

EXHIBIT D
BY-LAWS
OF
COOPER SQUARE CONDOMINIUM
OWNERS' ASSOCIATION, INC.

ARTICLE I.

The name of the corporation is COOPER SQUARE CONDOMINIUM OWNERS' ASSOCIATION, INC. hereinafter referred to as the "Association". The initial principal office the corporation shall be located at 1 Winters Drive in the City of Chapel Hill, Orange County, North Carolina, but meetings of members and directors may be held at such places within the State of North Carolina, Orange or Durham County, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to Cooper Square Condominium Owners' Association, Inc., its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions for Cooper Square Condominium and such additions thereto as may hereafter be brought within jurisdiction of the Association.

Section 4. "Common Area" shall mean all property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Unit" shall mean a physical portion of the Condominium designated for separate ownership or occupancy as described in the Declaration.

Section 6. "Declarant" shall mean and refer to Carolina 223, LLC, its successors or assigns if such should acquire any of the Properties from the Declarant for the purpose of development or if such successors or assigns should acquire more than one Unit, whether developed or undeveloped, pursuant to foreclosure or a deed in lieu of foreclosure

Section 7. "Declaration" shall mean and refer to the Declaration of Cooper Square Condominium, applicable to the Properties recorded in the Office of the Register of Deeds of Orange County, North Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 9. "Board" shall mean and refer to those persons elected or appointed to act collectively as the directors of the Association.

ARTICLE III.

Section 1. Annual Meetings: The first annual meeting of the Members shall be held at a place to be designated by the Board within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday or weekend, the meeting will be held at the same hour on the first day of the following week which is not a legal holiday or weekend.

Section 2. Special Meetings: Special meetings of the Members may be called at any time by the President or by the Board or upon written request of the Members who are entitled to vote twenty percent (20%) of all votes of the Members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in said notice.

Section 3. Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the direction of, the Declarant, the President or the Secretary of the Association, or person authorized to call the meeting, by hand carrying or mailing a copy of such notice, postage prepaid, at least fourteen (14) days before, but not more than Thirty (30) days before, such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notice by either method shall be deemed given when said notice is deposited in the United States mail, addressed to the Member at this address as it appears on the records of the Association, with postage thereon prepaid, or delivered by hand to such address. Attendance by a Member at any meeting of Members shall be a waiver of notice to him as to the time and place and purpose thereof. Attendance at a meeting or a waiver of notice signed by one Owner in the event of multiple ownership of a Unit shall be considered a waiver of notice as to the Owners of that Unit. Notice to one of two or more co-owners of a Unit shall constitute notice to all co-owners. It shall be the obligation of every Member to immediately notify the Association in writing of any change in address and it shall be the responsibility of any new Member to immediately notify the Association of the fact of the transfer of ownership.

Section 4. Quorum: The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, sixty-seven (67%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, However, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting. Another meeting may be called subject to the notice requirement set forth above. The required quorum at such subsequent meeting shall be fifty percent (50%) of the required quorum of the

preceding meeting. No such subsequent meeting shall be held more than twenty (20) days following the preceding meeting.

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of this Unit or upon written notice of revocation filed with the Secretary or upon the lapse of eleven (11) months from the date of execution unless otherwise provided in the proxy.

Section 6. Voting: At every meeting of Members, each Member shall have the right to cast on each question the number or percentage of votes as provided in the Declaration for the Units owned by such member. Fifty-one percent (51%) of the eligible votes entitled to be cast by Members present at the meeting, in person or by proxy, shall be a majority unless the question is one upon which, by express provision of statute or of the Articles of Incorporation of the Association, or of the Declaration or of these Bylaws, a different vote is required, in which case such express provision shall govern. If more than one person or entity is an owner of such Unit the vote shall be exercised as such Owners among themselves shall determine; provided, however, that no fraction of one vote may be cast by any Member. In the event and so long as such co-owners of a Unit are unable to agree on the manner in which the vote appurtenant to such Unit shall be cast, then such vote shall not be regarded and shall not be counted. The vote of any Owner who is a corporation, trust or partnership may be cast by any officer, trustee, or partner, as the case may be, and unless objection by any other such officer, trustee or partner of such Owner is noted at the meeting, the Chairman of such meeting shall have no duty to inquire as the authority of the person casting such vote.

Section 7. Loss of Right to Vote: The vote of any Member who is shown on the books or records of the Association to be more than Thirty (30) days delinquent in any payment due the Association shall not be an eligible vote and shall not be counted for purposes of deciding any question so long as such delinquency is not cured; nor shall such Member be eligible to be elected to the Board of Directors.

Section 8. Action without a Meeting: Any action required to be taken at a meeting of 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 Members entitled to vote with respect to the subject matter thereof and filed with the Secretary of the Association as part of the corporate records, whether done before or after the action so taken.

ARTICLE IV.

BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 1. Number: The affairs of the Association shall be managed by a Board of no less than three (3) and no more than seven (7) directors, who need not be Members of the Association. The initial Board of Directors shall consist of three (3) directors. At each annual meeting of the Association, the Members shall determine by resolution the number of directors to serve on the Board of Directors until the next Annual Meeting. The initial three (3) Directors

shall be selected by the Declarant and need not be Members. The names of the Directors who shall act as such until the Third Annual Meeting are provided in the Articles of Incorporation of the Association. Vacancies on the Board not filled by the Members shall be treated as vacancies to be filled by and in the discretion of the Board.

Section 2. Term of Office: Directors elected at an Annual Meeting or appointed by the Declarant shall serve until resignation, removal or death.

Section 3. Removal: Until the end of the Declarant Control Period, but in no event for a period of less than two (2) years from the effective date hereof, any director may be removed from the Board with or without cause, by Declarant. After the termination of the Declarant Control Period, but in no event earlier than one (1) year from effective date hereof, any director may be removed, with or without cause, by a majority vote of the Membership. However, unless the entire Board is removed, an individual director shall not be removed if the number of members voting against the proposal for removal would be sufficient to elect a director if such member or members voted cumulatively at an annual election.

Section 4. Compensation: No director shall receive compensation for any services he may render to the Association. However, any director may be reimbursed for this actual expense incurred in the performance of this duties.

Section 5. Action Taken without A Meeting: The directors or a committee thereof shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all directors or Members of the committee. Any action so approved shall have the same effect as though taken at a meeting of the directors or the committee.

Section 6. Participation in Meetings by Means of Conference Telephone: Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board or of such committee by means of a conference telephone or similar communications device by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

Section 7. Vacancies: Any vacancies occurring on the Board of Directors and any directorship to be filled by reason of any increase in the number of directors, not otherwise filled by the Members, shall be filled by the Board of Directors.

Section 8. Right of Declarant to Representation on Board of Directors of the Association: Notwithstanding anything contained herein to the contrary, during the Declarant Control Period, but in no event for a period of less than two (2) years from the effective date hereof, Declarant shall have the right to appoint all the Directors of the Association. Declarant shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed. Any director designated and selected by Declarant serving on the Board of Directors of the Association shall not be required to disqualify himself

from any vote upon any contract or matter between Declarant and the Association where Declarant may have pecuniary interest or other interest.

ARTICLE V.

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination: 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, who shall be a Member of the Board of Directors, and two (2) or more members of the Association who may or may not be Members of the Board. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for elections 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 2. Election: Election to the Board of Directors shall be secret written ballot if request is made by twenty percent (20%) of the Members. Subject to the right of the member to cumulative voting as described below, at such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

Section 3. Cumulative Voting: Every member entitled to vote at an election of directors shall have the right to vote the number of votes such member is entitled to exercise for as many persons as there are directors to be elected and for whose election such member has a right to vote, or to cumulate such member's vote by giving one candidate as many votes as the number of such directors multiplied by the number of votes as such member may cast shall equal, or by distributing such votes on the same principle among any of the candidates. This right of cumulative voting shall not be exercised unless some member or proxy holder announces in open meeting, before the voting for the directors starts, the intention so to vote cumulatively; and if such announcement is made, the Chair shall declare that all members entitled to vote have the right to vote cumulatively and shall announce the number of votes present in person and by proxy and shall thereupon grant a recess of not less than one nor more than four hours as he shall determine, or such other period of time as is unanimously then agreed upon.

ARTICLE VI.

MEETING OF DIRECTORS

Section 1. Regular Meetings: Regular meetings of the Board shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday or weekend, then that meeting shall be held at the same time on the next day which is not a legal holiday or weekend.

Section 2. Special Meetings: Special meetings of the Board shall be held when called by the President of the Association, or by any director, after not less than ten (10) days notice to each director.

Section 3. Quorum: A majority of the number of directors fixed by the Articles of Incorporation or the Bylaws shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, the Articles of Incorporation or the Bylaws of the Association. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting any resumption of business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4. Notice: Neither the business to be transacted at, nor the purpose of, any regular or special meetings of the Board need be specified in the notice or written notice or waiver of such meeting.

ARTICLE VII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers: The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed Thirty (30) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by the provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(d) 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;

(e) Employ or engage a manager, an independent contractor, attorney or accountant or such other employees and agents as they deem necessary, and to prescribe to them their duties; and

(f) Adopt and publish rules and regulations regarding the use of Common Area parking spaces.

Section 2. Duties: It shall be the duty of the Board of Directors to:

(a) 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, or at any special meeting when such statement is requested in writing by twenty percent (20%) Members who are entitled to vote;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration to: (1) Fix the amount of the annual or special assessment against each Unit at least sixty (60) days in advance of each annual or special assessment period, provided that during the first year of operation or part thereof, the Board may fix the annual assessment for a pro rata part of an assessment period; (2) Send written notice of each assessment to every Owner subject thereto, at least Thirty (30) days in advance of each annual assessment period; (3) Foreclose the lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) Cause the Common Area to be maintained in a manner consistent with the provisions of these Bylaws and the Declaration;

(g) Prepare and have available to each Member an annual report which shall include the annual financial statement which shall summarize the operation and actions of the Association and its income, expenditures and reserves; and

(h) Pay any licenses or governmental charges levied or imposed against the property of the Association.

(i) If members holding 35% or more of the votes available to be cast in regard to the affairs of the Association request in writing that the parking places be allocated among the various Units as described in the Declaration, the Director shall allocate all available parking spacing among the various members in accordance with their Percentage Shares of the Common Elements as shown on Exhibit B to the Declaration. Fractional spaces shall not be allocated, but shall remain common parking places available to any member.

Section 3. Common or Interested Directors: The Directors shall exercise their powers in good faith and with a view to the interests of the Association. A contract or other transaction between the Association and any corporation, firm or association, including the Declarant, in which one or more of the Directors of this Association is pecuniarily or otherwise interested, is neither void nor voidable because such Director is present at the meeting of the Board or any committee thereof which authorizes or approves the contract or transaction, or because this vote is counted for such purpose, so long as any of the conditions specified in any of the following subparagraphs exists:

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

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

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

If the contract or other transaction in question involves the Declarant or an affiliate of the Declarant, a common or interested Director may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, and may vote thereat to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested. In all other cases, the contract or transaction in question must be approved by a majority of the disinterested directors.

ARTICLE VIII.

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers: The officers of This Association shall be a President and Vice President, who shall at all times be Members of the Board, a Secretary, and a Treasurer, and such other officers and assistant officers, as the Board may from time to time by resolution create.

Section 2. Election of Officers: The election of officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointment: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal: Any officer may be removed from office, with or without cause, by the Board, provided that such action shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties: The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and agreements and shall co-sign checks and promissory notes.

VICE PRESIDENT

(b) The Vice President shall act in the place and stead of the President in the event of this absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY-ASSISTANT SECRETARY

(c) The Secretary or Assistant Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors;

keep proper books of accounts; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE IX.

COMMITTEES

The Nominating Committee shall be appointed as provided in these Bylaws. The Board of Directors, by resolution adopted by majority of the number of directors then in office, may designate one or more other committees, each consisting of two or more directors, and each of which, to the extent provided in the resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the association, except no such committee shall have and may exercise all of the authority of the Board of Directors in the management of the Association, except no such committee shall have authority as to the following matters:

(i) The dissolution, merger or consolidation of the Association; the amendment to the charter of the Association; or the sale, lease or exchange of all or substantially all of the property of the Association.

(ii) The designation of any such committee or the filling of vacancies in the Board of Directors or in any such committee.

(iii) The amendment or repeal of the Bylaws or adoption of new Bylaws.

(iv) The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.

Other Committees having and exercising the authority of the Board in the management of the Association may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Any such committee, or any member thereof, may be discharged or removed by action of the majority of the Board. Any resolutions adopted or other action taken by any such committee within the scope of authority delegated to it by the Board shall be deemed for all purposes to be adopted or taken by the Board. These committees shall create their own governing rules subject to approval by the Board.

ARTICLE X.

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear Interest from the date of delinquency at the rate of eighteen percent (18%)

per annum (or if unlawful, the highest rate of interest permitted by law), and the Association may bring an action at law against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of this Unit. Assessments begin at the time of recordation of the original plat, and particular responsibility transfers on the date of conveyance of the piece(s) of property.

ARTICLE XII.

CORPORATE SEAL

The Association shall have a seal in a circular form having within its circumference the words "Cooper Square Condominium Owners' Association, Inc., Corporate Seal, North Carolina, 2000."

ARTICLE XIII.

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of 67% of a quorum of Members present in person or by proxy. The notice of the meeting shall set forth the proposed amendment or a summary of the changes to be effected thereby.

Section 2. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV.

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts: The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, 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. Checks, Drafts, Etc: All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the association in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instrument shall be signed by any two of the following three officers: the Treasurer, the President and the Vice-President of the Association.

Section 3. Deposits: All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 4. Gifts: The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

Section 5. Loans to Directors and Officers. No loans shall be made by the Association to any of its directors or officers.

Section 6. Limitation on Distributions. No part of the net earnings of the Association shall inure to the benefit of its members, directors, officers, or any other person, except that the Association is authorized and empowered to pay reasonable compensation for services rendered and make payments and distributions in furtherance of the exempt purposes of the Association.

ARTICLE XV.

MISCELLANEOUS

Section 1. Indemnity: Each person who is or was a director, officer, employee and agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Association to the maximum extent permitted under North Carolina law against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such director, officer, employee or agent or by reason of any action alleged, and the Association shall reimburse each such person for all expenses, including attorneys' fees, reasonably incurred by him to the maximum extent permitted under North Carolina law in connection with any such claim or liability. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any such director, officer, employee or agent may be entitled by law, agreement vote of the Board of Directors or Members or otherwise with respect to any liability or litigation expenses arising out of this activities in such capacity. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association, or who is or was serving at the request of the Association as a director, officer employee or agent of another corporaon, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in such capacity, or arising out of this status as such, whether or not the Association would have the power to indemnify him against such liability.

Section 2. Fiscal Year: The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except for the first fiscal Year of the Association which shall begin on the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 3. Construction and Definitions: Unless the context requires otherwise, the general provisions, rules of construction, and definitions in Chapter 55A of the North Carolina

General Statutes shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person. The rules contained in the current edition of Roberts' Rules of Order govern the Association in all cases in which they are applicable, and in which they are not inconsistent with these Bylaws, the Articles of incorporation, the Declaration, or any existing law.

Section 4. Registered Agent and Office: The Association shall have and maintain in the State of North Carolina a registered office, and a registered agent whose business address is identical with such registered office. The registered office may be, but need not be, identical with the principal office in the State of North Carolina, and the address of the registered office may be changed from time to time by the Board of Directors.

Section 5. Political Expenses: No funds shall be expended to support or oppose any candidate for public office.

Section 6. Waiver of Notice: Whenever any notice is required to be given under the provisions of Chapter 55A of the North Carolina General Statutes, or under the provisions of the Articles of Incorporation, the Bylaws of the Association, or the Declaration, 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 deemed the equivalent of the giving of such notice.

Section 7. Distribution of Assets upon Dissolution: Upon dissolution of the Corporation, the assets thereof shall be first distributed in accordance with applicable law and as provided for in the Articles of Incorporation.

CERTIFICATION

I, the undersigned, do hereby certify:

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

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

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

Secretary

Cooper Square Condominium Public Offering Statement

This Public Offering Statement is provided to you pursuant to North Carolina General Statute Sec. 47C-4-102 and is intended to provide you with pertinent information about Cooper Square Condominium so that you can make an informed decision about purchasing a condominium. State law requires that a purchaser must receive a public offering statement before signing a contract for purchase and that no conveyance (closing) can occur until seven days following the signing of a contract for purchase. During this seven day period, the purchaser has an absolute right to cancel the contract for any reason.

1. **Address of Condominium:** Cooper Street
Chapel Hill, North Carolina 27514
2. **Name and Address of Developer:** Carolina 223, LLC
1 Winter Drive
Chapel Hill, North Carolina 27514
3. **General Description:** Cooper Square Condominiums includes 39 units which are located in duplexes, four-plexes, and five-plexes. The units range from 926 to 1207 square feet and from two to three bedrooms per unit. The conversion will begin in July, 2000 and is projected to be completed by July, 2002.
4. **The following are attached:**
 - a. Recorded Declarations and Restrictive Covenants of the Condominium.
 - b. Bylaws of the Condominium Association.
 - c. Current balance sheet and projected budget for the Condominium Association.
 - d. A description of insurance coverage provided for the benefit of unit owners.
5. **There is no initial condominium association fee. Monthly condominium association fees range from \$84.63 to \$110.37 depending on each units proportionate ownership interest in the common elements as prescribed by the condominium declarations. (See Section 16.12 and Exhibit B-1 of the condominium declarations)**
6. **Known or recorded liens, encumbrances, and other matters affecting the title to the condominium are as follows:**
 - a. Deed of Trust in favor of Central Carolina Bank & Trust Co. recorded May 26, 2000 at Book 2802, Page 16, Orange County Registry.
 - b. Assignment of Leases, Rents and Profits in favor of Central Carolina Bank & Trust Co. recorded May 26, 2000 at Book 2802, Page 77, Orange County Registry.
 - c. UCC Financing Statement in favor of Central Carolina Bank & Trust Co. recorded May 26, 2000 at Book 2000, Page 643, Orange County Registry.
 - d. Easement to OWASA recorded in Book 342, Page 607, Orange County Registry.
 - e. Easement to Duke Power Company recorded in Book 608, Page 33, Orange County Registry.

f. Easement and agreement regarding buffer between lot 3 and lot 8 recorded in Book 556, Page 136, Orange County Registry.

g. Easement to University of North Carolina recorded in Book 149, Page 69, Orange County Registry.

h. Easement to Duke Power Company recorded in Book 127, Page 116, Orange County Registry.

i. Storm water drainage easement recorded in Book 1740, Page 9, Orange County Registry.

7. There are no known or recorded unsatisfied judgments or pending suits against Carolina 223, LLC or Cooper Square Condominium Association, Inc., no known pending lawsuits material to Cooper Square Condominium, and no restraints on alienation of any portion of the condominium.

8. No express warranties are provided to purchasers by Carolina 223, LLC.

9. Any earnest money deposits made in connection with the purchase of a condominium will be held in an escrow account pursuant to N.C.G.S. 47C-4-108. The escrow agent holding the deposit is Tom Cochrane whose address is P.O. Box 98973, Raleigh, NC 27624.

10. All improvements on the plats and plans are completed.

11. The property is subject to the land use requirements of the Chapel Hill Zoning Ordinance, R-3 and R-4 residential zoning districts which are summarized as follows:

a. Minimum lot size - 5,500 square feet for R-3 and R-4

b. Minimum lot width - 50 feet for R-3 and R-4

c. Street setback - 24 feet for R-3 and 22 feet for R-4

d. Interior setback - 8 feet for R-3 and R-4

e. Solar setback - 11 feet for R-3 and 9 feet for R-4

(See zoning ordinance for more detailed description of regulations)

12. Common elements may be alienated or conveyed in accordance with N.C.G.S 47C-3-112.

13. There is one existing contract pertaining to the management of the condominium association. South East Real Estate Management Company has been contracted to manage the Condominium Association. The management agreement is a one year contract beginning July 1, 2000 which automatically renews each year unless terminated with 60 days notice by either the Association or South East. South East will be responsible for financial, administrative and maintenance aspects of the Association. South East will receive \$11.50 per unit per month as compensation.

14. Article 6 of the Declarations of Cooper Square Condominium provides that Carolina 223, LLC reserves certain development rights including the right to develop a maximum of eleven (11) new condominium units, in addition to the thirty-nine (39) existing units. Although we have

no plans to purchase additional land for the condominium or to add new units on the existing property, we reserve the right to do so in the future.

(a) As with the existing 39 units, any additional units created are restricted to residential purposes as defined by the Declarations at Section 1.2 x. and aa.

(b) Other development rights reserved by the Declaration include the right to add additional land to the condominium, the right to add or subdivide to create additional units within the condominium, and the right to allocate limited common elements such as decks, patios, stoops, and parking spaces to any additional units, and the right to construct utilities in the condominium to serve any additional units. For a more detailed explanation of the reserved development rights, see Article 6 of the Declarations attached.

(c) The reserved development rights are limited in that they cannot be exercised more than twenty-five (25) years after the Declarations are recorded, no more than eleven (11) additional units may be created, and any new units are restricted to residential purposes.

(d) If Carolina 223, LLC exercises its reserved right to develop the maximum of eleven (11) additional units, each unit's allocated interests would change according to the formulas stated in Article 7 of the Declarations. Assuming eleven new units were added at the maximum allowable square footage per unit, the existing unit's allocated interests would decrease by a maximum of 0.67 percent.

(e) Any new buildings or improvements that may be erected pursuant to the development rights reserved by Carolina 223, LLC will be compatible with existing buildings and improvements in the condominium in terms of architectural style, quality of construction, and size. The extent of such compatibility shall be in the judgment of Carolina 223, LLC.

(f) Although no improvements or additional limited common elements are planned at this time, any improvements or limited common elements created pursuant to the development rights reserved by Carolina 223, LLC shall be of types normally associated with residential condominiums and shall be created in accordance with the requirements of the Declarations.

(g) Although there are no plans for additional units at this time, Carolina 223, LLC makes no assurances regarding the following:

(1) the limitations as to the location of any building or other improvement that may be made within any part of the condominium pursuant to any development right,

(2) the extent to which the limited common elements created pursuant to any development right will be of the same general types and sizes as the limited common elements within other parts of the condominium,

(3) the extent to which the proportion of limited common elements to units created pursuant to any development right will be approximately equal to the proportion existing within other parts of the condominium, and

(4) the extent to which all restrictions in the declaration affecting use, occupancy, and alienation of units will apply to any units created pursuant to any development right.