

BY - LAWS
OF
UNIVERSITY EAST BUSINESS PARK ASSOCIATION, INC.

ARTICLE I - NAME

The name of the corporation is UNIVERSITY EAST BUSINESS PARK ASSOCIATION, INC., hereinafter called the "Association."

ARTICLE II - OBJECTS AND PURPOSES

This Association does not contemplate a pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to insure the attractiveness of the University East community and to prevent any future impairment thereof; to prevent nuisances; to preserve, protect and enhance the values and amenities of all properties within the University East community; to insure the proper use, appropriate development and improvement of such properties; to insure that improvements constructed within the University East community are architecturally and aesthetically compatible; to provide for a method for the maintenance and continued improvement of certain common areas and facilities appurtenant to such properties and to otherwise provide for the construction and development of first quality improvements on such properties within the University East community.

In order to further such objectives, the Association will provide for the maintenance and upkeep of the common areas and facilities appurtenant to such properties and for certain areas identified in the Declaration of Covenants, Conditions and Restrictions recorded in Book 9241 at Page 180 of the Mecklenburg County Public Registry as Master Association Landscape and Easement Areas and administer and enforce the covenants and restrictions and collect and disburse the assessments and charges therein.

The Association shall also have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE III - MEMBERSHIP AND VOTING RIGHTS

The membership and voting rights of Members of the Association have been set forth in Article III of the Declaration of Covenants, Conditions and Restrictions recorded in Book

9241 at Page 180 of the Mecklenburg County Public Registry (the "Declaration") and any change in the number of votes which any Member may cast or in the allocation of votes must be made by amending the Declaration.

ARTICLE IV - MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting shall be held within one year from the date of incorporation and each subsequent annual meeting shall be held on the second Thursday in December in each year thereafter.

Section 2. Special Meetings. special meetings of the Members may be called at any time by the President or a majority of the members of the Board of Directors.

Section 3. Substitute Annual Meeting. If the annual meeting is not held on the day designated by these By-Laws, a Substitute Annual Meeting may be called in accordance with Section 2 of this Article. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4. Place of Meetings. All meetings of the Members shall be held at such place, within Mecklenburg County, North Carolina, as shall be determined by the Board of Directors of the Association.

Section 5. Notice of Meetings. Written notice of any meeting of the Members shall be given by the Secretary or other person authorized to call the meeting by mail or hand delivery to all Members not less than fifteen (15) days nor more than sixty (60) days before the date of the meeting addressed to each Member's address last appearing on the books of the Association. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the exact purposes thereof.

Section 6. Quorum. Except as otherwise provided in ARTICLE V of the Declaration with respect to meetings called for taking action on Annual or Special Assessments, the presence at the meeting of Members representing 50% of the votes appurtenant to all Parcels (as that term is defined in Section 4 of ARTICLE I of the Declaration) shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 7. Proxies. At all meetings of Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary.

Section 8. Informal Action by Members. Any action which may be taken at a meeting of the Members 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, and filed with the Secretary of the Association to be kept in the Association minute book.

ARTICLE V - BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by its Board of Directors or by such Committees as the Board may establish pursuant to these By-Laws.

Section 2. Number, Term and Qualification. The number of Directors of the Association shall be not less than three (3). At the first annual meeting, the Members shall elect one director to serve for a term of one year, one director to serve for a term of two years and one director to serve for a term of three years. At each annual meeting thereafter the Members shall elect one director to fill the vacancy created by the director whose term is expiring to serve for a term of three years. Each Director shall hold office until his death, resignation, retirement, removal, disqualification or his successor shall have been elected and qualified. Directors need not be residents of the State of North Carolina nor Members of the Association.

Section 3. Election of Directors. Except as provided in Section 4 of this Article V, the Directors shall be elected at the annual meeting of the Members. Cumulative voting is not permitted. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman and two or more members of the Board of Directors. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 4. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 5. Chairman of Board. There may be a Chairman and a Vice-Chairman of the Board of Directors elected by the Directors from their number at any meeting of the Board. The Chairman shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board.

Section 6. Reimbursement and Compensation. The Board of Directors may provide for the payment of any or all expenses incurred by the Directors in attending regular and special meetings of the Board; however, no Director shall receive compensation for services rendered to the Association in the capacity of Director.

Section 7. Committees of the Board of Directors. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these By-Laws, may designate two or more Directors to constitute an Executive Committee and other committees, each of which, to the extent authorized by law and provided in such resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the Association. The designation of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility or liability imposed upon him or it by law.

ARTICLE VI - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the following powers:

- (a) to exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, by the Articles of Incorporation or by the Declaration;
- (b) to declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without good cause;
- (c) to employ such employees as it deems necessary to carry out the purposes of the Association and describe their duties and to select and employ a management entity to manage the Association;
- (d) to employ attorneys to represent the Association when deemed necessary; and
- (e) to appoint and remove at pleasure all officers of the Association, describe their duties, fix their compensation, and request of them such security or fidelity bond as it may deem expedient.

Section 2. Duties. The Board of Directors shall have the following duties:

- (a) to cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;
- (b) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) to secure and maintain adequate liability insurance covering the Association in an amount determined by the Board and adequate hazard insurance on any real and personal property owned by the Association;

(d) to cause all officers or employees having fiscal responsibilities to be bonded, if it deems bonding to be appropriate;

(e) to grant easements or rights-of-way to public authorities or others for the installation and maintenance of roads, sewerage, utilities and drainage facilities as set forth in Section 1 (a) and Section 3 of ARTICLE IV of the Declaration;

(f) to make reasonable rules and regulations;

(g) to determine what expenditures for landscaping, planting and maintenance of Designated Maintenance Items (as that term is defined in section 8 of ARTICLE I of the Declaration) within Lots are necessary and desirable; and

(h) to enforce the other provisions of the Declaration.

ARTICLE VII - MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, without notice, at the time and place fixed from time to time by resolution of the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. Such a meeting may be held either within or without the State of North Carolina, as fixed by the person or persons calling the meeting.

Section 3. Notice of Meetings. Regular meetings of the Board of Directors may be held without notice.

The person or persons calling a special meeting of the Board of Directors shall, at least three 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.

Section 4. Waiver of Notice. Any Director may waive notice of any meeting. The attendance by a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 5. Quorum. A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 6. Manner of Acting. Except as otherwise provided in these By-Laws, 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.

Section 7. Presumption of Assent. A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 8. Informal Action by 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.

ARTICLE VIII - OFFICERS

Section 1. Officers of the Association. The officers of the Association shall consist of a President, a Secretary, and such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. Any two or more offices may be held by the same person, but no officer may act in more than one capacity where action of two or more officers is required.

Section 2. Election and Term. The officers of the Association shall be elected by the Board of Directors. Such election may be held at any regular or special meeting of the Board or by informal action of the Board. Each officer shall hold office until his death, resignation, retirement, removal, disqualification, or his successor shall have been elected and qualified.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. Compensation. The compensation of all officers of the Association shall be fixed by the Board of Directors and no officer shall serve the Association in any other capacity and receive compensation therefor unless such additional compensation be authorized by the Board of Directors.

Section 5. President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall sign, with the Secretary, an Assistant Secretary, or any other proper officer of the Association thereunto

authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice Presidents in the order of their length of service as Vice President, unless otherwise determined by the Board of Directors, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or Board of Directors.

Section 7. Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Board of Directors and of all Executive Committees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (d) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; (e) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 8. Assistant Secretaries. In the absence of the Secretary or in the event of his death, inability or refusal to act, the Assistant Secretaries in the order of their length of service as Assistant Secretary, unless otherwise determined by the Board of Directors, shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. They shall perform such other duties as may be assigned to them by the Secretary, by the President, or by the Board of Directors.

Section 9. Bonds. The Board of Directors may by resolution require any officer, agent, or employee of the Association to give bond to the Association, with sufficient sureties, conditioned on the faithful performance of the duties of his respective office or position, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE IX - CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific

instances.

Section 2. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Drafts. All checks, drafts or other orders for the payment of money issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such depositories as the Board of Directors may select.

ARTICLE X - GENERAL PROVISIONS

Section 1. Seal. The corporate seal of the Association shall consist of two concentric circles between which is the name of the Association, and in the center of which is inscribed SEAL; and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Association.

Section 2. Waiver of Notice. Whenever any notice is required to be given to any member or director by law, or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Indemnification.

(a) Any person who at any time is serving or has served as a director, officer, employee or agent of the Association; or who is serving or has served in any such capacity at the request of the Association in any other association, partnership, joint venture, trust or other enterprise or, at the request of the Association, as a trustee or administrator under any employee benefit plan, shall have a right to be indemnified by the Association to the fullest extent permitted by law against (i) reasonable expenses, including attorneys' fees, actually and necessarily incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether or not brought by or on behalf of the Association, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (ii) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may become liable in any such action, suit or proceeding, except in matters as to which he shall be adjudged to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty.

The Board of Directors of the Association shall take all such action as may be necessary and appropriate to authorize the Association to pay the indemnification required by the provisions of this Section 3(a) of ARTICLE X, including without limitation, to the extent needed, making a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity acted and of the reasonable amount of indemnity due him and, if required, giving notice to, and obtaining approval by, the Members of the Association.

Any person who at any time serves or has served in any of the aforesaid capacities for, on behalf of, or at the request of the Association shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided under this Section 3(a) of ARTICLE X. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provisions of this By-Law.

If the North Carolina Nonprofit Corporation Act is subsequently amended to eliminate or limit further the personal liability of directors or to authorize corporate action to eliminate or limit further such liability, then the liability of the Directors of this Association shall, without any further action of the Board of Directors be eliminated or limited to the fullest extent permitted by the North Carolina Nonprofit Corporation Act as so amended.

(b) The Association shall have the power to purchase and maintain insurance on behalf of any person who is serving or has served as a director, officer, employee or agent of the Association, or who is serving or has served in any such capacity at the request of the Association in any other association, partnership, joint venture, trust or other enterprise or, at the request of the Association, as a trustee or administrator under any employee benefit plan against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would otherwise have the power to indemnify him against such liability.

(c) In addition to the indemnification authorized under the provisions of Sections 3(a) and 3(b) of this ARTICLE X and under the provisions of the North Carolina Nonprofit Corporation Act, the Association, acting pursuant to a resolution adopted by its Board of Directors, may by contract agree to indemnify any person who at any time is serving or has served as a director, officer, employee or agent of the Association, or in any such capacity at the request of the Association in any other association, partnership, joint venture, trust or other enterprises or, at the request of the Association, as a trustee or administrator under any employee benefit plan, against liability and reasonable litigation expenses, including attorneys' fees, arising out of his status as such or his activities in any of the foregoing capacities, regardless of whether any such liability or expense arises out of his status as such or his activities in any of the foregoing capacities before or after the date on which the contract is executed; however, the Association may not agree under any such contract to indemnify or agree to indemnify any such person against any liability or litigation expense he may incur on account of his activities which at the time taken were known or

believed by him to be clearly in conflict with the best interests of the Association.

(d) Any repeal or modification of the foregoing provisions of this Section 3 of ARTICLE X of the By-Laws shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part on any such state of facts.

Section 4. Fiscal Year. Unless otherwise ordered by the Board of Directors, the fiscal year of the Association shall end on the last day of December in each year.

Section 5. Amendments. Except with respect to any matter provided for by the Declaration which must be amended as provided therein, these By-Laws may be amended or repealed and new By-Laws 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.