Amended Decl.
Bk. 1123-Pg 166
1-28-83

PREPARED BY: C. Thomas Biggs, Attorney
MAIL TO : C. Thomas Biggs, Attorney

ASSIGN
BK 1665
PG 25
7-10-91

Drain. Easmt
BK 166X
PG 331
7/25/91

TABLE OF CONTENTS
FOR
EXECUTIVE OFFICE PARK

BOOK 1097 PAGE 308

PARAGRAPH		PAGE
1	Name and Address.	2
2	Definitions	2
3	Identification of Property.	2
	A. Land.	2
	B. Building.	2
	C. Unit Designations	3
	D. Common Areas and Facilities	3
	(1) Extent	3
	(2) Nature of Interest	3
	E. Limited Common Areas.	4
	F. Amendment to Plans.	4
4	Amendment of Ratios	5
5	Nature of Interest in Units	5
6	Use	5
7	Service of Process.	5
8	Easements	5
9	Partitioning.	7
10	Parking Spaces.	7
11	Liens	7
12	Operating Entity.	7
	A. Name.	7
	B. Powers.	8
	C. Members	8
	(1) Qualifications	8
	(2) Change of Membership	8
	(3) Voting Rights.	8
	(4) Approval or Disapproval of Matters . .	9
	(5) Restraint Upon Assignment of Shares in Assets.	9
	(6) Designation of Voting Representative .	9
	D. Indemnification of Directors.	9
	E. Bylaws.	10
	F. Property in Trust	10
13	Common Expense.	10
14	Management and Maintenance.	10
	A. Manager	10
	B. Owner's Maintenance	11
	C. Limitation of Liability	12
15	Assessments	12
16	Insurance	12

Assign.
BK. 1487
pg. 462-467
10-13-88

RTP DEED
BK-1484
PG. 468-477
10-13-88

84.50

PARAGRAPH		PAGE
	A. Ownership of Policies	12
	B. Coverage	13
	C. Public Liability Insurance	13
	D. Premiums	13
	E. Proceeds	13
	F. In the Event a Mortgage Endorsement Has Been Issued as to a Unit	14
	G. Additional Coverage	14
17	Distribution of Insurance Proceeds	14
	A. Expense of the Trust	14
	B. Reconstruction or Repair	14
	C. Failure to Reconstruct or Repair	15
	D. Mortgagees	15
18	Damage and Destruction	15
	A. Determination to Reconstruct or Repair	15
	(1) Common Element	15
	(2) Condominium Units	15
	(a) Partial destruction	15
	(b) Total destruction	15
	B. Plans and Specifications	15
	C. Responsibility	16
	D. Estimate of Costs	16
	E. Assessments	16
19	Transfer of Units	16
	A. Sale or Lease of Units	16
	B. Gift or Devise of Interest	18
	C. Other Transfers and Unauthorized Transactions	19
20	Use and Occupancy	19
	A. Use	19
	B. Nuisance	19
	C. Exterior	19
	D. Signs	20
	E. Structures, Outbuildings, and Trailers	20
	F. Rules and Regulations	20
	G. Breach of Restrictions	20
21	Units Subject to Declaration	21
22	Amendment of Declaration	21
23	Waiver	22
24	Captions	22
25	Limitation of Liability	22
	A. Limitation upon Liability of Association	22
	B. Property in Trust	23
26	Eminent Domain	23
27	Miscellaneous	23
	A. Encroachments	23
	B. Exemption from Liability	23
	C. Merger of Units	23
	D. Construction	24
	E. Warranties and Representations	24

PARAGRAPH		PAGE
	F. Controlling	24
	G. Covenants	24
	H. Invalidation.	24

EXHIBIT "A"

Legal Description of Land

EXHIBIT "B"

Description of Buildings

EXHIBIT "C"

Plans and Specifications of Buildings

EXHIBIT "D"

Percentage Ownership of each Unit in the Common Elements

EXHIBIT "E"

Bylaws of the Executive Office Park of Durham Association, Inc.

2nd Amendment see
1124-61
7-29-83

Amended Decl
BK 1123 Pg 766
7-28-83

DECLARATION OF UNIT OWNERSHIP UNDER THE PROVISIONS OF CHAPTER 47A OF THE GENERAL STATUTES OF NORTH CAROLINA, AND OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, made this 9th day of November, 1982, by EXECUTIVE PARK DEVELOPERS, a North Carolina Limited Partnership, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, the Declarant is the owner of record of the fee simple title of certain properties in Durham County, North Carolina, which are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference; and

WHEREAS, the Declarant is the owner of certain condominium type multi-unit buildings and certain other improvements heretofore constructed or hereafter to be constructed upon the aforesaid property and it is the desire and the intention of the Declarant to divide the project into "condominium units" or "units" as those terms are defined under the provisions of the North Carolina Unit Ownership Act, and to sell and convey the same to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed; and

WHEREAS, the Declarant desires and intends, by the filing of this Declaration, to submit the above described property and the multi-unit buildings located thereon and all other improvements constructed or to be constructed thereon, together with all appurtenances thereto, to the provisions of the North Carolina Unit Ownership Act (Chapter 47A, North Carolina General Statutes).

NOW, THEREFORE, the Declarant does hereby publish and declare that all of the property described in Exhibit "A" and as described in Paragraph 3 below is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

1. NAME AND ADDRESS

The name by which this condominium is to be identified is:

"EXECUTIVE OFFICE PARK"

The condominium is located on the south side of North Carolina Highway No. 54 west of North Carolina Highway No. 55 and the mailing address for said condominium is:

Executive Office Park of Durham
3825 Nottaway Road
Durham, North Carolina 27707

2. DEFINITIONS

The terms used herein and in the Bylaws shall have the meanings stated in the Unit Ownership Act, Chapter 47A, of the North Carolina General Statutes unless otherwise defined herein or in the Bylaws or unless the context otherwise requires.

2.1 Condominium Unit means a unit as defined in the said Unit Ownership Act.

2.2 Association means the Executive Office Park of Durham Association, Inc. consisting of all the unit owners acting as a group in accordance with the Bylaws and this Declaration.

2.3 Condominium means all of the condominium property as a whole when the context so permits, as well as the meaning stated in the said Unit Ownership Act.

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

2.5 The Developer is Executive Park Developers.

3. IDENTIFICATION OF PROPERTY

A. LAND: The description of the land on which the buildings and improvements are, or are to be, located is set forth in Exhibit "A" of this Declaration.

B. BUILDING: The description of the building erected by the Declarant on the land described in Exhibit "A" is set forth in Exhibit "B" which states the number of stories and basements, the number of units, and the principal construction materials of each condominium structure.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

Said multi-unit condominium structures are more particularly described in the plans of said building, a copy of which is annexed hereto as Exhibit "C".

C. UNIT DESIGNATIONS: The unit designation of each condominium unit, its location, its dimensions, approximate area, number of rooms and common areas and facilities to which it has immediate access, and other data concerning its proper identification are set forth on Exhibit "C" hereinabove referred to and made a part hereof. No unit bears the same identifying number as does any other unit. Each unit is bounded both as to horizontal and vertical boundaries by the interior surface of its perimeter walls, ceilings, and floors which are shown on said plans, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, settlement or movement of the building, or by permissible repairs, construction or alteration.

D. COMMON AREAS AND FACILITIES:

(1) Extent: The common areas and facilities consist of all parts of the property described in Exhibits "A" and "B" other than the individual dwelling units therein as described in Exhibit "C" above.

(2) Nature of Interest: Each of the unit owners shall own an undivided interest in the common elements and said undivided interest, stated as percentages of such ownership in the said common elements, is set forth in Exhibit "D" which is annexed to this Declaration and made a part hereof.

The fee title to each condominium unit shall include both the unit and the respective undivided interest in the common elements and the said undivided interest in the common elements is to be deemed to be conveyed or encumbered with its respective unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the condominium unit.

Any attempt to sever or separate the fee title to a condominium unit from the undivided interest in the common elements appurtenant to each unit shall be null and void.

(3) All areas of the described property not within any units shall be common areas; and all portions of any building or other improvement not included within a unit shall be a common facility. The common facilities shall include all installations, items and equipment for utility service to

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

more than one unit and shall also include tangible personal property required for the maintenance and operation of the condominium even though owned by the Association. The use of the term "common elements" in this document shall be synonymous with "common areas and facilities."

E. LIMITED COMMON AREAS:

(1) That space directly above each unit to the interior face of the roof sheathing is hereby designated as a limited common area to be used solely as storage space by the unit owner immediately beneath the said limited common area. Except as otherwise expressly stated herein, limited common areas are, and shall continue to be, subject to all the same rules, uses and restrictions that apply to the common areas and facilities generally. The sole purpose of this paragraph is to grant each unit owner the exclusive right to use the space directly above his unit for storage.

(2) The Executive Office Park of Durham Association, Inc. shall be responsible for insuring all common areas and facilities, including the limited common areas. Provided, however, that each unit owner shall be responsible for insuring any betterments or improvements he makes in a limited common area as well as insuring any property he may store in a limited common area.

F. AMENDMENT TO PLANS:

(1) The Developer reserves the right to change the interior design and arrangement of all units, and to alter the boundaries between units, so long as the Developer owns the units so altered. No such change shall increase the number of units nor alter the boundaries of the common elements without amendment of this Declaration by approval of the Association and unit owners in the manner elsewhere provided. If the Developer shall make any changes in units so authorized, such changes shall be reflected by an amendment to the Declaration. If more than one unit is concerned, the Developer shall apportion between the units the shares in the common elements which are appurtenant to the units concerned. No unit, at any time, may contain less than 1000 square feet.

(2) An amendment of this Declaration reflecting such alteration of condominium unit plans by Developer need be signed and acknowledged only by the Developer and need not be approved by the Association, unit owners or lienors or mortgagees of units or of the condominium, whether or not elsewhere required for an amendment.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

4. AMENDMENT OF RATIOS

As provided by this Declaration, the Bylaws of Executive Office Park of Durham Association, Inc. (hereinafter called the "Association") and the terms of Chapter 47A of the General Statutes of North Carolina, the ratio of the undivided interest of each unit owner in the common areas and facilities as set forth on Exhibit "D" attached hereto may be altered by an amendment to this Declaration duly recorded.

5. NATURE OF INTEREST IN UNITS

Every condominium unit, together with its undivided common interest in the common areas and facilities, shall for all purposes be, and it is hereby declared to be and to constitute, a separate parcel of real property and the unit owner thereof shall be entitled to the exclusive ownership and possession of his condominium unit subject only to the covenants, restrictions, easements, rules, regulations, resolutions, and decisions as may be contained or provided for herein and in the accompanying Bylaws and minutes of the Association and the Board of Directors.

6. USE

The buildings and each of the units shall be used for business or office purposes only. Any unit owner may delegate, in accordance with this Declaration and the Bylaws of the Association, his rights of possession, use, and enjoyment of his unit and the common area and facilities to guests, invitees, licensees and tenants.

7. SERVICE OF PROCESS

Charles S. Allen, Jr. is hereby designated to receive Service of Process in any action which may be brought against or in relation to this condominium development and/or the Association. Said person's place of business is 3825 Nottaway Road, City of Durham, County of Durham, State of North Carolina, which is within the city and county in which the development is located. The Board of Directors of Executive Office Park of Durham Association, Inc., may revoke the appointment of any such agent and appoint a successor, all pursuant to the Bylaws.

8. EASEMENTS

The following easements are covenants running with the land of the condominium:

(A) Each unit owner shall have an easement in common with the other owners of all other units to use all pipes, wires, ducts, cables, conduits,

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the common facilities contained therein or elsewhere in the building.

(B) The Association may hereafter grant easements, as approved by the Board of Directors, for utility purposes for the benefit of the property, including the right to install, lay, maintain, repair and replace water lines, gas lines, pipes, sewer lines, television cables, telephone wires and equipment and electrical conduits, and wires over, under, along and on any portion of the common areas; and each unit owner hereby grants the Association an irrevocable power of attorney to execute, acknowledge and record for and in the name of each unit owner such instruments as may be necessary or desirable to effectuate the foregoing.

(C) Ingress and Egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks and lanes as the same from time to time may exist upon the common elements; and for vehicular traffic over, through and across such portions of the common elements as from time to time may be paved and intended for such purposes.

(D) Easements are reserved to the owners of units in the Executive Office Park for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes, and for the construction and maintenance of water, sewer and other utilities.

(E) If a unit shall encroach upon any common element, or upon any other unit by reason of original construction or by the nonpurposeful or nonnegligent act of the unit owner or of the Association, then an easement appurtenant to such encroaching unit, to the extent of such encroachment, shall exist so long as such encroachment shall exist.

(F) The Developer hereby reserves unto itself the right to grant easements over any of the common elements of this condominium to be used for, by or in connection with any other condominiums which may hereafter be

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

erected on property owned by the Developer in the vicinity of the property covered hereby, to the same extent as if said common elements were common elements of said condominiums or as may become necessary for the purpose of the undersigned, its grantee, lessee, successors, or assigns, servicing its adjacent properties with utility services, drainage and easements for ingress and egress.

9. PARTITIONING

The common areas and facilities shall not be divided nor shall any right to partition any thereof exist. Nothing herein contained, however, shall be deemed to prevent ownership of a condominium unit by the entireties, jointly, or in common or in any other form by law permitted.

10. PARKING SPACES

Parking spaces are located in the condominium clusters and are not identified by numbers. These parking spaces are available generally for owners, their tenants, guests, and invitees without reservation or restriction.

11. LIENS

While the property remains subject to this Declaration and the provisions of the North Carolina Unit Ownership Act, no liens of any nature shall arise or be created against the common areas and facilities except with the unanimous consent in writing of all of the condominium unit owners and the holders of first liens thereon except such liens as may arise or be created against the several units and their respective common interests under the provisions of the North Carolina Unit Ownership Act. Every agreement for the performance of labor, or the furnishing of materials to the common areas and facilities, whether oral or in writing, must provide that it is subject to the provisions of this Declaration and the right to file a mechanics lien or other similar lien by reason of labor performed or materials furnished is waived.

12. OPERATING ENTITY

The operation of the condominium shall be by an incorporated Association organized pursuant to Chapter 55 of the General Statutes of North Carolina.

A: Name: The name of the Association shall be:

EXECUTIVE OFFICE PARK OF DURHAM ASSOCIATION, INC.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

B. Powers: The Association shall have all of the powers and duties set forth in the Unit Ownership Act, except as limited by this Declaration and the Bylaws, and all of the powers and duties reasonably necessary to operate the condominium as set forth in this Declaration and the Bylaws and as they may be amended from time to time.

The Association's powers of maintenance, operation, administration, management, and care of the condominium property may be delegated to a Manager as provided for in Article 14 herein.

All other affairs of the Association shall be conducted by a Board of Directors who shall be designated in the manner provided in the Bylaws of the Association.

C. Members:

(1) Qualifications: The members of the Association shall consist of all of the record owners of units.

(2) Change of Membership: After receiving the approval of the Association elsewhere required, change of membership in the Association shall be established by recording in the public records of Durham County, North Carolina, a deed or other instrument establishing a record title to a unit or units in the condominium and the delivery to the Association of a certified copy of such instrument, the owner designated by such instrument thereby becoming a member of the Association. The membership of the prior owner shall be thereby terminated.

(3) Voting Rights: There shall be one person with respect of each Unit Ownership who shall be entitled to vote at any meeting of the Unit Owners. Such person shall be known and hereafter referred to as a "voting member". Such voting member may be the owner or one of a group composed of all of the owners of a unit ownership, 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. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board of Directors of the death or judicially declared incompetence of any designator, or by written notice to the Board of Directors by the owner or owners. The total number of votes of all voting members shall be one hundred (100), and each owner or group of owners (including the Board of Directors, if said Board or its designee shall then hold title to one or more units) shall be

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities applicable to his or their unit ownership as set forth in Exhibit "D" of this Declaration. The unit owner may vote on any matter by secret ballot upon motion duly made and seconded by any voting member.

(4) Approval or Disapproval of Matters: Whenever the decision of a unit owner is required upon any matter, whether or not the subject of an Association meeting, such decision shall be expressed by the same person who would cast the vote of such owner if in an Association meeting, unless the joinder of record owners is specifically required by this Declaration.

(5) Restriant Upon Assignment of Shares in Assets: The share of a member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner except as an appurtenance to his unit.

Any assessment for reserve or sinking funds for capital improvements or repairs shall be held by the Board of Directors for the purposes so designated and for no other. In the event such purpose or contingency does not occur, said allocated funds shall be expended only for the general operation of the property and any excess assessments in any year shall be used to reduce the following year's assessments.

(6) Designation of Voting Representative: If a unit is owned by one person, his right to vote shall be established by the record title to his unit. If a unit is owned by more than one person, or by a partnership, trust, or estate or is under lease, the person entitled to cast the vote for the unit shall be designated by a certificate signed by all of the record owners of the unit or signed by the partnership, trustee, or other fiduciary and filed with the Secretary of the Association. If a unit is owned by a corporation, the person entitled to cast the vote for the unit shall be designated by a certificate of appointment signed by the president, vice president or secretary of the corporation and filed with the Secretary of the Association. Such certificates shall be valid until revoked or until superseded by a subsequent certificate or until a change in the ownership of the unit concerned.

D. Indemnification of Directors: Every director and every officer of the Association shall be indemnified by the Association against all expenses

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a director or officer at the time of the acts in question or such expenses are incurred, except in such cases wherein the director or officer is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer may be entitled.

E. Bylaws: The Bylaws of the association shall be in the form attached hereto as Exhibit "E" as amended from time to time.

F. Property in Trust: All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the Bylaws.

13. COMMON EXPENSE

The common expenses and surpluses of the property shall be shared by the unit owners in the ratios specified in Exhibit "D" as amended from time to time.

14. MANAGEMENT AND MAINTENANCE

A. Manager: The Association may enter into a contract with a Management Company or Manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. All the powers and duties of the Association necessary or convenient for such maintenance and management may be delegated to and vested in the Manager by the Board of Directors, except such as are specifically required by this Declaration, the Bylaws, or the Unit Ownership Act, to have the approval of the Board of Directors or the Association. The Manager is hereby further authorized to recommend the annual budget, and, upon approval thereof by the Board of Directors, make assessments for common expenses, and collect such assessments as provided in this Declaration and the Bylaws, subject always to the supervision and right of approval of the Board of Directors.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

B. Owner's Maintenance:

(1) Each unit owner agrees as follows:

(a) To maintain in good condition and repair his unit and all interior surfaces within his unit (such as walls, ceilings, and floors) which are not common elements or exterior surfaces the maintenance of which shall be the responsibility of the Association and assessable to all the unit owners as a common expense.

(b) Not to make or cause to be made any structural addition to the common elements without the prior written consent of the Association.

(c) To make no alteration, repair, replacement, or change of the common elements, or to any outside or exterior portion of the building, whether within a unit or part of the common elements.

(d) To permit the Board of Directors or the Manager, or the agents or employees of the Association, to enter with notice at any reasonable hour of the day, for the purpose of maintenance, inspection, repair, replacement, or improvements within the units or the common elements, or to determine in the case of emergency, the circumstances threatening any unit(s) or the common elements, or to determine compliance with the provisions of this Declaration, the Bylaws, or the Rules and Regulations promulgated thereunder.

(2) In the event a unit owner fails to maintain the unit as required herein or makes any structural addition or alteration to the common areas without the required written consent of the Board of Directors, or fails to permit entrance to the Board or the Manager as required above, the Manager on behalf of the Board of Directors or Association, or the Board on its own behalf, shall have the right to proceed either at law or in equity for whatever appropriate remedy the circumstances require. In lieu thereof and/or in addition to this remedy, the Association, through the Board of Directors, shall have the right and power to levy an assessment against the owner of the unit and the unit itself for such necessary sums to remove any unauthorized structure or alteration and to restore the property to its former condition. The Association and/or the Board of Directors on its behalf, shall have the further right and power to have its employees or agents, or any subcontractor appointed by it, enter the unit at any and all reasonable times, to do such work as is deemed necessary by the Board to enforce compliance with the provisions hereof.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

C. Limitation of Liability:

Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

15. ASSESSMENTS

The common expenses shall be assessed against each unit owner as provided for in Paragraph 13 above. Assessments which are unpaid for over thirty (30) days after due date shall bear the maximum interest allowed by law, (but not to exceed the monthly rate of one and one-half percent (1-1/2%)) from the due date until such unpaid assessment is paid in full.

Unit owners shall be subject to assessment by the Board of Directors upon acquiring title to their unit. However, the Developer shall not be liable for assessments until nine (9) units contemplated by this Declaration have been sold.

Any sum assessed remaining unpaid for more than thirty (30) days shall constitute a lien upon the delinquent unit or units when filed of record in the Office of the Clerk of Superior Court of Durham County in the manner provided for by Article 8 of Chapter 44 of the General Statutes of North Carolina as amended. The lien for unpaid assessments shall also secure reasonable attorney's fees incurred by the Manager or the Board of Directors incident to the collection of such assessment or the enforcement of such lien. In any foreclosure of a lien for assessments, the owner of the unit subject to the lien shall be required to pay a reasonable rental for the unit, and the Manager or Board of Directors shall be entitled to the appointment of a receiver to collect the same.

16. INSURANCE

A. Ownership of Policies: All insurance policies upon the condominium property shall be purchased by the Association or Manager for the benefit of the Association, the unit owners, and their mortgagees as their interest may appear, and provisions shall be made for the issuance of certificates of mortgagee endorsements to the mortgagees of unit owners. Unit owners may, at their option, obtain additional insurance coverage at their own expense upon their own personal property, for their personal liability, business interruption and such other coverage as they may desire.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

B. Coverage: All buildings and improvements upon the land and all personal property included in the common elements shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, or by 90% co-insurance blanket coverage or by such other form of policy as the Board of Directors annually determines will most reasonably provide the funds necessary to repair or reconstruct the insured improvements. Such coverage shall afford protection against (1) loss of damage by fire and other hazards covered by a standard extended coverage endorsement, and (2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the land, including, but not limited to vandalism and malicious mischief. It is expressly understood that Executive Office Park of Durham Association, Inc. and the unit owners each have an insurable interest in the interior horizontal and vertical boundaries of each unit including the interior walls, ceilings and floors, as well as all plumbing and electrical fixtures. The Association shall be responsible under its master policy for housing all the common areas, as well as the interior horizontal and vertical boundaries of each unit and the interior walls, ceiling and floors, and all plumbing and electrical fixtures. The unit owners shall be named as additional insureds on the Association's master policy. Each unit owner shall be responsible for providing other insurance, including but not limited to, contents coverage for personal property located in the unit or limited common area as well as insuring any betterments or improvements the unit owner may make within these areas.

C. Public Liability Insurance: Public liability insurance shall be secured by the Association or Manager in such amount and with such coverage as shall be deemed necessary by the Board of Directors, including, but not limited to, an endorsement to cover liability of the unit owners as a group or to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Directors or Manager shall determine from time to time to be desirable or necessary.

D. Premiums: Premiums upon insurance policies purchased by the Association or Manager shall be paid by the Association and chargeable to the Association as a common expense.

E. Proceeds: All insurance policies purchased by the Association or Manager shall be for the benefit of the Association and the unit owners and

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The Board of Directors of the Association is hereby irrevocably appointed Agent for each unit owner and his mortgagee as their interests may appear for the purpose of compromising and settling claims arising under insurance policies purchased by the Manager or Board of Directors for the benefit of the Association and the unit owners; said Board of Directors or its designee is hereby further empowered to execute and deliver releases to the insurance carrier upon the payment of claims. The Board of Directors' duty or its designee's duty upon receipt of such proceeds shall be to hold the same in trust for the purposes elsewhere stated herein or in the Bylaws for the benefit of the Association and the unit owners and their mortgagees, as their interests may appear.

F. In the Event a Mortgage Endorsement Has Been Issued as to a Unit: The share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear.

G. Additional Coverage: Each individual unit owner shall be responsible for purchasing, at his own expense, including but not limited to liability insurance to cover accidents occurring within his own unit, coverage upon his own personal property, business interruption, fire and other hazard, mortgage insurance, and such other insurance as the unit owner deems necessary or desirable.

17. DISTRIBUTION OF INSURANCE PROCEEDS

Proceeds of insurance policies shall be payable to the Executive Office Park of Durham Association, Inc., as insurance trustee and shall be distributed to or for the benefit of the beneficial owners in the following manner:

A. Expense of the Trust: All expenses of the insurance trustee shall be first paid or provision made therefor.

B. Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as determined in Paragraph 16 hereof. Any proceeds remaining after defraying such cost shall be distributed as surpluses to the beneficial owners of the damaged units pursuant to Paragraph 13 hereof.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

C. Failure to Reconstruct or Repair: If it is determined, as provided in Paragraph 18 hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed as surpluses to the beneficial owners of the damaged units thereof pursuant to Paragraph 13 hereof.

D. Mortgagees: In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

18. DAMAGE AND DESTRUCTION

A. Determination to Reconstruct or Repair: If any part of the condominium property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(1) Common Element: If the damaged improvement is a common element, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated.

(2) Condominium Units:

(a) Partial destruction: If the damaged improvement is a condominium unit, and if termination as provided in subparagraph (b) below does not take place, the damaged property shall be reconstructed or repaired unless within sixty days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated.

(b) Total destruction: If more than two-thirds (2/3) of the condominium units are destroyed and the owners of three-fourths (3/4) of the units in the entire condominium should determine not to proceed with repair or restoration, then the procedure set forth in Section 47A-25 of the North Carolina Statutes, and any amendments thereto, shall take place.

B. Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is a condominium

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

unit, by the owners of all damaged units therein which approvals shall not be unreasonably withheld.

C. Responsibility: If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

D. Estimate of Costs: Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the cost to rebuild or repair.

E. Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the costs of reconstruction and repair of their respective units. Such assessments on account of damage to common elements shall be in proportion to the unit owner's share in the common elements.

19. TRANSFER OF UNITS

A. Sale or Lease of Units:

(1) In the event that any unit owner desires to sell or lease his unit or any interest therein, and receives a bona fide satisfactory offer therefor, he shall, before accepting said satisfactory offer, submit to the Board of Directors in writing by registered mail, return receipt requested, the terms of said offer, the name(s) and address(es) of the offeror(s), and an offer to sell or lease the unit to the Board at the same price and terms. The Board of Directors only with the unanimous consent of all unit owners other than the conveying unit owner may accept said offer. The Board of Directors shall have a period of ten (10) days after receipt of said written notice within which to exercise its right to accept such offer (after unanimous approval of the unit owners) and shall have an additional period of

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

not less than twenty (20) days within which to close the said transaction. The Board of Directors may elect to purchase or lease such unit on behalf of all of the remaining unit owners as a group or, if the remaining unit owners as a group do not wish to so acquire such unit, then said unit may be purchased or leased by the Board of Directors on behalf of any one or more individual unit owners. In the event the Board of Directors shall elect to accept the offer on behalf of the remaining unit owners, the cost thereof shall be shared by the remaining unit owners in the same proportion as common expenses; any profit or loss realized upon the sale or lease by the Board of a unit so acquired shall likewise be shared, pursuant to Paragraph 13 hereof, by the remaining unit owners. In the event that the Board of Directors shall elect to acquire an offered unit on behalf of any one or more individual unit owners, then the cost thereof shall be shared by such acquiring unit owners in such proportion as they shall agree upon.

(2) In the event that the Board of Directors fails to exercise its right to purchase or lease said unit, then the unit owner shall submit to the Declarant in writing by registered mail, return receipt requested, the terms of said bona fide satisfactory offer, the name(s) and address(es) of the offeror(s), and an offer to convey or lease the unit to the Declarant at the same price and terms. The Declarant shall have a period of ten (10) days after receipt of said written notice within which to exercise its right to acquire or lease said unit and shall have an additional period of not less than twenty (20) days within which to close the transaction. Should the Declarant fail or refuse within the said ten day (10) period to exercise its option to acquire the unit at the offered price and terms, then the unit owner shall have the right to convey or lease said unit to the offeror whose identity was revealed to the Declarant in said written notice, provided, however, that any such conveyance or lease shall be subject to all the terms, covenants, limitations, and provisions of this Declaration and Bylaws of the Association. The right given to the Declarant in this subparagraph to purchase or lease a unit shall only continue for a period of five (5) years from the date of recordation of this agreement in the Office of the Register of Deeds of Durham County, North Carolina, at which time this right shall terminate and become null and void as to the Declarant.

(3) The Declarant and the Board of Directors upon the request of a conveying unit owner, shall, where applicable, execute in recordable form,

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

instruments indicating compliance with the terms and provisions of this Declaration.

(4) No unit owner may mortgage his unit or any interest therein without the approval of the Board of Directors except as to a first mortgage lien made to a bank, life insurance company, or savings and loan association. The Board may, and it is hereby authorized to impose reasonable conditions upon which approval as to any other mortgage shall be given. Each unit owner who shall mortgage or otherwise encumber his unit or any interest therein shall furnish to the Board of Directors a copy of all such mortgages, deeds of trust, or other instruments creating such encumbrance.

B. Gift or Devise of Interest: Any owner may give, exchange, devise or bequeath his interest in his unit to his spouse, his parents, or to any lineal decendants, including adopted children or to a corporation, all classes of stock of which are more than eighty percent (80%) owned by such owner, his spouse, or his lineal decendants, without the prior written consent of the Board or the Declarant. In the event that any owner of a unit or interest therein shall desire to give, devise or bequeath any interest in a unit to a person, firm, or corporation other than the parties hereinabove specifically enumerated or should any person other than the above be entitled to take the property by gift, devise, inheritance, or by operation of law, then such transfer shall, for purposes of this Declaration, be treated as a sale and shall be subject to the provisions of subparagraphs A(1) through A(3) above. The price for which the interest in the unit shall be transferred, shall be such as shall be agreed upon by the transferring owner and the Board or the Declarant. In the event such owner and the Declarant or the Board are unable to agree upon a mutually satisfactory price, then the owner (or the personal representative of a deceased owner, as applicable) shall appoint one appraiser, the Board of Directors or the Declarant, whichever is acquiring an interest in the unit, shall appoint one appraiser, and each of these appraisers shall appoint a third; any decision of the majority of said appraisers as to the value of such property involved shall be conclusive and binding upon all parties for the purposes of this agreement. Transfer and payment for such property shall be made on such terms and conditions (including terms of payment) as the parties or their appraisers shall agree upon.

STUBBS, COLE, REEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

C. Other Transfers and Unauthorized Transactions:

(1) If any unit owner shall acquire his title by any manner in contravention of the above or in any manner not heretofore considered in the foregoing subsections, the continuance of his ownership of his unit shall be subject to the right of purchase of said unit by the Board and/or the Declarant. Should the Board and/or the Declarant elect to purchase any unit so acquired, the purchase price shall be that as shall be agreed upon between the Board of Directors and/or the Declarant, and the unit owner. In the event the unit owner and the Board of Directors and/or the Declarant are unable to agree to a purchase price of the unit, the unit owner shall appoint one appraiser, the Board or the Declarant, whichever is acquiring an interest in the unit, one appraiser, and each of these appraisers shall appoint a third; any decision of the majority of said appraisers as to the value of said unit shall be conclusive and binding upon all parties for the purposes of this agreement. Transfer and payment for such property shall be made upon such terms and conditions, including terms of payment, as the parties or their appraisers shall agree upon.

(2) Any sale, mortgage, or lease which is not authorized pursuant to the terms of this Declaration shall be voidable unless subsequently approved by the Board of Directors.

20. USE AND OCCUPANCY

A. Use: The buildings and each of the units shall be used for office and business purposes only. Any unit owner may delegate, in accordance with this Declaration and the Bylaws of the Association, his rights of possession, use, and enjoyment of his unit and the common area and facilities to his invitees, employees, guests, and tenants.

B. Nuisance: The unit owner shall not permit or suffer anything to be done or kept in or about his unit which will increase the rate of insurance on the building, or which will obstruct or interfere with the rights of other unit owners or annoy them by unreasonable noises, odors, or otherwise. No unit owner shall commit nor permit any nuisance, immoral, or illegal act in or about the building.

C. Exterior: It shall be the responsibility of each unit owner and the Board of Directors to prevent the development of any unclean, unsightly, or unkept condition of the property which shall tend to decrease the beauty of the neighborhood either as a whole or the specific area.

ST: ROE, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

The unit owner shall not cause anything to be hung, displayed, or placed on the exterior walls, doors, balconies, chimneys, windows, or any other exterior part of the building without the prior written consent of the Board of Directors. No person may place or cause to be placed any communications aerial, television aerial, or similar device on any portion of the condominium property without the written consent of the Board.

D. Signs: No signs (including "for rent", "for sale", and other similar signs) or property identification signs shall be erected or maintained on any unit except with written permission of the Board of Directors, or except as may be required by legal proceedings.

E. Structures, Outbuildings, and Trailers: No structure of a temporary character shall be placed upon the property at any time, provided, however, that this prohibition shall not apply to shelters used by a contractor during the construction or repair of the mulit-unit buildings, so long as these latter temporary shelters are not, at any time, used as residences, offices, or for business purposes of a unit owner or permitted to remain on the building plot after completion of said construction or repair.

No mobile home of any kind, trailer, tent, barn, storage shed, garage, tree house, or other similar outbuilding or structure, regardless of purpose or function, shall be placed on the property at any time, either temporarily or permanently.

F. Rules and Regulations: No person shall use the common elements, or any part thereof, or a condominium unit, or the condominium property, or any part thereof, or any other property the use of which has been acquired for the benefit of the Association, or the unit owners, in any manner contrary to or not in accordance with the Rules and Regulations pertaining thereto, as from time to time may be promulgated by the Board of Directors or the Association.

G. Breach of Restrictions: In the event of a violation or breach of any of the restrictions contained in this Declaration or of any other covenants contained in this Declaration, the Bylaws or Rules and Regulations of the Association by any unit owner, tenant, or agent of such owner, or any of them, jointly or severally, the Association shall have the right to proceed at law or in equity to compel a compliance with the terms hereof or to prevent the violation or breach of this Declaration, the Bylaws or Rules

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

and Regulations of the Association. In addition to the foregoing, the Board of Directors shall have the right whenever there shall have been any violation of these restrictions, to enter upon the property where such violation exists, and summarily abate or remove the same at the expense of the unit owner, if after thirty (30) days' written notice of such violation it shall not have been corrected by the unit owner. Any such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation or conditions in this Declaration, the Bylaws, or Rules and Regulations however long continued, shall not be deemed a waiver of the right do to so thereafter, as to the same breach or as to a breach occurring prior or subsequent thereto, and shall not bar or affect its enforcement. The invalidation by any court of any restrictions in this Declaration, the Bylaws or Rules and Regulations shall in no way affect any of the other restrictions, but they shall remain in full force and effect.

21. UNITS SUBJECT TO DECLARATION

All present and future owners, tenants and occupants of units shall be subject to, and shall comply with the provisions of this Declaration, the Bylaws and any Rules and Regulations of the Executive Office Park of Durham Association, Inc., as said Declaration, Bylaws, Rules and Regulations may be amended from time to time. The acceptance of a deed, or the entering into of a lease, or the entering into occupancy of any unit shall constitute an agreement that the provisions of this Declaration, Bylaws, and any Rules and Regulations which may be adopted are accepted and ratified by such owner, tenant or occupant and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit as though such provisions were made a part of each and every deed or conveyance or lease.

22. AMENDMENT OF DECLARATION

A. This Declaration may be amended by the vote of at least 66-2/3% of the undivided interests of all unit owners in the common elements as set forth in Exhibit "D", cast in person or by proxy at a meeting duly held in accordance with the provisions of the Bylaws. No such amendment shall be effective until recorded in the Office of the Register of Deeds for the county wherein the property, the subject of this Declaration, is located.

B. Anything contained in this Declaration to the contrary notwithstanding, it is contemplated that the Declarant will construct additional

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

units, which shall be located in one or more additional buildings. However, the total number of units subject to this Declaration, shall not exceed thirty-four (34). Declarant shall have the absolute right in its discretion to construct additional units, and if any such units are so constructed on the land now owned by the Declarant and contiguous to the land now covered by this Declaration (or contiguous by way of an easement) and if such additional units are substantially equivalent in unit value and construction to the units now covered under this Declaration, then, for the purpose of amending this Declaration and the Bylaws, each owner of a condominium unit under this Declaration, and the mortgagees of each owner of a unit hereunder, shall be deemed to have consented to an amendment or amendments to this Declaration and the Bylaws for the purpose of including such additional units hereunder and shall be deemed to have given to the Declarant an irrevocable power of attorney, coupled with an interest, to effectuate such amendment, and agrees to execute such further papers and instruments, if any, as may be necessary or desirable from time to time to accomplish such amendments. It is understood that such amendments shall, in addition to enlarging the number of units to be subject to this Declaration, necessarily result in a redetermination of each unit owner's percentage interest in the common areas and facilities shown in Exhibit "D".

23. WAIVER

No provisions contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

24. CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference and in no way to define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

25. LIMITATION OF LIABILITY

A. Limitation upon Liability of Association: Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the property to be maintained and repaired by the Association, or by the elements or other owners or persons.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

B. Property In Trust: All funds and the titles of all properties acquired by the Association and the net proceeds thereof shall be held in trust for the members in accordance with the provisions of this Declaration and the Bylaws of the Association.

26. EMINENT DOMAIN

In the event of a taking by eminent domain (or condemnation or a conveyance in lieu of condemnation) of part or all of the common elements, the award for such taking shall be payable to the Association, which shall represent the owners named in the proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement or improvement of the remaining common elements, if only part are taken. If all or more than two-thirds (2/3) of all of the general common elements are taken, it shall be deemed a destruction of more than two-thirds (2/3) of all of the general common elements and the condominium regime shall be terminated as hereinbefore provided. Any funds not utilized (in the case of a partial taking) shall be applied in payment of common expenses otherwise assessable. In the event of a taking of all or part of a unit, the award shall be made payable to the owner of such unit and his mortgagee, if any, as their interests may appear.

27. MISCELLANEOUS

A. Encroachments: The owners of the respective condominium units agree that if any portion of a condominium unit or common element encroaches upon another, a valid easement for the encroachment and maintenance of same, so long as it stands, shall and does exist. In the event the building is partially or totally destroyed and then re-built, the owners of the condominium units agree that encroachments on parts of the common elements or limited common elements or condominium units, as described herein, due to construction, shall be permitted, and that a valid easement for said encroachments and the maintenance thereof shall exist.

B. Exemption from Liability: No owner of a condominium unit may exempt himself from liability for his contribution toward the common expenses by waiver of the use and enjoyment of any of the common elements, or by the abandonment of his condominium unit.

C. Merger of Units: Nothing hereinabove set forth in this Declaration shall be construed as prohibiting the Board of Directors of the

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

Association from removing or authorizing the removal of any party wall between any condominium units in order that the said units might be used together as one condominium unit. In such event, all assessments, voting rights, and the share of common elements shall be calculated as if such units were originally designated on the Exhibits attached to this Declaration, notwithstanding the fact that several units are used as one, to the intent and purpose that the unit owner of such combined units shall be treated as the unit owner of as many units as have been so combined. No unit at any time may contain less than 1000 square feet.

D. Construction: Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and plural shall include the singular. The provisions of the Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of condominium property.

E. Warranties and Representations: The Declarant specifically disclaims any intent to have made any warranty or representation in connection with the property or the condominium documents, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

F. Controlling: This Declaration and Exhibits attached hereto and Amendments hereof, shall be construed and controlled by and under the laws of the State of North Carolina.

G. Covenants: All provisions of this Declaration and Exhibits attached hereto and amendments hereof, shall be construed to be covenants running with the land, and of every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto, including the common elements and every unit owner and claimant of the property or any part thereof, or of any interest therein, and his heirs, executors, administrators, tenant, successors, and assigns, shall be bound by all of the provisions of said Declaration and Exhibits annexed hereto and Amendments thereof.

H. Invalidation: If any provision of this Declaration, Bylaws and the Exhibits attached hereto, the Amendments hereof, or of the Unit Ownership

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

Act Chapter 47A of the General Statutes, or any section, sentence, clause, phrase, or word, or the application thereof, in any circumstances is held invalid, the validity of the remainder of this Declaration, Bylaws, the Exhibits attached hereto, the Amendments hereof, or the Unit Ownership Act, shall be not affected thereby.

Executive Office Park of Durham

Corporate Seal

ATTEST:

Secretary

DECLARANT:

EXECUTIVE OFFICE PARK DEVELOPERS
BY OFFICE PARK OF DURHAM, INC.,
GENERAL PARTNER

BY: Charles S. Allen Jr.
~~Vice~~ President

NORTH CAROLINA

DURHAM COUNTY

I, EDWARD S. ORGAIN JR., a Notary Public, do hereby certify that LINDA D. ALLEN personally appeared before me this day and acknowledged that She is _____ Secretary of Executive Office Park of Durham, Inc., a corporation, General Partner of Executive Office Park Developers, a North Carolina Limited Partnership, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ ~~Vice~~ President, sealed with its corporate seal, and attested by ___self as its _____ Secretary.

WITNESS my hand and notarial seal, this 9 day of NOVEMBER, 1982.

NOTARY PUBLIC

Edward S. Orgain Jr.
Notary Public

My commission expires:

AUGUST 22, 1983

FILED
BOOK 1097 PAGE 308-360
Nov 18 8 56 AM '82
RUTH C. GARRETT
REGISTER OF DEEDS
DURHAM COUNTY, N.C.

State of North Carolina - Durham County
The foregoing certificate(s) of
Edward S. Orgain Jr.
A Notary (Notaries) Public of the Designated Governmental units is (are) certified to be correct.
This the 18 day of Nov A.D. 19 82
Ruth C. Garrett
Register of Deeds
By: Assistant, Deputy Register of Deeds

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

EXHIBIT "A"

EXECUTIVE OFFICE PARK

BEGINNING at an iron stake in the southern right-of-way line of North Carolina Highway No. 54 said stake being the northeast corner of Lot 3 as shown on plat in Plat Book 63 at Page 28, Durham County Registry, and running thence South 5° 14' 9" West 171.5 feet to a stake; thence North 84° 30' 53" West 5 feet to a stake; thence South 5° 14' 9" West 310.63 feet to a stake; thence North 84° 48' 20" West 230.65 feet to a stake in the east line of the Property of Research Triangle Investors; thence with the east line of said property North 5° 11' 40" East 282.1 feet to a stake; thence South 84° 48' 20" East 195 feet to a stake; thence North 5° 11' 40" East 80 feet to a stake; thence North 8° 50' 30" West 61.85 feet to a stake; thence North 5° 11' 40" East 60 feet to a stake on the south side of North Carolina Highway No. 54; thence along and with the south side of said North Carolina Highway No. 54 South 84° 48' 20" East 56 feet to a stake, the point and place of BEGINNING and being the northern portion of Tract 2 of the Property of Executive Park Developers, a North Carolina Limited Partnership, as per plat and survey thereof now on file in the Office of the Register of Deeds of Durham County in Plat Book 101 at Page 12, to which plat reference is hereby made for a more particular description of same.

EXHIBIT "B"

EXECUTIVE OFFICE PARK

The project consists of two (2) one-story buildings without basements numbering ten (10) units. The buildings are principally constructed of concrete slab supporting wood stud framework faced by exterior horizontal and vertical wood siding and interior sheetrock walls with a roof of asphalt shingles on wood trusses.

The units are consecutively numbered as follows: 110, 120, 130, 140, 150, 210, 220, 230, 240 and 250, with units 110, 120, 130, 140 and 150 being Building Number One, and units 210, 220, 230, 240 and 250 being Building Number Two. Each unit consists of approximately one thousand (1,000) square feet and the units are subdivided into the number of rooms as shown on the plans filed with the Durham County Register of Deeds and being Exhibit "C" to the Executive Office Park Condominium Declaration. All units have direct access to walkways leading to adjacent parking areas as shown on the attached drawing of the Executive Office Park marked Exhibit "B".

EXHIBIT "D"

EXECUTIVE OFFICE PARK

The common areas and facilities consist of all parts of the property described in Exhibits "A" and "B" other than the individual dwelling units therein as described in Exhibit "C" being attic space as shown as limited common areas and walkways, parking lots and landscape grass, shrubbery and trees. All areas of the described property not within any units shall be common areas; and all portions of any building or other improvement not included within a unit shall be a common facility which may or may not be a limited common area as set forth in the Executive Office Park Declaration. The common facilities shall include all installations, items and equipment for utility service to more than one unit, and shall also include tangible personal property required for the maintenance and operation of the condominium even though owned by the Association. The project does have limited common areas as set forth in the Executive Office Park Declaration.

Each unit shall have an undivided interest in the common areas and facilities as follows:

Building Number One:

Unit 110 - one-tenth (1/10)
Unit 120 - one-tenth (1/10)
Unit 130 - one-tenth (1/10)
Unit 140 - one-tenth (1/10)
Unit 150 - one-tenth (1/10)

Building Number Two:

Unit 210 - one-tenth (1/10)
Unit 220 - one-tenth (1/10)
Unit 230 - one-tenth (1/10)
Unit 240 - one-tenth (1/10)
Unit 250 - one-tenth (1/10)

STUBBS, COLE, BREEDLOVE,
PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

EXHIBIT E

BYLAWS

OF

EXECUTIVE OFFICE PARK OF DURHAM ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

1. Name: The name of this Association shall be Executive Office Park Of Durham Association, Inc.

2. Principal Office: The principal office of the Association shall be located at 3825 Nottaway Road, in the City of Durham, County of Durham, North Carolina, or at such other location as may from time to time be determined by the Board of Directors of the Association.

3. Registered Office: The registered office of the Association may be, but need not be, identical with the principal office. The Association may have offices at such other places within Durham County, North Carolina, as the Board of Directors may from time to time determine.

ARTICLE II

PLAN OF UNIT OWNERSHIP

1. Unit Ownership: The property located in the County of Durham, State of North Carolina, and more particularly described in the Declaration to which these Bylaws are attached has been submitted to the provisions of Chapter 47A of the North Carolina General Statutes entitled "Unit Ownership Act" by the Declaration recorded in the Office of the Register of Deeds of Durham County, State of North Carolina, simultaneously herewith, and shall be known as EXECUTIVE OFFICE PARK (hereinafter sometimes called the "Condominium").

2. Applicability of Bylaws: The provisions of these Bylaws are applicable to the property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the units, the common areas and facilities and the limited common areas and facilities), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, and fixtures, intended for use in connection therewith.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

3. Application: All present and future owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these Bylaws and Rules and Regulations made pursuant hereto, and any amendment to the Declaration, these Bylaws or the Rules and Regulations upon the same being duly adopted.

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

4. Members Qualifications: The members of the corporation shall consist of all of the record owners of units in the Executive Office Park. Purchase or other acquisition of the freehold interest of a unit in said Condominium shall automatically make the owner thereof a member of the Association upon recordation of the Deed.

ARTICLE III

ASSOCIATION MEETINGS

1. Membership: The record owners of each unit shall be members and shall have voting rights as hereinafter set forth.

2. Place of Meetings: All meetings of the Executive Office Park of Durham Association, Inc. (hereinafter referred to as the "Association") shall be held at such place within the State of North Carolina as shall be designated in a notice of the meeting.

3. Organizational Meeting: Until the Developer, Executive Office Park Developers, or its successor, has completed and sold all of the units in the first phase of the Condominium project (approximately ten (10) units as now planned), or until Developer elects to terminate its control of the Condominium, or until March 31, 1983, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors.

4. Annual Meetings: An annual meeting of the Association shall be held at 7:00 o'clock P.M. on the first Thursday of March of each year for the purpose of electing members of the Board of Directors and for the transaction of such other business as may be properly brought before the meeting.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

3. Application: All present and future owners, mortgagees, lessees and occupants of units and their employees, and any other persons who may use the facilities of the property in any manner are subject to the Declaration, these Bylaws and Rules and Regulations made pursuant hereto, and any amendment to the Declaration, these Bylaws or the Rules and Regulations upon the same being duly adopted.

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

4. Members Qualifications: The members of the corporation shall consist of all of the record owners of units in the Executive Office Park. Purchase or other acquisition of the freehold interest of a unit in said Condominium shall automatically make the owner thereof a member of the Association upon recordation of the Deed.

ARTICLE III

ASSOCIATION MEETINGS

1. Membership: The record owners of each unit shall be members and shall have voting rights as hereinafter set forth.

2. Place of Meetings: All meetings of the Executive Office Park of Durham Association, Inc. (hereinafter referred to as the "Association") shall be held at such place within the State of North Carolina as shall be designated in a notice of the meeting.

3. Organizational Meeting: Until the Developer, Executive Office Park Developers, or its successor, has completed and sold all of the units in the first phase of the Condominium project (approximately twelve (12) units as now planned), or until Developer elects to terminate its control of the Condominium, or until March 31, 1983, whichever shall first occur, there shall be no meeting of the members of the Association unless a meeting is called by the Board of Directors.

4. Annual Meetings: An annual meeting of the Association shall be held at 7:00 o'clock P.M. on the first Thursday of March of each year for the purpose of electing members of the Board of Directors and for the transaction of such other business as may be properly brought before the meeting.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

5. Substitute Annual Meetings: If the annual meeting shall not be held on the day designated by the Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 6 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

6. Special Meetings: Special meetings of the Association may be called at any time by the President, a majority of the Board of Directors or upon written request of not less than 50% in common interest of the unit owners.

7. Notice of Meetings: Written or printed notice stating the place, day and hour of the meeting shall be delivered or mailed not less than ten (10) nor more than thirty (30) days before the date thereof, either personally or by mail at the direction of the Board of Directors or unit owners calling the meeting, to each person entitled to vote at such meeting.

In the case of an annual or substitute annual meeting, the notice of meeting need not specifically state the business to be transacted thereat unless it is a matter other than the election of Directors or which the vote of unit owners is expressly required by the provisions of the North Carolina Unit Ownership Act. In the case of a special meeting, the notice of meeting shall specifically state the purposes for which the meeting is called.

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

8. Quorum: The presence in person or by proxy at any meeting of the voting members (as defined in the Declaration) having a majority of the total votes shall constitute a quorum. Unless otherwise expressly provided herein or in the Declaration or by North Carolina law, any action may be taken at any meeting of the Association at which a quorum is present upon the affirmative vote of the voting members having a majority of the total votes present at such meeting. If there is no quorum at the opening of the meeting of the Association, such meeting may be adjourned from time to time by the vote of a majority of the voting members present, either in person or by proxy; and at any adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the original meeting.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

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

9. Voting rights: The designation of the voting representative and his voting rights are set forth in Paragraph 12 (c)(3) "Operating Entity" of the Declaration. The total number of votes of all voting members shall be 100 and each owner or group of owners (including the Board of Directors, if it or its designee shall then hold title to one or more unit(s) shall be entitled to the number of votes equal to the total of the percentage of ownership in the common areas and facilities applicable to his or their unit ownership.

10. Waiver of Notice: Any unit owner may, at any time 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 to the transaction of any business because the meeting was not lawfully called. If all the unit owners are present at any meeting of the Association no notice shall be required and any business may be transacted at such meeting.

11. Informal Action by Unit Owners: Any action which may be taken at a meeting of the Association may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, (that is, the voting members) and filed with the Secretary of the Association to be kept in the Association Minute Book.

12. Fiscal Year: The fiscal year of the Association shall be the same as the calendar year.

13. Order of Business: The order of business at annual meetings of the Association's members, and as far as practical at other meetings of the members shall be:

(A) Election of Chairman of the meeting.

(B) Calling of the roll and certifying of proxies.

(C) Proof of notice of meeting or waiver of notice.

(D) Reading and disposal of any unapproved minutes.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

(E) Reports of officers.

(F) Reports of Committees.

(G) Election of Inspectors of election.

(H) Election of directors.

(I) Unfinished business.

(J) New business.

(K) Adjournment

Until the Developer, Executive Park Developers, has completed all of the contemplated improvements and closed the sale of not less than twelve (12) units, or until the Developer elects to terminate its control of the Association, or until March 31, 1983, whichever shall first occur, the proceedings of all meetings of members of the Association shall have no effect unless approved by the Board of Directors. The Developer shall signify its termination of control by advising each of the then unit owners in writing of its intention to do so.

ARTICLE IV

BOARD OF DIRECTORS

1. General Powers. The business and property of the Condominium shall be managed and directed by the Board of Directors or by such Executive Committee as the Board may establish pursuant to these Bylaws.

2. Number, Term and Qualification:

(a) The initial Board of Directors of the Association, as set forth in the corporate charter shall serve until the Developer has completed and sold not less than twelve (12) units of the Executive Office Park or until Developer elects to terminate its control of the Condominium, or until March 31, 1983, (as specified in Article III) whichever shall first occur. In the event of vacancies, the remaining directors shall fill the vacancies; and if there are no remaining directors, the vacancies shall be filled by the Developer.

(b) Upon the occurrence of one of the events in subparagraph (a) above, the size of the Board of Directors may be increased or decreased from time to time upon the affirmative vote of two-thirds (2/3) of the total of the unit owners, provided that said Board shall not be less than three in number. Each Director shall hold office for a period of one year or until his death, resignation, retirement, removal,

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

disqualification, or his successor is elected and qualifies. Upon termination of control by the Developer, each member of the Board shall be one of the owners or co-owners or a spouse of an owner or co-owner; provided, however, that in the event an owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any officer or director of such corporation, partner of such partnership, beneficiary of such trust or manager of such other legal entity, shall be eligible to serve as a member of the Board.

3. Election of Directors: Execept as provided in Section 5 of this Article, the Directors shall be elected at the annual meeting of the Association; and those persons who receive the highest number of votes shall be deemed to have been elected.

4. Removal: Directors may be removed from office with or without cause by affirmative vote of the unit owners having a majority of the total votes entitled to vote at an election of directors. However, unless the entire Board is removed an individual director may not be removed if the number of unit owners voting against the removal would be sufficient to elect a director if such unit owners voted cumulatively at an annual meeting. If any directors are so removed, new directors may be elected at the same meeting.

5. Vacancies: A vacancy occurring in the Board of Directors, including directorships not filled by the unit owners, may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director; but a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an annual meeting or a special meeting of unit owners called for that purpose. Voting members may elect a Director at any time to fill any vacancy not filled by the Directors.

6. Compensation: The Board of Directors shall receive no compensation for their services unless expressly allowed by the Board at the direction of the unit owners having two-thirds (2/3) of the total votes.

7. Executive Committee: The Board of Directors 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

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

exercise all of the authority of the Board of Directors in the management of the Condominium.

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

(a) Operation, care, upkeep and maintenance of the common areas and facilities.

(b) Determination of the common expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the property.

(c) Collection of the common charges from the unit owners.

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the common areas and facilities, including the employment of a manager for the Condominium property.

(e) With the consent of the unit owners having sixty (60) percent of the total votes, the adoption and amendment of such reasonable Rules and Regulations as it may deem advisable for the maintenance, conservation, and beautification of the Condominium property, and for the health, comfort, safety and general welfare of the owners and occupants of the said property. Written notice of such Rules and Regulations shall be given to all owners and occupants, and the entire Condominium property shall at all times be maintained subject to such Rules and Regulations.

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

(g) Purchasing of units at foreclosure or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all unit owners.

(h) Selling, mortgaging, voting appurtenant to or otherwise dealing with units acquired by the Board of Directors or its designee, corporate or otherwise, on behalf of all unit owners, subject to the Declaration and other applicable restrictions.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

(i) Organizing corporations or other entities to act as designees of the Board in acquiring possession or title to units on behalf of all unit owners.

(j) Maintaining and repairing any unit, if such maintenance or repair is necessary in the discretion of the Board or by operation of applicable restrictions to protect the common areas and facilities or any other portion of the building, and an owner of any unit has failed or refused to perform such maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered or mailed by the Board to said owner, provided that the Board shall levy a special assessment against such owner for the costs of said maintenance or repair.

(k) Entering any unit when necessary in connection with any maintenance or construction for which the Board is responsible; provided, such entry shall be made during reasonable hours with as little inconvenience to the occupant as practicable, and any damage caused thereby shall be repaired by the Board and such expense shall be treated as a common expense.

(l) Granting easements, signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board.

(m) Obtaining of insurance for the Condominium property, including the units, pursuant to the provisions of Paragraph 16 of the Declaration.

(n) Making of repairs, additions and improvements to or alterations of the Condominium property and repairs to and restoration of the said property in accordance with the other provisions of these Bylaws and the Declaration, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

9. Managing Agent: The Board of Directors for the Condominium may engage the service of any person, firm or corporation to act as managing agent at a compensation established by the Board, to perform such duties and services as the Board of Directors shall authorize including, but not limited to the duties listed in subdivisions (a), (c), (d), (j), (k), (m), (n) of

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

Section 8 of this Article IV. The Board may delegate to the managing agent, all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), and (l) of Section 8 of this Article IV.

10. Assessments: The Board of Directors shall make and collect assessments against members to defray the costs and expense of the Condominium properties. The unit owners are bound to contribute pro rata in accordance with their percentage interest in the common areas and facilities.

11. Regulations: The Board of Directors shall make and amend reasonable Rules and Regulations respecting the use of the Condominium property and the common areas and facilities. Rules and Regulations of the Association, until amended, shall be as set forth in the Schedule "A" attached hereto. Unit owners shall at all times obey such Rules and Regulations and amendments thereto, and use their best efforts to see that they are faithfully observed by lessees, employees, invitees, and persons over whom they have or may exercise control and supervision, it being understood that such Rules and Regulations and amendments thereto, shall apply and be binding upon all unit owners and their tenants. Provisions of the North Carolina Unit Ownership Act pertaining to Rules and Regulations are incorporated herein by reference and shall be deemed a part hereof.

12. Enforcement: The Board of Directors shall enforce by legal means the provisions of the Unit Ownership Act, Declaration of Executive Office Park, the Articles of Incorporation, these Bylaws and the Rules and Regulations for the use of the Condominium property and the common areas and facilities.

ARTICLE V

MEETINGS OF DIRECTORS

1. Organization Meeting: The organizational meeting of the newly elected members of the Board of Directors shall immediately follow the initial meeting of the unit owners. No notice shall be necessary to the newly elected members of the Board of Directors in order to legally constitute such meeting, providing a quorum shall be present.

2. Regular Meeting: A regular meeting of the Board shall be held immediately after, and at the same place as the annual meeting or substitute annual meeting of the unit owners. In addition, the Board of Directors may

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

provide by resolution the time and place within the State of North Carolina for the holding of a regular meeting of the Board.

3. Special Meeting: Special meetings of the Board of Directors may be called by the Chairman, the President of the Association or by any two Directors. Notice of the meeting shall be given orally or in writing at least 24 hours before the time fixed for the meeting.

4. Notice of Meetings: Regular meetings of the Board of Directors may be held without notice. The person or persons calling a special meeting of Directors shall, at least two days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called.

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

6. Quorum: A majority of the number of Directors fixed by these Bylaws as amended from time to time, shall be required for and shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

7. Manner of Acting: Except as otherwise provided in this section, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

A vote of a majority of the number of Directors fixed by the Bylaws shall be required to adopt a resolution creating an Executive Committee. The vote of a majority of the Directors then holding office shall be required to adopt, amend, or repeal a Bylaw, provided that no modification of or

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

amendment to the Bylaws shall be effective until recorded in the Office of the Register of Deeds of Durham County, North Carolina. Vacancies in the Board of Directors may be filled as provided in Article IV, Section 5, of these Bylaws.

8. Organization: Each meeting of the Board of Directors shall be presided over by the Chairman of the Board, and in the absence of the Chairman, by any person selected to preside by vote of the majority of the Directors present. The Secretary, or in his absence, an Assistant Secretary, or in the absence of both the Secretary and Assistant Secretary, any person designated by the Chairman of the meeting, shall act as Secretary of the meeting.

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

10. Minutes: The Board shall keep written minutes of its proceedings.

11. Fidelity Bonds: The Board of Directors may require all officers and employees of the Condominium handling or responsible for Condominium funds to be covered by an adequate fidelity bond. The premium on such bonds shall constitute a common expense.

12. Liability of the Board: The members of the Board of Directors 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. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Condominium, except to the extent they are unit owner(s). It is also intended that the liability of any unit owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interests of all the unit owners in the common areas and facilities. Every agreement made by the Board or by the managing agent on behalf of the Condominium shall incorporate by reference all of the terms and

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

provisions of the said Declaration and these Bylaws. Each unit owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common areas and facilities bears to the interest of all unit owners in the common areas and facilities.

13. Amendments:

(A) Except as otherwise provided herein, these Bylaws may be amended or repealed and new Bylaws may be adopted by the affirmative vote of a majority of the directors then holding office at any regular or special meeting of the Board of Directors. However, the Board of Directors shall have no power to adopt a Bylaw: (1) requiring more than a majority of the votes cast to constitute action by the members of the Association, except where higher percentages are otherwise required herein; (2) providing for the management of the Association otherwise than by the Board of Directors or its Executive Committee; (3) increasing or decreasing the number of directors; or (4) classifying and staggering the election of directors.

(B) A resolution amending or repealing the Bylaws may also be proposed by the members of the Association. Members not present in person or by proxy at the meetings considering the amendment may express their approval or disapproval in writing, providing such notice is delivered to the Secretary at or prior to the meeting. Such approval must be by the affirmative vote of at least 60% of the entire membership of the Association.

(C) No amendment shall discriminate against any unit owner or against any unit or class or group of units unless the unit owners so affected shall consent. No amendment shall change any condominium unit nor the share in the common elements appurtenant to it, nor increase an owner's share of the common expenses, nor change the voting rights of the members unless the record owners of the units concerned and all record owners of liens thereon shall join in the execution of the amendment.

(D) A copy of each amendment to the Bylaws shall be certified by the President and Secretary of the Association as having been duly adopted and shall be effective when recorded in the public records of Durham County, North Carolina, pursuant to the Unit Ownership Act.

14. Adjourned Meetings: If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any

STURGIS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

15. Order of Business: The order of business at the annual director's meeting and as far as practical at other meetings of the directors shall be:

(a) Calling of roll.

(b) Proof of due notice of meeting.

(c) Reading and disposal of any unapproved minutes.

(d) Reports of officers and committees.

(e) Election of officers.

(f) Unfinished business.

(g) New business.

(h) Adjournment.

ARTICLE VI

OFFICERS

1. Numbers: The officers of the Association shall be a President, who shall be a director, one or more Vice Presidents, a Treasurer, a Secretary and such Assistant Treasurers, Assistant Secretaries and other officers as the Board of Directors may from time to time elect. Any person may hold two or more offices except that the President shall not also be the Secretary or an Assistant Secretary.

2. Election and Term: The officers of the Condominium shall be elected by the Board of Directors. Such elections may be held at the regular annual meeting of the Board. Each officer shall hold office for a period of one year or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualifies.

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

4. Compensation: The compensation of all officers and employees of the Association shall be fixed by the Board of Directors; provided that the Board may delegate authority to fix the compensation of employees to the President.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

5. Chairman of the Board: The President and Chairman of the Board shall be the principal officers of the Condominium and, subject to the control of the Board of Directors, shall supervise and control the management of the Condominium. The Chairman shall when present, preside at all meetings of the Board and of the unit owners and, in general, shall perform all duties incident to the office of Chairman of the Board and such other duties as may be prescribed from time to time by the Board.

6. Vice-Chairman: The Vice-Chairman shall, in the absence or disability of the Chairman, have the powers and perform the duties of said office. In addition, each Vice-Chairman shall perform such other duties and have such other powers as shall be prescribed by the Chairman of the Board.

7. President: The President shall be the chief executive officer of the Executive Office Park of Durham Association, Inc., and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all conveyances, mortgages, deeds of trust, and material contracts, and shall do and perform all acts and things as the Board of Directors may direct from time to time. He shall approve payment of vouchers by initialling the same which shall be authority for the appropriate officer to pay same. The President shall be invited to attend meetings of each special committee, and shall in each case, be an ex-officio member of each committee.

8. Vice Presidents: The Vice President, or the Senior Vice President if there be more than one Vice President, in the absence or disability of the President, shall exercise all of the powers and perform all of the duties of the President or as may be directed by the Board of Directors. If the Board of Directors shall elect more than one Vice President, the Board shall designate the order of seniority of such Vice Presidents.

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

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

event of the Secretary's absence or disability perform the duties and functions of the Secretary.

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

11. Assistant Secretaries and Treasurers: The Assistant Secretaries and Assistant Treasurers, if any, shall, in the absence or disability of the Secretary and 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 the Treasurer, respectively, or by the Chairman of the Board or the Board of Directors.

ARTICLE VII

FISCAL MANAGEMENT

1. Fiscal Management: The provisions for the financial management of the Association set forth in the Declaration, as amended, and the Articles of Incorporation, as amended, shall be supplemented by the following provisions.

2. Accounts: The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(A) "Current expenses", which shall include all receipts and expenditures within the fiscal year for which the budget is made including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. The balance in this

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

fund at the end of each year shall be applied to reduce the assessments for current expenses of the succeeding year.

(B) "Reserve for deferred maintenance", which shall include funds for maintenance items that occur less frequently than annually.

(C) "Reserve for replacement", which shall include funds for repair or replacement required because of damage, depreciation or obsolescence.

(D) "Betterments", which shall include the funds to be used for capital expenditures for additional improvements or additional personal property that will be part of the condominium elements.

3. Budget: The Board of Directors shall adopt a budget for each fiscal year which shall include the estimated funds required to defray the common expense and to provide and maintain funds for the foregoing accounts and reserves in accordance with generally accepted accounting principles as follows:

(A) "Current expenses", the amount of which shall not exceed by 15% the amount budgeted for this account for the prior year.

(B) "Reserve for deferred maintenance", the amount of which shall not exceed 10% of the amount budgeted for this account for the prior year.

The amount of each budgeted item may be increased over the foregoing limitations when approved by unit owners entitled to cast not less than 51% of the votes of the entire membership of the Association. Provided, however, that until the Developer of the Condominium has completed all of the contemplated improvements and closed the sale of not less than twelve (12) units, or until the Developer elects to terminate its control of the Condominium, whichever shall first occur, the Board of Directors may omit from the budget all allowances for contingencies and reserves. Provided, further, that the first Board of Directors elected by the members of the Association may fix the budget for the first year at any level the Directors may determine. Thereafter, the restrictions on increases in the budget in paragraphs (A) and (B) above will be effective.

Copies of the Budget and proposed assessments shall be transmitted to each unit owner at least twenty (20) days prior to the annual meeting of Association members.

4. Determination of Common Expenses and Fixing of Common Charges: The Board of Directors shall from time to time, and at least annually,

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

prepare a budget for the Condominium, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges among the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Directors pursuant to the provisions of the Declaration. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the Condominium property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as may be required for the purchase by the Board of Directors or its designee, on behalf of all unit owners, of any unit which is to be sold at a foreclosure or other judicial sale. The Board of Directors 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 of Directors, as aforesaid, and shall furnish copies of each budget on which such common charges are based to all unit owners.

5. 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 10 of Article IV at such time or times as the Board shall determine.

No unit owners shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him of such unit, together with his interest in the common areas and facilities as defined in the Declaration. A purchaser of a unit shall be jointly and severally liable with the seller for the payment of common charges assessed against such unit prior to the acquisition by 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 mortgagee or other purchaser of a unit at a foreclosure sale of such unit shall not be liable for and such unit shall not be subject to a lien for the payment of common charges assessed prior to the foreclosure sale. Such unpaid common charges shall be deemed to be common charges collectible from all of the unit owners including such purchaser, his successor and assigns.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

6. Collection of Assessments: The Board of Directors 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 which remains unpaid for more than thirty (30) days from the due date for payment thereof.

7. Default in Payment of Common Charges: In the event of default by any unit owner in paying to the Board of Directors the common charges as determined by the Board, such unit owner shall be obligated to pay interest at the maximum legal rate on such common charges from the due date thereof, (but not to exceed the monthly rate of one and one-half percent (1-1/2%)), together with all expenses, including attorneys' fees (if permitted by law), 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 expenses of the proceeding, including attorneys' 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 note, deed of trust or mortgage of real property.

8. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board to foreclose on a unit because of unpaid common charges, 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 if so instructed, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same, subject, however, to applicable restrictions of record and the provisions of the Declaration. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

9. Statement of Common Charges: The Board of Directors shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner.

10. Abatement and Enjoinment of Violations by Unit Owners: The violation of any Rule or Regulation adopted by the Board or the breach of any Bylaw contained herein, or the breach of any provision of the Declaration,

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

shall give the Board the right, in addition to any other rights set forth in these Bylaws: (a) to enter the unit in which or as to which, such violation or breach exists and to summarily abate and remove, 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 breach.

11. Maintenance and Repair: (a) All maintenance and any repairs to any unit, structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any common areas and facilities contained therein and not necessitated by the negligence, misuse or neglect of the owner of such unit) shall be made by the owner of such unit. Each unit owner shall be responsible for all damages to any and all other units and/or to the common areas and facilities that his failure so to do may engender. (b) All maintenance, repairs and replacements to the common areas and facilities, whether located inside or outside of the units (unless necessitated by the negligence, misuse or neglect of a unit owner, in which case such expense shall be charged to such unit owner), shall be made by the Board and be charged to all the unit owners as a common expense.

12. Restrictions as to Use: The use of the property of the Condominium shall be in accordance with the following provisions:

(a) Each of the units shall be occupied only for office or business purposes, and shall not be used for any purpose which is not permissible under applicable zoning regulations. No unit may be divided into smaller units or any portion thereof sold without first amending the Declaration. No unit may contain less than 1,000 square feet.

(b) The common elements shall be used for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the units.

(c) No use or practice shall be permitted on the property which is the source of annoyance to unit owners 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 allowed to accumulate nor any fire hazard allowed to

STUBBS, COLE, BREECLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

exist. It shall be the responsibility of each unit owner and the Board of Directors to prevent the development of conditions which render the property or the building unclean, unsightly or unkept or which substantially decrease the beauty of the area as a whole. No unit owner shall permit any use of his unit or of the common elements which will increase the rate of insurance upon the Condominium property. No immoral, improper, offensive, or unlawful use shall be made of the Condominium property or any part thereof. All valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of 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 the Developer has completed and sold twelve (12) units, neither the unit owners nor the Association shall interfere with the sale of additional units. The Developer may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to the rental of same, the showing of the property, and the display of "For Sale" and "For Rent" signs.

13. Right of Access. A unit owner shall grant a right of access to his unit to the managing agent and/or any other person authorized by the Board of Directors or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or a common area and facility, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common areas and facilities in his unit or elsewhere in the building or to correct any condition which violates the provisions of any mortgage covering another unit, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

14. Rules of Conduct. Rules and regulations concerning the use of the units and the common areas and facilities may be promulgated and amended by the Board. Copies of such rules and regulations shall be furnished by the Board to each unit owner prior to the time when the same shall become effective.

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

15. Equipment: Each unit owner shall own and be responsible for the maintenance, repair and replacement of the equipment within his unit including but not limited to the following: hot water heater, electric panel and service, furnace, air conditioner, plumbing fixtures and pipes or drains which may become clogged.

16. Water and Sewer Charges: Water and sewer service shall be provided by the City of Durham directly to each unit through a separate meter, and each unit owner shall pay his bill for water and related sewer service. The water and sewer service for the common areas and facilities shall be paid for as a common expense.

17. Electricity: Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter, and each unit owner shall be required to pay the bills for electricity consumed or used in his unit. The electricity serving the common areas and facilities shall be separately metered, and the Board of Directors shall pay all bills for electricity consumed in any portions of the common areas and facilities as a common expense.

18. Emergency Assessments: Assessments for common expenses of emergencies that cannot be paid from the annual assessments for common expense shall be made only after notice of the need for such is given to the unit owners concerned. After such notice and upon approval by persons entitled to cast more than one-half of the votes of the unit owners concerned, the assessment shall become effective, and it shall be due after 30 days notice in such manner as the Board of Directors of the Association may require in the notice of assessment.

19. Bank Depository: The depository of the Association shall be such bank or banks (including savings and loan associations) as shall be designated from time to time by the Directors and in which the moneys of the Association shall be deposited. Withdrawal of moneys from such accounts shall be only by checks signed by such person or persons as are authorized by the Directors.

ARTICLE VIII

RECORDS AND AUDITS

1. Records: The Board of Directors shall keep detailed records of the acts of the Board and the managing agent, minutes of the meetings of the

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.

Board, minutes of the meetings of the unit owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each unit which, among other things, shall contain the amount of each assessment of the common charges against such unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. The financial record and books of account shall be available for examination by all the unit owners, their duly authorized agents or attorneys at convenient hours on working days that shall be set and announced for general knowledge. 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 fiscal year covering the preceding year. In addition, an annual report of the receipts and expenditures of the Condominium, prepared by a certified public accountant selected by the Board, shall be rendered by the Board to all unit owners and to all mortgagees of units who have requested the same, promptly after the end of each fiscal year.

ARTICLE IX

PARLIAMENTARY RULES

1. Robert's Rules: Robert's Rules of Order (latest edition) shall govern the conduct of the Association meetings when not in conflict with the Declaration, Articles of Incorporation, or these Bylaws.

The foregoing were adopted as the Bylaws of Executive Office Park of Durham Association, Inc., a corporation organized under the laws of the State of North Carolina, at the first meeting of the Board of Directors on the _____ day of _____, 1981.

_____

_____

_____

STUBBS, COLE, BREEDLOVE, PRENTIS & POE
ATTORNEYS AT LAW
122 EAST PARRISH STREET
DURHAM, N. C.