repair and replacement responsibility of the Parking Subassociation). Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against such reserves, unless sufficient funds to meet such expenditures are in the operating account. Except for normal maintenance expenses shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Parking

Subassociation shall be charged first against such reserves. Unless otherwise determined by a vote of three-fourths (3/4) of the total number of members of the Parking Executive Committee, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Parking Unit Owner's ability to replace components as they reach the end of their useful lives. If regular annual maintenance extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to the Parking Members as the Parking Executive Committee may determine if the reserves are inadequate for any reason, including nonpayment of any Parking Member's assessment, the Parking Executive Committee may at any time levy a further assessment, which shall be assessed against the Parking Members according to their respective Parking Percentage Interests, and which may be payable in a lump sum or in installments as the Parking Executive Committee may determine. The Parking Executive Committee, shall serve notice of any such further assessment on Parking Members by a statement in writing giving the amount and reasons therefor, and such further assessment shall, unless otherwise specified in the notice, become effective with the next monthly payment which is due more than seven (7) days after the delivery of such notice of further assessment. All Parking Members so notified shall be obligated to pay the adjusted monthly amount or, if such further assessment is not payable in installments, the amount of such assessment. Such assessment shall be a lien as of the effective date.

(e) Initial Budget and Initial Capital Payment.

(1) Upon taking office, the first Parking Executive Committee elected or designated pursuant to these Bylaws shall determine the budget for the period commencing thirty (30) days after such election and ending on the last day of the fiscal year in which such election occurs. Assessments shall be levied and become a lien against the Parking Members during such period.

(2) The Declarant, as the agent of the Parking Executive Committee, may collect from each initial purchaser at the time of settlement an "initial capital payment" equivalent to twice the (i) estimated monthly assessment for Parking Expenses for such purchaser's Parking Unit, and (ii) any Individual Parking Limited Common Element parking space charges. The Declarant will deliver the funds so collected to the Parking Executive Committee to provide the necessary working capital for the Parking Subassociation. Such funds may be used for certain prepaid items, initial equipment, supplies, organizational costs and other start-up costs, and for such other purposes as the Parking Executive Committee may determine.

(f) Effect of Failure to Prepare or Adopt Budget. The failure or delay of the Parking Executive Committee to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Parking Member's obligation to pay the allocable share of the Parking Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Parking Member shall continue to pay each monthly installment at the monthly rate established for the previous fiscal year until notified of the monthly payment which is due at least ten (10) days after such new annual or adjusted budget is adopted.

(g) Accounts. All sums collected by the Parking Executive Committee with respect to assessments against the Parking Members or from any other source may be commingled into a single fund.

ARTICLE 22 COMPLIANCE AND DEFAULT

Section 22.1. Relief. Each Member shall be governed by and shall comply with, all of the terms of the Condominium Instruments and the Rules. Each Residential Member shall comply with the Residential Rules. Each Office Member shall comply with the Office Rules. Each Retail Member shall comply with the Retail Rules. Each Parking Member shall comply with the Parking Rules. Each Section may enforce its Rules against any violators, including members of the other sections. A default by a Member shall entitle the Association or various Committees, acting through its Board of Directors or various Executive Committees or through the Managing Agent, to the relief described in this Article 22.

(a) Additional Liability. Each Member shall be liable to the Association, or the various Committees, or to any affected Member, as applicable, for the expense of all maintenance, repair or replacement rendered necessary by such Member's act, neglect or carelessness or the act, neglect or carelessness of such Member's guests, invitees, tenants, agents or employees, but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors or the Subassociations; provided, however, at the discretion of the Board of Directors or the various Executive Committees, as applicable, the Board or appropriate Executive Committee may assess such expense directly against the Member rather than, or in addition to, making an insurance claim. Such liability shall include any increase in casualty insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Condominium Instruments and the Rules by any Member (or any member of such Member's household or such Member's guests, invitees, tenants, agents or employees) may be assessed, and shall constitute a lien against such Member's Unit.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Member, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorney's fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Association, the various Committees, the Board of Directors, the various Executive Committees, or of a Member to enforce any right, provision, covenant or condition which may be granted by the Condominium Instruments shall not constitute a waiver of the right of such party to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted pursuant to any term, provision, covenant or condition of the Condominium Instruments shall be deemed to be cumulative and the exercise of any one (1) or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from

exercising such other privileges as may be granted to such party by the Condominium Instruments or at law or in equity.

(d) Interest. In the event of a default by any Member in paying any sum assessed against the Unit which continues for a period in excess of fifteen (15) days, interest at a rate not to exceed the greater of the maximum rate permitted by law may be imposed in the discretion of the Board of Directors, or the various Executive Committees, as applicable, on the principal amount unpaid from the date due until paid.

(e) Abating and Enjoining Violations by Members. The violation of any of the rules and regulations adopted by the Board of Directors, or the various Executive Committees, as applicable, or the breach of any provision of the Condominium Instruments shall give the Board of Directors, or the various Executive Committees, as applicable, the right, in addition to any other rights set forth in these Bylaws (after giving the Member a notice and a reasonable opportunity to cure): (i) to enter the Unit in which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Member, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors, or the various Executive Committees, as applicable, shall not thereby be deemed guilty in any manner of trespass; (ii) to use self-help to remove or cure any violation of the Condominium Instruments or any rules and regulations on the Common Elements (including without limitation the towing of vehicles) or in any Unit; or (iii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted.

(f) Legal Enforcement. Failure to comply with any of the terms of the Condominium Instruments and any rules and regulations shall be grounds for relief, including without limitation, an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the various Committees, the Board of Directors, the various Executive Committees, the Managing Agent or, if appropriate, by any aggrieved Member and shall not constitute an election of remedies. The Association, the various Committees, Board of Directors, and the various Executive Committees may only enforce such rules, regulations and provisions of the Declaration and Bylaws which affect the portion of the Property within its jurisdiction and which such party is authorized to enforce pursuant to the Declaration and these Bylaws.

(g) Charges. The Board of Directors, or the various Executive Committees, as applicable, may levy reasonable charges against Members for violations of the Condominium Instruments or any rules and regulations by the Member, the members of such Member's household, or such Member's tenant(s) or such Member's guests, invitees, tenants, agents or employees with respect to the portion of the Property or area of jurisdiction of such party. No charge may be levied for a single violation in an amount more than the lesser of the maximum amount permitted by law or (ii) one percent (1%) of such Member's annual assessment, whichever is lesser. Each day a violation continues, after notice is given to the Member, is a

separate violation. If a Member requests in writing a hearing before the charge is imposed, the imposition of the charge shall be suspended until the hearing is held. Charges are special assessments and shall be collectible as such.

Section 22.2. Lien for Assessments.

(a) Lien. Assessments of each Member for Common Expenses or any special assessment, or any other sum duly levied, made pursuant to these Bylaws, are hereby declared to be a lien levied against the Unit of such Member, which lien shall, with respect to annual assessments, be effective on the first day of each fiscal year of the Condominium and, as to special assessments and other sums duly levied, on the first day of the next month which begins more than ten (10) days after delivery to the Member of notice of such special assessment or levy. The Board of Directors, or the various Executive Committees, as applicable, or the Managing Agent, may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien.

(b) Acceleration. In any case where an assessment against a Member is payable in installments, upon a default by such Member in the timely payment of any two (2) consecutive installments, the maturity of the remaining total of the unpaid installments of such assessments may be accelerated, at the option of the Board of Directors, or the various Executive Committees, as applicable, and the entire balance of the annual assessment may be declared due and payable in full by the service of notice to such effect Upon the defaulting Member by the Board of Directors, or the various Executive Committees, as applicable, or the Managing Agent.

(c) Enforcement. The lien for assessments may be enforced and foreclosed in any manner permitted by law. Such action may be taken in the name of the Board of Directors, or the various Executive Committees, as applicable, or the Managing Agent, acting on behalf of the Association, or the various Committees, as applicable. During the pendency of such suit the Member shall be required to pay a reasonable rental for the Unit for any period prior to sale pursuant to any judgment or order of any court having jurisdiction over such sale.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

ARTICLE 23
AMENDMENTS TO BYLAWS

Section 23.1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy. The notice of the meeting shall set forth the proposed amendment or a summary of the changes to be effected thereby.

Section 23.2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 24 MISCELLANEOUS

Section 24.1. Notices. All notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by United States mail, postage prepaid. If notification is of a default or lien or a material amendment to these Bylaws, such notice shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, (i) if to a Member, at the address which the Member shall designate in writing and file with the Association, or (ii) if to the Association, the Board of Directors or to the Managing Agent, at the principal office of the Association, or Managing Agent.

Section 24.2. Right of Termination of Management Contracts. Notwithstanding anything contained in these Bylaws to the contrary, any management contracts entered into by Declarant during the Declarant Control Period shall be cancelable by the Association or any of the Subassociations (without penalty to the Association or the Subassociations) upon termination of the Declarant Control Period, provided the Association or Subassociation wishing to terminate a management contract does so upon ninety (90) days notice.

Section 24.3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.

Section 24.4. Gender. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include the plural, and vice versa, whenever the context so requires.

CERTIFICATION

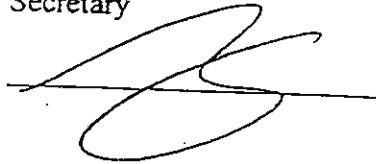
I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of 510 Glenwood Condominium Owners Association, Inc. a North Carolina nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted by written consent of all directors of the Association, effective as of the date hereof.

IN WITNESS WHEREOF, I have hereto subscribed my name and affixed the seal of the Association this 16TH day of November, 2000.

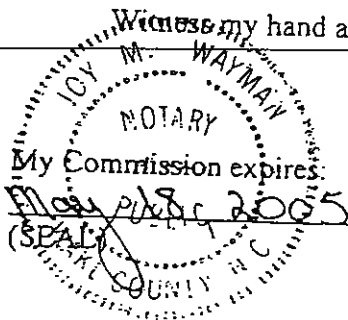
Secretary



NORTH CAROLINA
WAKE COUNTY

I, Joy M. Wayman, a Notary Public of the aforesaid County and State do hereby certify that Brian M. Goray, Secretary of 510 Glenwood Condominium Owners Association, Inc., a North Carolina nonprofit corporation, appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 16th day of November, 2000.



Joy M. Wayman
Notary Public

5.50% Voting interest in the Association

Laura M Riddick
Register of Deeds
Wake County, NC



Book : 008736 Page : 00515 - 00639

Yellow probate sheet is a vital part of your recorded document.
Please retain with original document and submit for rerecording.



Wake County Register of Deeds
Laura M. Riddick
Register of Deeds

North Carolina - Wake County

The foregoing certificate 5 of _____

Linda Anderson + Joy M. Wayman.
H. J. [Signature]

____ Notary(ies) Public is (are) certified to be correct. This instrument
and this certificate are duly registered at the date and time and in the book and

