

BYLAWS
OF
WAKE FOREST BUSINESS PARK PROPERTY OWNERS ASSOCIATION, INC.

I. IDENTITY. These are the Bylaws of WAKE FOREST BUSINESS PARK PROPERTY OWNERS ASSOCIATION, INC. (herein "ASSOCIATION"), a non-profit corporation under the laws of the State of North Carolina, the Articles of Incorporation of which were filed in the Office of the Secretary of State. It has been organized for the purpose of administering the operation and management of WAKE FOREST BUSINESS PARK (herein "BUSINESS PARK"), a business park to be established in accordance with the laws of the State of North Carolina upon the property situate, lying and being in Wake Forest, Wake County, North Carolina.

A. The provisions of these Bylaws are applicable to all townhouses in the Business Park, and the terms and provisions hereof are expressly subject to the terms, provisions, and conditions and authorization contained in the Articles of Incorporation and in the Declaration of Covenants, Restrictions and Conditions which will be recorded in the Wake County Public Registry.

B. All present or future owners, tenants, future tenants, or their employees, or any other person who might use the Business Park, or any of the facilities thereof in any manner, are subject to the regulations set forth in these Bylaws and in said Articles of Incorporation and the Declaration of Covenants, Restrictions and Conditions, (herein "DECLARATION OF COVENANTS").

C. The office of the Association shall be at such place in Wake County, North Carolina, as the Board of Directors shall designate from time to time. The initial office shall be at 142 Dogwood Lane, Wake Forest, Wake County, North Carolina.

D. The fiscal year of the Association shall be the calendar year, except that in the initial year of operation of the Business Park the fiscal year shall commence with the closing of the sale of the first townhouse..

2. MEMBERSHIP, VOTING, QUORUM, PROXIES.

A. The qualification of members, the manner of their admission to membership and termination of such membership, and voting by members shall be as set forth in Article VI of the Articles of Incorporation of the Association, the provisions of which said Article VI of the Articles of Incorporation are incorporated by reference.

B. A quorum at a meeting of the members shall consist of persons entitled to cast a majority of the votes of the entire membership. The joinder of a member in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such person for the purpose of determining a quorum.

C. The vote of the owners of a townhouse unit owned by more than one person or by a corporation or other entity shall be cast by the one person named in a certificate signed by all of the owners of the townhouse unit and filed with the secretary of the Association, and such certificate shall be valid until revoked by a subsequent certificate. If such a certificate is not on file, the vote of such owners shall not be considered for any purpose.

D. Votes may be cast in person or by proxy. Proxies shall be valid only for the particular meeting designated thereon and must be filed with the Secretary of Association before the appointed time of the meeting.

E. Approval or disapproval of a unit owner upon any matter, whether or not the subject of an Association meeting, shall be by the same person who would cast the vote of such owner if in an Association meeting.

F. Except where otherwise required under the provisions of the Articles of Incorporation of the Association, these Bylaws, or the Declaration of Covenants, or where the same may otherwise be required by law, the affirmative vote of the persons entitled to cast a majority of the votes at any duly called members' meeting at which a quorum is present shall

be binding upon the meeting.

3. ANNUAL AND SPECIAL MEETINGS OF MEMBERSHIP.

A. The annual members' meeting shall be held at a place in Wake County and at a time designated by the Board of Directors, on the second Tuesday in February of each year that is not a legal holiday for the purpose of electing directors and of transacting any other business authorized to be transacted by the members.

B. Special members' meetings shall be held whenever called by the President or Vice-President of the Association or by a majority of the Board of Directors and must be called by such officers upon receipt of written request from members of Association owning a majority of the townhouse units.

C. Notice of all members' meetings, regular or special, shall be given by the President, Vice-President, or Secretary of Association, or other officer of Association in the absence of said officers, to each member, unless waived in writing, such Notice to be written and to state time and place and purpose for which the meeting is called. Such Notice shall be given to each member not less than ten (10) days nor more than forty (40) days prior to the date set for such meeting, which Notice shall be mailed or delivered personally to each member within said time. If delivered personally, receipt of such Notice shall be signed by the member, indicating the date on which such Notice was received by him. If mailed, such Notice shall be deemed to be properly given when deposited in the United States mail, addressed to the member at his post office address as it appears on the register of owners of Association as of the date of mailing such Notice, the postage thereon prepaid. Proof of such mailing shall be given by the affidavit of the person giving the Notice. Any member may, by signed written Waiver of Notice, waive such Notice, and, when filed in the records of the Association, whether before or after the holding of the meeting, such Waiver shall be deemed equivalent to the giving of Notice to the member. If any members' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the membership required to constitute a quorum for particular purposes has not attended, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum, or the required

percentage of attendance, if greater than a quorum, is present.

D. The order of business, as far as practicable, at any members' meeting shall be:

1. Calling of the roll and certifying of proxies;
2. Proof of Notice of Meeting or Waiver of Notice;
3. Reading and disposal of any unapproved Minutes;
4. Reports of officers;
5. Reports of committees;
6. Unfinished business;
7. New business; and
8. Adjournment.

4. BOARD OF DIRECTORS.

A. The initial Board of Directors of Association and each succeeding Board of Directors shall consist of three (3) persons. So long as Developer, GEMN, INC. (herein "Developer"), owns twenty percent (20.00%) or more of the townhouse units in WAKE FOREST BUSINESS PARK, but in any event no longer than 31 December 1987, Developer shall have the right to select a majority of the persons who shall serve as members of each Board of Directors of Association; and so long as Developer is the owner of at least one (1) townhouse unit, but in any event, no longer than 31 December 1987, Developer shall have the right to designate and select one (1) director of Association.

B. Election of directors shall be conducted in the following manner:

1. Developer shall, at the beginning of the election of the Board of Directors, select that number of the members of the Board of Directors which it shall be entitled to select in accordance with the provisions of these Bylaws, and upon such selection of Developer by written instrument presented to the meeting at which election is held; said individuals so selected by Developer shall be considered directors of Association and shall thenceforth perform the offices and duties of such directors until their successors shall have been elected in accordance with the provisions of these

Bylaws.

2. All members of the Board of Directors whom Developer shall not be entitled to select under the terms and provisions of these Bylaws shall be elected by a plurality of the votes cast at the annual meeting of members of Association immediately following the selection of the members of the Board of Directors whom Developer shall be entitled to select.

3. Vacancies in the Board of Directors may be filled until the date of the next annual meeting by the remaining directors, except that should any vacancy in the Board of Directors be created in any directorship previously filled by any person selected by Developer, such vacancy shall be filled by Developer selecting, by written instrument delivered to any officer of Association, the successor director to fill the vacated directorship.

4. The initial Board of Directors will consist of three (3) members whose names are set forth in the Articles of Incorporation. From and after the date of the first annual meeting of members, there shall be three (3) directors. The initial Board of Directors shall serve until their successors at the first annual meeting of members are elected and qualified. Each director shall hold office for a term of one (1) year or until his death, resignation, retirement, removal, disqualification, or until his successor is elected and qualifies.

5. In the election of directors, there shall be appurtenant to each townhouse unit a total vote equal to the number of directors to be elected multiplied by the unit's appurtenant undivided interest in the common area as set forth in the Declaration; PROVIDED, however, no member or owner of one (1) townhouse unit may cast a vote greater than the unit's appurtenant undivided interest in the common area for any one person nominated as a director so that voting for directors shall be noncumulative. Notwithstanding the fact that Developer may be entitled to select a majority of the members or one of the members of the Board of Directors, it shall still be entitled to cast the vote for each townhouse unit owned by it in the election of other directors.

6. In the event Developer, in accordance with the rights herein established, selects any person to serve on any Board of Directors of

Association, Developer shall have the absolute right at any time, in its sole discretion, to replace such person with another person to serve on any Board of Directors. Replacement of any person designated by Developer to serve on any Board of Directors of Association shall be made by written instrument delivered to any officer of Association, which instrument shall specify the name of the person to be replaced and the name of the person designated as successor to the person so removed from the Board of Directors. The removal of any director and designation of his successor shall be effective immediately upon delivery of such written instrument by Developer to any officer of Association.

C. The organizational meeting of each newly elected Board of Directors shall be held within ten (10) days of their election, at such time and at such place as shall be fixed by the directors at the meeting at which they were elected, and no further Notice of the organizational meeting shall be necessary, provided a quorum shall be present.

D. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the directors. Notice of regular meetings shall be given to each director, personally or by mail, telephone or telegram, at least three (3) days prior to the day named for such meeting, unless Notice is waived.

E. Special meetings of the directors may be called by the President of Association.

F. The presiding officer of the directors' meetings shall be the Chairman of the board, if such an officer has been elected, and if none, then the President of Association shall preside. In the absence of the presiding officer, the directors present shall designate one of their number to preside.

G. Any director may waive Notice of a meeting before or after the meeting, and such Waiver shall be equivalent to the giving of Notice.

H. A quorum at a directors' meeting shall consist of the directors entitled to cast a majority of the votes of the entire board. The acts of the board approved by a majority of the votes cast at a meeting at

which a quorum is present shall constitute the acts of the Board of Directors, except as specifically otherwise provided in the Articles of Incorporation, these Bylaws, or the Declaration of Covenants. If any directors' meeting cannot be organized because a quorum has not attended, or because the greater percentage of the directors required to constitute a quorum for particular purposes has not attended, wherever the latter percentage of attendance may be required as set forth in the Articles of Incorporation, these Bylaws, or the Declaration of Covenants, the directors who are present may adjourn the meeting from time to time until a quorum or the required percentage of attendance, if greater than a quorum, is present. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further Notice. The joinder of a director in the action of a meeting by signing and concurring in the Minutes thereof shall constitute the presence of such director for the purpose of determining a quorum.

I. Directors' fees, if any, shall be determined by the members.

J. All of the powers and duties of Association shall be exercised by the Board of Directors, including those existing under the common law and statutes, the Articles of Incorporation of Association, these Bylaws, and the Declaration of Covenants, and shall include, without limiting the generality of the foregoing, the following:

1. To make, levy, and collect assessments against members and members' townhouse units to defray the costs of the townhouse, as provided for in Article XV of the Declaration of Covenants, which Article is herein incorporated by reference, and to use the proceeds of said assessments in the exercise of the powers and duties granted unto Association;

2. To maintain, repair, replace, operate, and manage the common areas and facilities wherever the same is required to be done and accomplished by Association for the benefit of its members and, further, to approve any expenditure made or to be made for said purpose;

3. To reconstruct any part of the common property after

casualty in accordance with Article XVIII of the Declaration of Covenants and to make further improvement to the common property, real and personal, and to make and to enter into any and all contracts necessary or desirable to accomplish said purposes; .

4. To make, amend, and enforce regulations governing the use of the common property and townhouse units so long as such regulations or amendments thereto do not conflict with the restrictions and limitations which may be placed upon the use of such property under the terms of the Articles of Incorporation and Declaration of Covenants;

5. To acquire, operate, lease, manage, and otherwise trade and deal with property, real and personal, including townhouse units in the townhouse as may be necessary or convenient in the operation and management of the townhouse and in accomplishing the purposes set forth in the Declaration of Covenants, provided that the acquisition of real property other than townhouse units shall require the approval of Association;

6. To acquire, now or at any time hereafter, and to enter into leases and agreements whereby Association acquires leaseholds, memberships, and other possessory or use interests in lands or facilities as may be of benefit to the owners.

7. To contract for the management of the townhouse and to designate to such contractor all of the powers and duties of Association, except those which may be required by the Declaration of Covenants to have approval of the Board of Directors or membership of Association;

8. To enforce by legal means or proceedings the provisions of the Articles of Incorporation and Bylaws of Association, the Declaration of Covenants; and the regulations hereinafter promulgated governing the use of the common property and facilities of the townhouse;

9. To pay all taxes and assessments which are or may become liens against any part of the townhouse, other than townhouse units and the appurtenances thereto, and to assess the same against the members and their respective townhouse units subject to such liens;

10. To purchase insurance for the protection of the members, directors, and the Association against casualty and liability in accordance with Article XVI of the Declaration of Covenants;

11. To pay all costs of power, water, sewer and other utility services rendered to the townhouse and not billed to the owners of the separate townhouse units; and,

12. To designate and remove personnel necessary for the maintenance, repair, replacement, and operation of the townhouse, including the common property and facilities.

K. The initial Board of Directors of Association shall be comprised of the three (3) persons designated to serve as directors in the Articles of Incorporation, which persons shall serve until their successors are elected at the first annual meeting of the members of Association called after the Declaration of Covenants has been recorded in the Public Registry. Should any member of the initial Board of Directors be unable to serve, for any reason, a majority of the remaining members of the Board of Directors shall have the right to designate a party to serve as a director for the unexpired term.

L. The undertaking and contracts authorized by the initial Board of Directors shall be binding upon Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the membership after the Declaration of Covenants has been recorded, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of Association in accordance with all applicable Business Park documents.

M. Any one or more of the members of the Board of Directors may be removed, either with or without cause, at any time by affirmative vote of the members owning a majority of the aggregate undivided interest in the common areas and facilities of the Business Park, at any special meeting called for such purpose, or at the annual meeting. PROVIDED, however, that only Developer shall have the right to remove a director appointed by it.

5. OFFICERS.

A. The executive officers of Association shall be a President, who shall be a director; a Vice-President, a Treasurer, a Secretary, and an Assistant Secretary, all of whom shall be elected annually by the Board of Directors and who may be peremptorily removed by a vote of the directors at

any meeting. Any persons may hold two or more offices, except that the President shall not also be Vice-President, Secretary, or an Assistant Secretary. The Board of Directors shall, from time to time, elect such other officers and designate their powers and duties as the board shall find to be required to manage the affairs of Association.

B. The President shall be the chief executive officer of Association. He shall have all of the powers and duties which are usually vested in the office of President of any association, including the power to appoint committees from among the members as he may determine appropriate to assist in the conduct of the affairs of Association.

C. The Vice-President shall, in the absence or disability of President, exercise the powers and perform the duties of President. He shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the directors.

D. The Secretary shall keep the Minutes of all proceedings of directors and members. He shall attend to the giving and serving of all Notices to members and directors and such other Notices required by law. He shall have custody of the corporate seal of Association and affix the same to instruments requiring a seal when duly signed. He shall keep the records of Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an association and as may be required by the directors of the President. The Assistant Secretary shall perform the duties of Secretary when Secretary is absent.

E. The Treasurer shall have custody of all of the property of Association, including funds, securities, and evidences of indebtedness. He shall keep, or supervise the keeping of, detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas and facilities, specifying and identifying the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. All books and records shall be kept in accordance with good and accepted accounting practices, and an outside audit shall be made at least once a year.

F. The compensation of all officers and employees of Association shall be fixed by the directors. The provision shall not preclude

the Board of Directors from employing a director as an employee of Association, nor preclude the contracting with a director for the management of the Business Park.

G. All officers shall serve at the pleasure of the Board of Directors, and any officer may be removed from office at any time, with or without cause, by a majority vote of the Board of Directors.

6. FISCAL MANAGEMENT. The provisions for fiscal management of Association set forth in the Declaration of Covenants and Articles of Incorporation shall be supplemented by the following provisions:

A. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each townhouse unit. Such account shall designate the name and address of the unit owner or owners, the amount of each assessment against the owners, the dates and amounts in which assessments come due, the amounts paid upon the account, and the balance due upon assessments.

B. The Board of Directors shall adopt a budget for each calendar year which shall contain estimates of the cost of performing the functions of Association, including, but not limited to, the following:

1. Common Expense Budget, which may include, without limiting the generality of the foregoing, the estimated amounts necessary for maintenance and operation of and capital improvements to the common property, including landscaping, street and walkways, office expenses, utility services, casualty insurance, liability insurance, administration and reserves (operating and capital improvement replacement), management fees, and costs of maintaining leaseholds memberships and other possessory or use interests in land or facilities, whether or not contiguous to the lands of the Business Park, to provide enjoyment, recreation, or other use or benefit to the unit owners; and

2. Proposed assessments against each member and his unit.

Copies of the proposed budget and proposed assessments shall be transmitted to each member prior to 1 January of the year for which the budget is made. If the budget is subsequently amended before the assessments are

made, a copy of the amended budget shall be furnished each member concerned. Non-delivery of a copy of any budget or amended budget to each member shall not affect the liability of any member for any such assessment, nor shall delivery of a copy of such budget or amended budget be considered as a condition precedent to the effectiveness of said budget and assessments levied pursuant thereto, and nothing herein contained shall be construed as restricting the right of the Board of Directors, at any time in their sole discretion, to levy any additional assessments in the event that the budget originally adopted shall appear to be insufficient to pay costs and expenses of operation and management, or in the event of emergencies.

C. The Board of Directors may retain professional management services to be primarily responsible for fiscal management of Association and maintaining the Business Park. Any management agreement for the Business Park will be terminable by Association with or without cause upon thirty (30) days written notice thereof, and the term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

D. The depository of Association shall be such bank or banks as shall be designated from time to time by the directors and in which the funds of Association shall be deposited. Withdrawal of funds from such accounts shall be only by checks signed by such persons as are authorized by the directors.

E. The books and all supporting documentation shall be available for examination by all unit owners and their lenders or their agents and attorneys during normal business hours from 9:00 A.M. until 5:00 P.M., Monday through Friday.

7. PARLIAMENTARY RULES. Robert's Rules of Order (latest edition) shall govern the conduct of corporate proceedings when not in conflict with the Articles of Incorporation and these Bylaws or with the statutes of the State of North Carolina.

8. AMENDMENTS TO BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner:

A. Amendments to these Bylaws may be proposed by the Board of Directors of Association acting upon a vote of the majority of the directors,

or by members of Association owning a majority of the aggregate undivided interest in the common areas and facilities of the Condominium, whether meeting as members or by instrument in writing.

B. Upon any amendment to these Bylaws being proposed by said Board of Directors or members, such proposed amendment shall be transmitted to the President of Association, or other officer of Association in the absence of the President, who may thereupon call a special joint meeting of the members of the Board of Directors of Association and the membership for a date not sooner than twenty (20) days nor later than forty (40) days from receipt by such officer of the proposed amendment, and it shall be the duty of the Secretary to give to each member written Notice of such meeting in the same form and in the same manner as Notice of the call of a special meeting of the members if required as herein set forth.

C. In order for such amendment to become effective, it must be approved by an affirmative vote of a majority of the entire membership of the Board of Directors and by an affirmative vote of members owning at least two-thirds (2/3) of the aggregate undivided interest in the common areas and facilities of the Business Park. (If a larger vote is required to take or refrain from taking a specific action, no amendment shall be valid until the members owning such larger percentage execute the amending instrument.) Thereupon, such amendment or amendments to these Bylaws shall be transcribed, certified by the President and Secretary of Association, and a copy thereof shall be recorded in the Public Registry within ten (10) days from the date on which any amendment has been approved by the directors and members. No amendment shall be valid unless set forth in an amendment to the Declaration of Covenants and duly recorded in the Wake County Public Registry.

D. Upon the approval and proper recording of any amendment, it shall become binding upon all unit owners.

E. At any meeting held to consider any amendment to the Bylaws, the written vote of any member of Association shall be recognized if such member is not in attendance at such meeting or represented thereat by

proxy, PROVIDED such written Notice is delivered to the Secretary of Association at or prior to such meeting.

F. Notwithstanding the foregoing provisions of this Article, section 8, no amendment to these Bylaws which shall abridge, amend, or alter the right of Developer to designate and select members of each Board of Directors of Association, as provided in Article 4 hereof; may be adopted or become effective without the prior written consent of Developer. This paragraph shall not apply after 31 December 1987.

9. RULES OF CONDUCT.

A. No resident of the Business Park shall post any advertisements or posters of any kind in or on the common property except as authorized by Association.

B. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television sets, and amplifiers that may disturb other residents. Those residents keeping domestic animals will abide by the sanitary regulations of Wake County.

C. No garbage or trash shall be thrown or deposited outside the disposal installations provided for such purpose.

D. No unit owner shall cause any improvements or alterations to be made to the exterior of the townhouse (including painting or other decoration, or the installation of electrical wiring, television, or radio antenna, or any other objects, machines, or air-conditioning units which may protrude through the walls or roof of the townhouse) or in any manner alter the appearance of any portion of the exterior surface of any building without the prior written permission of the Board of Directors or a duly appointed architectural control committee. No unit owner shall cause any object to be fixed to the common property or to any limited common area (including the location or construction of fences or the planing or growing of flowers, trees, shrubs, or other vegetation) or in any manner change the appearance of the common property or limited common area without the prior written permission of the Board of Directors or a duly appointed architectural control committee.

If an architectural control committee is appointed, its standard of review for structures will be in terms of compatibility with existing structures in style, color height and texture, and for vegetation, the standard of review will be prevention of visual obstruction or hinderance to maintenance.

E. The Board of Directors shall make all rules and regulations governing the details of the operation and use of the common areas and facilities. They shall handle the receipt of moneys and the payment of moneys of Association. They will govern and control the Association.

F. No unit owner shall do any work which would jeopardize the soundness or safety of the property or impair any easement or hereditament without, in every such case, the unanimous consent of all the other unit owners affected being first obtained.

G. The common expenses shall be assessed against each unit owner as provided for in Paragraph XIII of the Declaration. Assessments which are unpaid for over thirty (30) days after the 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.

Assessments may include a sinking fund for capital improvements.

Unit owners shall be subject to assessment by the Board of Directors upon acquiring title to their unit.

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 Wake 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 incident to the collection of such assessments 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

to the appointment of a receiver to collect the same. In addition to the lien provided herein for unpaid assessments, the owner of a unit who has failed to pay such assessment may be held personally liable for such payment, and the grantee of a unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or Board of Directors, as the case may be, setting forth the amount of the unpaid assessments against grantor, and such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid assessments in excess of the amount therein set forth.

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