

BYLAWS
OF
CREEDMOOR SQUARE OFFICEOWNERS' ASSOCIATION, INC.

ARTICLE I
DEFINITIONS

1.1. For purposes of these Bylaws, terms specifically defined in the Declaration of Creedmoor Square Office Condominiums (the "Declaration") shall have the same meaning herein.

1.2. "Rules and Regulations" shall mean those written actions of the Board, duly adopted, and amendments thereto, interpreting and applying the provisions of the Declaration and these Bylaws and establishing and prescribing the administration and management of the Condominium and the use, operation, and management of the Common Elements.

ARTICLE II
PLAN OF UNIT OWNERSHIP

2.1. Lands Submitted to Unit Ownership. Hathaway Properties, Ltd., a corporation organized and existing under the laws of the State of North Carolina, with its principal office located in the City of Raleigh, Wake County, North Carolina, hereinafter know as the "Declarant," is the owner of certain lands being all of Parcel 28 and part of Parcel 29 of Tax Map 301, being approximately 51,750 square feet, and has submitted said lands and the improvements thereon to unit ownership pursuant to the North Carolina Condominium Act by filing the Declaration pursuant to Chapter 47C of the North Carolina General Statutes. The lands and improvements submitted to unit ownership by the Declaration and all of the lands subsequently added and submitted to unit ownership as provided therein shall be known as Creedmoor Square Office Condominiums.

2.2. Applicability of Bylaws. All present and future Unit Owners, Mortgagees, devisees, legatees and Occupants of Units within the Condominium, and their agents, servants, and employees, and any other persons who may make use of the facilities of the Condominium in any manner, are subject to the Declaration, these Bylaws, the Rules and Regulations, and other rules and laws duly passed.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit by any person shall conclusively establish the acceptance and ratification by such person of these Bylaws (and the Rules and Regulations adopted pursuant hereto), as they may be amended from time to time, and shall constitute and evidence an agreement by such persons to comply with these Bylaws and Regulations.

ARTICLE III

ASSOCIATION OF UNIT OWNERS

3.1. Members. Every Unit Owner within the Condominium shall be a member of the Association. Upon dissolution of the Condominium, those persons entitled to distribution of the proceeds pursuant to the Act shall be members of the Association.

3.2. Annual Meetings. An annual meeting of the Association shall be held for the purpose of electing or appointing members of the Board and for the transaction of such other business as may be properly brought before the meeting. The annual meetings shall be held at 7:30 o'clock p.m. on the fourth Thursday of January of each year, unless such day be a legal holiday, in which event the meeting shall be held at the same time of the day next following which is not a legal holiday, and the first annual meeting shall be on the fourth Thursday of January, 1987.

3.3. Substitute Annual Meetings. If an annual meeting is not held on the day designated in the Bylaws, a substitute annual meeting may be called in the same manner as a special meeting. A meeting so called shall be designated and treated for all purposes as the annual meeting.

3.4. Special Meetings. Special meetings of the Association may be called at any time by the president, a majority of the members of the Board, or upon the written request of the Unit Owners having twenty percent (20%) of the votes in the Association.

3.5. Place of Meetings. All meetings of the Association shall be held at the Condominium or at such other place in Wake County, North Carolina, as shall be designated in the notice of the meeting.

3.6. Notice of Meetings. Written or printed notices stating the items on the agenda, and the place, day and hour of each meeting shall be hand-delivered or mailed by first class mail, postage prepaid, not less than ten (10) days nor more than fifty (50) days prior to the date of the meeting, either by the Unit Owners calling the meeting or the Secretary to each person entitled to vote at such meeting.

When a meeting is adjourned for thirty (30) days or more, notice of the reconvening of the adjourned meeting shall be given as in the case of the original meeting. When a meeting is adjourned for less than thirty (30) days in any one adjournment, it shall not be necessary to give notice of the reconvening of the adjourned meeting other than by an announcement at the meeting at which the adjournment is effective.

3.7. Quorum. The presence in person or by proxy at any meeting of members having a majority of the total votes entitled to be cast shall constitute a quorum. Unless otherwise expressly provided herein or in the Act, any action, consistent with the notice of such meeting, may be taken at any meeting of the Association at which a quorum is present upon the affirmative vote of the members having a majority of the total votes present at such meeting.

If a quorum is not present at the opening of any meeting, the meeting may be adjourned from time to time by vote of the majority of the voting members present, either in person or by proxy, and shall be reconvened at the date and time determined at the adjourned meeting, subject to the

notice requirements set forth in Section 3.6 of these Bylaws. Upon the reconvening of any meeting adjourned for lack of a quorum, the quorum required at such subsequent meeting shall be one-half (1/2) that required at the preceding meeting.

3.8. Voting Members; Proxies. There shall be one person with respect to each Unit who shall be entitled to vote at any meeting of the Association, herein referred to as the "voting member." The voting member may be the owner of a unit, or an owner designated by a majority of the several owners of a unit, or may be some other person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner. Designation of the voting member or of a proxy shall be made in writing to the Board and shall be revocable at any time by written notice to the Board or to the person presiding over a meeting of the Association by the owner or a majority of the owners.

3.9. Voting Rights; Non-Cumulative Voting. The vote cast by or on behalf of the Unit Owner or Owners is set forth in Exhibit B to the Declaration. In all elections for members of the Board, each voting member shall vote on a non-cumulative voting basis for the director or directors to be elected, and the candidate or candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed elected.

3.10. Waiver of Notice. Any Unit Owner, at any time, may waive notice of any meeting of the Association in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Unit Owner at any meeting of the Association shall constitute a waiver of notice by him of the time and place thereof except where a Unit Owner attends a meeting for the express purpose of objecting the transaction of any business because the meeting was not lawfully called. If all of the voting members are present at any meeting of the Association, no notice shall be required, and any business may be transacted at any meeting.

3.11. Informal Action by Unit Owners. Any action that may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the voting members and filed with the Secretary of the Condominium to be kept in the Condominium minute book.

ARTICLE IV

BOARD OF DIRECTORS

4.1. General Powers - Board of Directors. The business and the property of the Condominium shall be managed and directed by the Board of Directors of the Association or by such executive committees as the Board may establish pursuant to these Bylaws.

4.2. Initial Board. The initial Board shall be composed of those persons named in the Association's Articles of Incorporation.

4.3. Number, Term, and Qualifications. At the first annual meeting of the Association, there shall be a Board consisting of three (3) members, all of whom shall be appointed by the Declarant.

During the Declarant Control Period, the Declarant or a person designated by him, shall have the right to appoint and remove directors, with or without cause; provided

that not later than 60 days after conveyance of twenty-five percent (25%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than the Declarant, at least one director and not less than twenty-five percent (25%) of the directors shall be elected by Unit Owners other than the Declarant; not later than sixty (60) days after conveyance of fifty percent (50%) of the Units (including Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than the Declarant, not less than thirty-three percent (33%) of the directors shall be elected by Unit Owners other than the Declarant; not later than the termination of the Declarant Control Period, the Unit Owners shall elect the directors, at least a majority of whom must be Unit Owners.

At the first annual meeting immediately after the termination of the Declarant Control Period, all of the directors shall be elected; one (1) of the directors so elected shall serve for a term of one (1) year, one (1) of the directors so elected shall serve for a term of two (2) years, and one (1) director shall serve for a term of three (3) years; and their successors shall be elected for two (2) year terms.

4.4. Election of Directors. Except for the appointed directors provided for in Section 4.3 and as otherwise provided for in Section 4.5, the directors shall be elected at the annual meeting of the Association; and those candidates who receive the highest number of votes shall be elected. The elected directors shall take office upon election.

4.5. Removal. Any elected director may be removed from office, with or without cause, by the affirmative vote of a majority of the voting members. However, unless all of the elected directors are removed, an individual director may not be removed if the votes cast against removal would be sufficient, if cast cumulatively, to elect a director at an annual election. If any director is so removed, new directors may be elected at the same meeting.

4.6. Vacancies. An elective vacancy occurring in the Board, including directorships not filled by the voting members, may be filled by a majority of the remaining directors, though less than a quorum, or by the sole remaining director. Voting members may elect a director at any time to fill any elective vacancy not filled by the directors and to fill any appointive vacancy not filled by the Declarant within ninety (90) days after the vacancy occurs.

4.7. Compensation. The Board shall receive no compensation for their services unless expressly allowed by the Board upon the affirmative vote of the voting members representing two-thirds (2/3) of the aggregate interest in the Common Elements.

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

4.9. Powers and Duties. The Board shall have the power and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things, except such acts as by law, the Declaration or these

Bylaws which may not be delegated to the Board. The power and duties of the Board shall include, but specifically shall not be limited, to those herein set out.

4.9.1. Powers. The Board shall have the power to:

(a) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association by law and the Declaration and amendments thereto and not reserved to the membership by other provisions of these Bylaws, the Declaration or the Act.

(b) Purchase, lease, or otherwise acquire in the name of the Board, or its designee, corporate or otherwise, on behalf of the Association, Units for sale or lease.

(c) Purchase Units at foreclosure or other judicial sale in the name of the Board, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(d) Sell, mortgage, or otherwise deal with Units acquired by the Board or its designee, corporate or otherwise, on behalf of the Association, subject to the Declaration and other applicable restrictions, and organize corporations to act as designees of the Board in acquiring title to Units on behalf of the Association.

(e) Enter a Unit when necessary in connection with any emergency, maintenance, replacement or improvements for which the Association is responsible; provided, except as permitted by North Carolina law, such entry shall be made during reasonable hours with as little inconvenience to the Unit Owner as practicable, and any damage caused thereby shall be repaired by the Association and such expense shall be treated as a Common Expense.

(f) Engage the services of any person, firm, or corporation to act as manager of the Condominium at the compensation established by the Board, to perform such duties and services as the Board shall authorize, other than the powers enumerated in subdivisions (a), (b), (c), (d), and (f) of this paragraph 4.9.1 and (k) of paragraph 4.9.2.

4.9.2. Duties. It shall be the duty of the Board to:

(a) Administer, operate, maintain, and repair the Common Elements.

(b) Enter any Unit and perform any repairs, maintenance, or construction for which the Association is responsible at reasonable times and hours and with as little inconvenience to the Unit Owner as practicable, provided however, nothing herein shall restrict or prohibit the Board or their agents from entering any Unit during unreasonable hours for making emergency repairs necessary to prevent damage to Common Elements or to another Unit or Units. The Association shall repair any damage to the Unit cause by such repair, maintenance, or construction, and all costs incurred in performing these duties shall be a Common Expense of the Condominium, unless the Board shall determine that the repairs, maintenance, or construction was necessitated by the negligence, misuse, unlawful act, or the violation of the Rules and Regulations of the Association by the Unit Owner, in which event such costs may be assessed against the Unit Owner.

(c) Determine the Common Expenses arising from the cost of administration, operation, care, ad valorem

taxes and public assessments on the Common Elements, upkeep, maintenance, repair, and construction of the Common Elements, including, without limitation, reserves for repair, reconstruction, or replacement.

(d) Fix and assess in the manner provided by law and in the Declaration, the proportionate part of the Common Expenses of each Unit Owner within the Condominium.

(e) Collect and enforce the collection of Common Expenses in the manner provided by law and in the Declaration, including, but not limited to legal proceedings for the enforcement of liens.

(f) Employ and dismiss personnel necessary to the maintenance and operation of the Common Elements.

(g) Adopt, amend, publish, and enforce reasonable rules and regulations that it deems advisable and necessary for the proper administration, operation, maintenance, conservation, and beautification of the Condominium and for the health, comfort, safety, and general welfare of the Unit Owners and Occupants of the Units. Copies of the published Rules and Regulations and amendments thereto shall be given to all the Unit Owners and Occupants, and the Condominium shall be administered, operated, and maintained in the conformity with the Rules and Regulations.

(h) Designate depositories for Association funds and the officers, agents, and/or employees having authority to deposit and withdraw such funds; and, in its discretion, to require such officers, agents, or employees to be bonded in such amounts as it deems necessary.

(i) Sign all agreements, contracts, vouchers for payment of expenditures, deeds, and other instruments in such manner as from time to time shall be determined by written resolution of the Board. In the absence of such determination by the Board, such documents shall be signed by the President and/or such other person as the Board may designate.

(j) Procure and maintain adequate insurance of such nature and in such amounts as is provided in the Declaration, and such other insurance as the Board may deem necessary or appropriate.

(k) Appoint such committees as are provided for in these Bylaws.

(l) Exercise their power in good faith and perform such other matters and things not expressly prohibited by law, the Declaration, or these Bylaws as are necessary to the proper administration, operation, and maintenance of the Association and the Condominium.

(m) Give written notice of any default by the mortgagor of any Unit in the performance of such mortgagor's obligation under the Declaration or Bylaws which is not cured within thirty (30) days to any holder of a mortgage on such Unit who requests such notice.

4.10. Persons Who May Serve. Every elected member of the Board shall be a Unit Owner or co-owner, or the spouse of a Unit Owner or co-owner, unless the Unit Owner is a corporation, partnership, trust, or other legal entity or other than a natural person or persons, in which event any officer, director, agent or employee or such corporation, partner of such partnership, beneficiary of such trust, or

manager of such other legal entity, shall be eligible to serve as a member of the Board, but directors designated by the Declarant need not be Unit Owners.

4.11. Liability of the Board. The members of the Board shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise except for their own individual, willful misconduct or bad faith. The Association shall indemnify and hold harmless each of the members of the Board against all contractual liability to the others arising out of contracts, except those which shall have been made in bad faith. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent of their liability as Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contracts made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportions of the total liability thereunder as his interest in the Common Elements bears to the interest of all of the Unit Owners in the Common Elements. Every agreement made by the Board or by the manager on behalf of the Condominium shall provide that the members of the Board, or the manager, as the case may be, are acting only as agents for the Association, and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liabilities thereunder shall be limited to such proportion to the total liability thereunder as his interest in the Common Elements of the Condominium bears to the interest in said Common Elements of all Unit Owners in the Condominium.

ARTICLE V

MEETINGS OF THE DIRECTORS

5.1. Organizational Meeting. The initial Board of Directors shall meet prior to conveyance of the first unit by the Declarant. No notice to the Directors shall be necessary in order to constitute legally such meeting, provided that a quorum shall be present.

5.2. Regular Meeting. A regular meeting of the Board may be held immediately after the organizational meeting and at the same place as the annual meeting or substitute annual meeting of the Association. The Board may provide by adoption of an appropriate resolution for the time and place within Wake County, North Carolina, for other regular meetings of the Board.

5.3. Special Meetings. Special meetings of the Board may be called by or at the request of the President or by any two directors. Such meetings may be held at any place within Wake County, North Carolina.

5.4. Notice of Meetings. Regular meetings of the Board may be held without notice. The person or persons calling a special meeting of the Board shall give notice by any usual means of communication to all directors of the time, place, and purpose of such meeting at least two days prior thereto.

Attendance by a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

5.5. Waiver of Notice. Any member of the Board may give written waiver of notice at any time of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. If all of the members of the Board are present at any meeting thereof, no notice shall be required and any business may be transacted at such meeting.

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

5.7. Manner of Acting. Except as otherwise provided, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

A vote of a majority of the number of Directors fixed by the Bylaws shall be required to adopt a resolution constituting an executive committee.

5.8. Organization. Each meeting of the Board shall be presided over by the President, and in the absence of the President, by the Vice President, and in the absence of the Vice President, by any person selected to preside by vote of the majority of directors present. The Secretary, or in his absence, the Assistant Secretary, or in the absence of both the Secretary and the Assistant Secretary, any person designated by the President of the meeting shall act as Secretary of the meeting.

5.9. Informal Action of Directors. Any action taken by a majority of the directors without a meeting shall constitute Board action if written consent of the action in question is signed by all of the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action is taken.

5.10. Minutes. The Board shall keep minutes of all of its proceedings. All minutes shall be filed with the Secretary to be kept in the Association's minute book.

5.11. Fidelity Bonds. The Board may require any officer or employee of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity bond. The premiums on such bond shall constitute a common expense.

ARTICLE VI

OFFICERS

6.1. Designation. The principal officers of the Condominium shall be a President, a Secretary, a Treasurer, and such Vice Presidents, Assistant Secretaries, Assistant Treasurers, and other officers as the Board may from time to time elect. Any two or more offices may be held by the same person, except the offices of President and Secretary.

6.2. Election and Term. The officers of the Condominium shall be elected by and from among the Board, and such elections may be held at the regular annual meetings of the Board; provided, however, that during the Declarant Control Period, the Declarant shall appoint the officers from the initial Board.

6.3. Removal. Any officer or agent elected or appointed by the Board may be removed by the Board with or without cause, and any officer or agent appointed or

designated by the Declarant may be removed by the Declarant with or without cause. Such removal, however, shall be without prejudice to the contractual rights, if any, of the person so removed.

6.4. Compensation. No officer shall receive any compensation from the Condominium for acting as such, but the Board may reimburse any officer for any direct expense incurred by him in the performance of his duties as such officer, and such reimbursement shall be a Common Expense.

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

6.6. Vice President. The Vice President, shall in the absence or disability of the President, have the powers and perform the duties of the President. In addition, each Vice President shall perform such other duties and have such other powers as shall be prescribed by the President.

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

6.8. Treasurer. The Treasurer shall have custody of all funds and securities and shall receive, deposit, or disburse the same under the direction of the Board. He shall keep full and accurate records of the finances of the Condominium in books especially provided for that purpose. He shall cause a true statement to be prepared as of the close of each fiscal year setting forth, in reasonable detail, the assets and liabilities of the Condominium, the changes in surplus for such fiscal year, and the result of the operations of the Condominium. The statement shall be filed and kept available for inspection at convenient hours on weekdays by any Owner, their duly authorized agents, or attorneys for a period of three (3) years, and the Treasurer shall mail or otherwise deliver a copy of the latest statement to each Unit Owner and member of the Board annually on or before March 15, covering the preceding calendar year. The Treasurer shall also prepare and file all reports and returns required by Federal, State, or local laws, and shall generally perform all other duties as may be assigned to him from time to time by the President or the Board of Directors. The Treasurer shall also be responsible for the method of approving payment vouchers.

6.9. Assistant Secretaries and Treasurers. The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary or the Treasurer, respectively, have all the powers and perform all of the duties of those officers, and they shall in general, perform such other duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the President or the Board.

ARTICLE VII

OPERATION OF THE PROPERTY

7.1. Determination of Common Expenses and Fixing of Common Charges. The Board, from time to time, and at least annually, shall prepare a budget for the Condominium, determining the amount of the common charges payable by the Unit Owners thereof according to their respective common interests. A part of the Common Expenses of the Condominium shall include, among other things, and without limitation, the administrative expenses of the Condominium, in the discretion of the Board, and as necessary, may include, without limitation, amounts for: funding deficits for any prior year; a reserve for working capital; a reserve for replacement; and a general operating reserve.

Unless all First Mortgagees and two-thirds (2/3) of the Unit Owners elect to the contrary, the exterior portions of the buildings that were initially stained or painted shall be re-stained or repainted not less than every five (5) years, and the roofs of all buildings shall be replaced not less than every twenty (20) years.

The Common Expenses of the Condominium may also include such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of the Association, of any Unit whose Unit Owner has elected to sell or lease such Unit or of any Unit which is to be sold at foreclosure or other judicial sale. The Board shall advise all Unit Owners promptly, in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board as aforesaid, and shall furnish copies of each budget on which such common charges are based to all Unit Owners and to their Mortgagees.

7.2. Budget. The Board shall adopt a proposed budget for the Condominium from time to time. Within thirty (30) days after adoption of any proposed budget for the Condominium, the Board shall provide a summary of the budget to the Unit Owners, and shall set a date for a meeting of the Unit Owners to consider ratification of the budget not less than fourteen (14) no more than thirty (30) days after the mailing of the summary. There shall be no requirement that a quorum be present at the meeting. The budget shall be ratified unless at that meeting a majority of all the Unit Owners rejects the budget. In the event the proposed budget is rejected, the periodic budget last ratified shall be continued until such time as the Unit Owners ratify a subsequent budget proposed by the Board.

7.3. Payment of Common Charges. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Directors pursuant to the provisions of Section 7.1.

No Unit Owner shall be liable for the payment of the common charges assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit (made in accordance with the provisions of the Declaration and applicable restrictions of record). A purchaser of a Unit shall be jointly and severally liable with the seller for the payment of the common charges assessed against such Unit prior to the acquisition by the purchaser of such Unit, without prejudice to the purchaser's right to recover from the seller the amounts paid by the purchaser therefor. Provided, that a First Mortgagee or other purchaser of a Unit at a foreclosure sale of such a lien for the payment of common charges assessed prior to the foreclosure sale, and such unpaid common charges shall be deemed to be common

charges collectible from all of the Unit Owners, including such purchaser, his successors and assigns.

7.4. Collection of Assessments.

7.4.1. The Board shall assess common charges against the Unit Owners from time to time, and at least annually, and shall take prompt action to collect any common charge due from any Unit Owner, any charges and attendant late fees which remain unpaid for more than thirty (30) days from the due date of the payment thereof shall constitute a lien on such Unit when filed of record in the Office of the Clerk of Superior Court of Wake County.

7.4.2. The annual assessment on each Unit shall be paid by each Unit Owner in equal monthly installments. Each month's installment shall be due on the first day of each month and shall be considered delinquent on the tenth day. A twenty dollar (\$20.00) late fee shall be imposed upon any assessment or monthly installment received more than fifteen (15) days after its due date.

7.5. Default in Payment of Common Charges. In the event of default by any Unit Owner in paying to the Board the common charges as determined by the Board, such Unit Owner shall be obligated to pay interest at the highest rate permitted by law on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board in any proceeding brought to collect such unpaid common charges. The Board shall have the right and duty to attempt to recover such common charges, together with interest thereon and the expense of the proceeding, including attorney's fees, in any action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit in like manner as a deed of trust or mortgage or real property, or both.

7.6. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose on a Unit because of unpaid common charges and attendant late fees, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, or on behalf of any one or more individual Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with same, subject, however, to applicable restrictions of record. A suit to recover money judgments for unpaid common charges and attendant late fees may be maintained without foreclosing or waiving the lien securing the same.

7.7. Statement of Common Charges. The Board shall promptly provide any Unit Owner or grantee making written request therefore, a written statement of all unpaid common charges from such Unit Owner.

7.8. Abatement and Restraint of Violations by Unit Owners. Each Unit Owner shall comply strictly with the Bylaws and with the Rules and Regulations adopted thereto. The violation of any rule or regulation adopted by the Board, the breach of any By-Law contained herein, or the breach of any provision of the Declaration shall give the Board, or in a proper case an aggrieved Unit Owner, the right, in addition to any rights set forth in these Bylaws:

(a) To enter the Unit in which, or as to which, such violation or breach exists and to abate

summarily, at the expense of the defaulting Unit Owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and to recover sums due, for damage or injunctive relief, or both.

7.9. Maintenance and Repair.

7.9.1. Maintenance of Unit. All maintenance and any repairs to any Unit, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements contained therein and not necessitated by the negligence, misuse, or neglect of the Unit Owner, Occupant, or his guest) shall be made by the Unit Owner of such Unit. Each Unit Owner shall be responsible for all damage to any other Unit and/or to the Common Elements that his failure to do so may endanger.

7.9.2. Maintenance of Common Elements. All maintenance, repairs, and replacement to the Common Elements, whether located, inside or outside of the Units (unless necessitated by the negligence, misuse, or neglect of a Unit Owner, Occupant or his guest, in which case such expense shall be charged to such Owner) shall be made by the Board and shall be charged to all Unit Owners as a Condominium Common Expense.

7.10. Utility Equipment. Each Unit Owner shall own and be responsible for the repair, maintenance, and upkeep of all equipment (such as heating and air conditioning equipment and hot water heaters) which serves his Unit exclusively.

7.11. Additions, Alterations, or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration, or improvement in or to his Unit without the prior written consent of the Board. Consent of the Board is contingent upon said alteration being compatible with existing structures, taking into account the congruity and harmony of the proposed addition, alteration or improvement with the then existing architecture of the Condominium. The Board shall have the obligation to answer any written request by a Unit Owner for approval or a proposed structural addition, alteration, or improvement in such Owner's Unit within sixty (60) days after such request is received in writing by the Board, and failure to do so within the stipulated time shall constitute a consent by the Board to the proposed addition, alteration or improvement.

7.12. Use of Units and Common Elements. The use of the Units, Common Elements, limited Common Elements, and other property and appurtenances within the Condominium shall be in accordance with the Declaration and with the following provisions:

(a) Each of the Units shall be occupied only as a business and for no other purpose. Except as provided in the Declaration, no Unit may be divided into smaller units or any portion thereof sold or otherwise transferred without first amending these Bylaws to show the changes in the Units to be affected thereby.

(b) The Common Elements shall be used only for the purposes for which they are intended in furnishing services and facilities for the enjoyment of the Units.

(c) No use or practice shall be permitted in the Condominium which is the source of annoyance to Unit Owner or which interferes with the peaceful possession and proper use of the property by the Unit Owners. All parts of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse, or garbage shall be allowed to accumulate nor any fire hazard allowed to exist. It shall be the responsibility of each Unit Owner and the Board to prevent the development of conditions which render the Condominium, or any portion thereof, unclean, unsightly, or unkempt, or which substantially decreases the beauty of the area as a whole. No Unit Owner shall make or permit any use of his Unit or of the Common Elements which will increase the rate of insurance upon the Condominium or any property therein or which shall cause the cancellation of such insurance. No immoral, improper, offensive, or unlawful use shall be made of the Condominium or any portion thereof. Garbage receptacles shall be located in accordance with reasonable standards established by the Board. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of the governmental bodies which require maintenance, modification, or repair of the Condominium property shall be the same as the responsibility for the maintenance and repair of the property concerned.

(d) Until all of the lands of the Declarant referred to in Section 2.1 have been subjected to Unit Ownership and sold, neither the Unit Owners nor the Board shall interfere with the sale of additional Units by the Declarant or his assigns. The owner of the unsold Units may make such use of the Units and the Common Elements as may facilitate such completion and sale, including, but not limited to, the rental of the same, showing of the property, and the display of signs.

7.13. Right of Access. The acceptance of any conveyance or lease of any Unit or the occupancy of such Unit shall conclusively establish the grant of a right and easement of access to his Unit by the Unit Owner, lessee, or occupant to the Board, the Condominium manager, if any, and/or any other person authorized by the Board or the manager, for the purpose of making inspections or for the purpose of correcting a condition originating in his Unit and threatening another Unit or a Common Elements for the purpose of performing installation, alterations, maintenance, or repairs to the Common Elements in this Unit or elsewhere in the building in which his Unit is located, or to correct any condition which violates the provisions of any mortgage covering another Unit; provided, that request for entry must be made in advance and such entry must be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time.

7.14. Entry by Board. In the event any Unit Owner permits any use of the premises or practice in violation of the provisions of Section 7.12, and such Unit Owner fails to cure said violation within thirty (30) days of the Board's request to do so, agents of the Board may enter upon the premises and cure said violation at the expense of such Unit.

7.15. Rules of Conduct. Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board. Copies of such Rules and Regulations shall be furnished by the Board to each Unit Owner, and all amendments and new rules and regulations

shall be furnished to Unit Owners prior to the time that the amendment or new rule or regulation becomes effective.

7.16. Water and Electricity Charges. Electricity shall be supplied to each Unit through separate meters and the cost of the same shall be borne by the respective Unit Owners. Water shall be supplied to all Units through a common meter and the costs of water shall be a Common Expense. Except as otherwise provided in the Declaration, all charges for water and electricity used in connection with the maintenance and use of the Common Elements shall be a Common Expense of the Condominium.

ARTICLE VIII

RECORDS AND AUDITS

The Board or the manager shall keep detailed records of actions of the Board and the manager, minutes of the Board, minutes of meetings of the Association, and financial records and books of accounts of the Condominium, including a chronological listing of receipts and expenditures, which, among other charges against each Unit, the date when due, the amount paid thereon, and the balance remaining unpaid. The financial records and books of account shall be available for examination by any Unit Owner, Mortgagee or their duly authorized agents or attorneys at convenient hours on working days by prior arrangement with the Board or the manager. A written report summarizing all receipts and expenditures of the Condominium shall be rendered by the Board to all Unit Owners on or before the 15th day of the third month following the close of each calendar year, covering the preceding year. In addition, an annual audit of the receipts and expenditures of the Condominium by an independent certified public accountant shall be rendered by the Board to all Unit Owners and to all mortgagees of Units who have same promptly after the end of each calendar year.

ARTICLE IX

OPERATION PRIOR TO INITIAL MEETING OF BOARD

Prior to the first meeting of the initial Board of Directors, all functions of the Association and of the Board of Directors as herein set forth shall be performed and carried out by the Declarant through their partners, officers and agents.

ARTICLE X

AMENDMENT OF BYLAWS

10.1. Amendment by Owners. These Bylaws may be amended by the affirmative vote of the voting members having at least sixty-six and two-thirds percent (66 2/3%) of the aggregate interest in the Common Elements, cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws.

10.2. Amendment by Declarants or the Board. Notwithstanding Section 10.1, the Declarant, for so long as it controls the Board, and, thereafter, the Board of Directors, may amend these Bylaws without the consent of the Unit Owners:

(a) To correct any obvious error or inconsistency in drafting, typing, or reproduction; and

(b) To conform to the requirements of any law or governmental agency having legal jurisdiction over the Condominium or to qualify the Condominium or any Units therein for mortgage or improvement loans made or insured by a governmental agency.

CERTIFICATION

We, the undersigned, do hereby certify:

THAT, we are the _____ President and the _____ Secretary of the Association, and

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 24th day of December, 1986.

IN WITNESS WHEREOF, we have executed this Certification in the name of and on behalf of Creedmoor Square Officeowners' Association, Inc., this the 9th day of January, 1986.
?

CREEDMOOR SQUARE OFFICEOWNERS' ASSOCIATION, INC.

BY: [Signature]

President

ATTEST:

[Signature]

Secretary

[CORPORATE SEAL]