

EXHIBIT B**BYLAWS OF MADISON CENTRE OWNERS ASSOCIATION, INC.,
a North Carolina Nonprofit Corporation****ARTICLE I
MEETINGS OF MEMBERS**

- Section 1. The first annual meeting of the members shall be held within one year from the date of formation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day and the same month of each year thereafter.
- Section 2. Special meetings of the members may be called at any time by the President or the Executive Board, or upon written request of twenty (20%) percent of the members, pursuant to G.S. § 47C-3-108.
- Section 3. Written notice of each meeting shall be given by, or at the direction of, the Secretary or person(s) authorized to call the meeting, by hand delivering or mailing a copy of such notice, postage prepaid, at least ten (10) days and not more than fifty (50) days before such meeting to each member as provided in G.S. § 47C-3-108.
- Section 4. The Executive Board shall develop a budget and present it to all the Unit Owners for approval and adoption. The budget shall be considered at a meeting of the Unit Owners as set forth in G.S. § 47C-3-103(c). Within thirty (30) days after adoption of any proposed budget for the condominium, the Executive Board shall provide a summary of the budget to all the Unit Owners.
- Section 5. The presence at the meeting of members or proxies entitled to cast fifty-one (51%) percent of the votes shall constitute a quorum for any action except as otherwise provided by law. In the event a quorum is not present a second meeting will be called wherein the presence at the meeting of members or proxies entitled to cast forty (40%) percent of the votes shall constitute a quorum for any action except as otherwise provided by law.
- Section 6. Every Unit Owner shall be entitled to cast the number or percentage of votes as provided in the Declaration for the Units owned by such member.
- Section 7. Pursuant to G.S. § 47C-3-1 10, votes allocated to a Unit may be cast pursuant to a dated written proxy signed by a Unit Owner. A Unit Owner may not revoke a proxy except by written notice delivered to the person presiding over a meeting of

the Association. A proxy terminates one (1) year after its date, unless it specifies a shorter term.

ARTICLE II
OFFICERS AND EXECUTIVE BOARD: SELECTION; TERM OF OFFICE

- Section 1. The affairs of the Association shall be managed by an Executive Board of not fewer than three (3) and not more than five (5) members, who shall be entitled to act on behalf of the Association. Subject to the initial Period of Declarant Control as set forth in Article I of the Declaration, nomination for election of the Executive Board shall be made from the floor at the annual meeting. Election shall be by ballot and by a majority of the Unit Owners when a quorum is present. Cumulative voting is not permitted.
- Section 2. At the first annual meeting following the termination of Declarant control, a minimum of three (3) and a maximum of five (5) Executive Board members shall be elected to serve until the following annual meeting.
- Section 3. Any Executive Board member, except those appointed by the Declarant, may be removed in accordance with G.S. § 47C-3-103(b). In the event of death, resignation or removal of a director, his successor shall be selected by a majority of the members voting at a meeting when a quorum is present. The successor shall serve the remainder of the term.
- Section 4. No Executive Board member shall receive compensation for any service he may render to the Association. However, with the prior approval of the Executive Board, any Executive Board member may be reimbursed for actual expenses incurred in the performance of his duties.
- Section 5. The Executive Board shall have the right to take any action in the absence of a meeting which they could take a duly held meeting by obtaining the written consent of all the Executive Board members to the action. Any action so approved shall be filed in the corporate books and records and shall have the same effect as though taken at a meeting of the Executive Board.

ARTICLE III
MEETINGS OF EXECUTIVE BOARD

- Section 1. Meetings of the Executive Board shall be held quarterly, or as deemed necessary by the Board, without notice, or as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. Special meetings of the Executive Board may be called by any member of the Executive Board, after not less than five (5) days notice to each Executive Board member.

- Section 2. A majority of the Executive Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Executive Board members present at a duly held meeting shall be regarded as the act of the Board.

ARTICLE IV
POWERS AND DUTIES OF THE EXECUTIVE BOARD

- Section 1. Subject to the provisions contained herein and applicable law, the Executive Board shall have the power and authority to exercise all the rights of the Association, including, but not limited to:
- (a) Adopt rules and regulations governing the use of the common area and facilities, the person conduct of the members and their guests thereon, establish penalties for the infraction thereof;
 - (b) Suspend the voting rights 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 sixty (60) days for infraction of published rules and regulations;
 - (c) Declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Executive Board;
 - (d) Employ a professional property manager, an independent contractor, or other employees as they deem necessary, and prescribe their duties; provided always, any contract for professional management must contain a clause requiring not more than ninety (90) days termination notice;
 - (e) Procure, maintain and pay premiums on an insurance master policy(ies) and equitably assess the Owners of the same for their prorata portion of such expense, and to procure and maintain liability insurance for the Board of Directors;
 - (f) Impose and receive any payments, fees, or charges for the use, rental, or operation of the Common Elements other than for service provided to Unit Owners;
 - (g) Exercise all other powers that may be exercised in this state by legal entities of the same type as the Association;

- (h) Exercise any other powers necessary and proper for the governance and operation of the Association; and
- (i) Have and to 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.

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

- (a) Cause the Common Elements to be maintained, repaired, and replaced as necessary, and to assess the Unit Owners to recover the cost of the upkeep of the Common Elements;
- (b) Serve as the Architectural Committee;
- (c) Keep a complete record of all its acts and corporate affairs and present a statement thereof to the members at the annual meeting, or at any special meeting when such statement is requested in a writing signed by fifty-one (51%) percent of the members;
- (d) Supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (e) Fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period pursuant to the provisions set forth in the Declaration and G.S. § 47C-3-103(c);
- (f) Send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period;
- (g) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- (h) Issue, or have issued, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (i) Procure and maintain, at all times, adequate replacement coverage hazard insurance on the property owned by the Association and all property for which the Association has the duty to maintain, and sufficient liability

insurance to adequately protect the Association as provided in G.S. § 47C-3-113; and

- (j) Cause all officers or employees, including officers and employees of professional management, having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V OFFICERS AND THEIR DUTIES

Section 1. The officers of this Association shall be a President, Vice-President, and Secretary/Treasurer. The officers shall be appointed by the Executive Board from among the members of the Executive Board.

- (a) The President shall preside at all meetings of the Executive Board; see that orders and resolutions of the Executive Board are carried out; sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes. However, the President may elect to have a property manager be responsible for daily operation and for the manager to have periodic meetings to correctly oversee the Association;
- (b) The Vice-President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Executive Board;
- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive 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 Executive Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; and perform such other duties as required by the Executive Board; and
- (d) The Treasurer shall receive and deposit or oversee the property manager in the receipt and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by the Executive Board; may sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant or other person suitable to the Executive Board at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy to each member.

The Treasurer with the consent of the board may assign any of these activities to a property manager.

ARTICLE VI
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member or a mortgagee of any member. The Articles of Incorporation and the Declaration and Bylaws of the Association shall be available for inspection by any member at the principal office of the property manager or President of the Association, where copies may be purchased at reasonable cost.

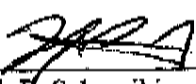
ARTICLE VII
SEAL

The Association shall have a seal in circular form having within its circumference the words "Madison Centre Owners Association, Inc.," and the words: "SEAL-2005" in the center thereof.

ARTICLE VIII
AMENDMENT TO BYLAWS

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of the majority of the members.

IN WITNESS WHEREOF, we being all of the members of the Executive Board of Madison Centre Owners Association, Inc. have hereunto set our hands, this 13 day of June, 2005.



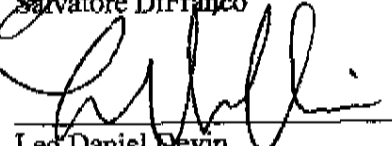
Mark P. Schweibinz



Edwin B. Hoel



Salvatore DiFranco



Leo Daniel Devin

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Madison Centre Owners Association, Inc., a North Carolina nonprofit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of such Association and were duly adopted at a meeting of the Board of Directors thereof, held on the 13th day of June, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association, this 13th day of June, 2005.

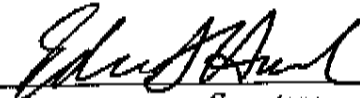

_____, Secretary



EXHIBIT C
TABLE OF ALLOCATED INTERESTS

Each Unit shall have a one twenty-sixth (1/26) interest in the common elements.



EXHIBIT D

NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

I, **ELAINE F. MARSHALL**, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF INCORPORATION

OF

MADISON CENTRE OWNERS ASSOCIATION, INC.

the original of which was filed in this office on the 26th day of May, 2005.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 26th day of May, 2005

Elaine F. Marshall

Secretary of State

SOSID: 784485
Date Filed: 5/26/2005 3:03:00 PM
Elaine F. Marshall
North Carolina Secretary of State
C200513800122

**ARTICLES OF INCORPORATION
OF
MADISON CENTRE OWNERS ASSOCIATION, INC.
A North Carolina Nonprofit Corporation**

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purposes of forming a non-profit corporation and hereby certifies:

ARTICLE I

The name of the corporation is Madison Centre Owners Association, Inc., hereinafter sometimes called the "Association."

ARTICLE II

The principal and registered office of the Association is located at 7000 Six Forks Road, Suite 115, Raleigh, Wake County, North Carolina 27615.

ARTICLE III

Mark P. Schweibinz, whose address is 7000 Six Forks Road, Suite 115, Raleigh, Wake County, North Carolina 27615, is hereby appointed the initial Registered Agent of this Association.

ARTICLE IV

This Association does not contemplate pecuniary gain or profit to the members thereof and no part of the Association's net income shall inure to the benefit of any of its officers, directors or members or any other private individual. The purposes and objects of the corporation shall be to administer the operation and management of Madison Centre Condominium (hereinafter called "Condominium"), a condominium office park established in accordance with the laws of the State of North Carolina upon property more particularly described on Exhibit A attached hereto and incorporated herein by reference, and such other Property which may subsequently be annexed and subjected to the provisions of the Declaration of Condominium for Madison Centre, a Condominium (the "Declaration") to be recorded in the Durham County Registry; to undertake the performance of the acts and duties incident to the administration of the operation and management of said Condominium in accordance with the terms, provisions, conditions, and authorizations contained in these Articles of Incorporation and which will be recorded in the Public Records of Durham County, North Carolina, at the time said property, and the improvements now or hereafter situate thereon, are submitted to a Plan of Condominium; and to own, operate, lease, sell, trade and otherwise deal with such property, whether real or personal, as may be necessary or convenient in the administration of said Condominium, all subject to the ordinances of Durham County, North Carolina.

ARTICLE V

The Corporation shall have the following powers:

1. The Corporation shall have all of the powers and privileges granted to Non-Profit Corporations under the law pursuant to which this Corporation is chartered and all of the powers and privileges which may be granted unto said Corporation under any other applicable laws of the State of North Carolina, including the North Carolina Condominium Act.

2. The Corporation shall have all of the powers reasonably necessary to implement and effectuate the purposes of the Corporation, including the following powers:

- (a) To make and establish reasonable rules and regulations governing the use of individual Condominium Units and Common Property in the Condominium as said terms are defined in the Declaration;
- (b) To levy and collect assessments against members of the Corporation to defray the common expenses of the Condominium as may be provided in the Declaration and in the Bylaws of this Corporation which may be hereafter adopted, including the right to levy and collect assessments for the purposes of acquiring, operating, leasing, managing and otherwise trading and dealing with such property, whether real or personal, including Condominium Units in the Condominium, which may be necessary or convenient in the operation and management of the Condominium and in accomplishing the purposes set forth in said Declaration, all subject to the ordinances of Durham County, North Carolina;
- (c) To maintain, repair, replace, operate and manage the Condominium and the property comprising same, including the right to reconstruct improvements after casualty, to make further improvement of the Condominium property and to make and enter into any and all contracts necessary or desirable to accomplish said purposes;
- (d) To contract for the management of the Condominium and to delegate to such contractor all of the powers and duties of the Association except those which may be required by the Declaration to have approval of the Executive Board or membership of the Corporation;
- (e) To acquire and enter into, now or at any time hereafter, leases and agreements whereby the Association acquires leaseholds, memberships and other possessory or use interests in land or facilities including, but not limited to, swimming pools, tennis courts, and other recreation facilities, whether or not

contiguous to the lands of the Condominium, to provide enjoyment, recreation or other use or benefit to the owners of the Condominium;

- (f) To enforce the provisions of the Declaration, these Articles of Incorporation, the Bylaws of the Corporation (the "Bylaws") which may be hereafter adopted, and the rules and regulations governing the use of the Condominium as the same may be hereafter established; and
- (g) To exercise, undertake and accomplish all of the rights, duties and obligations that may be granted to or imposed upon the Corporation pursuant to the Declaration.

ARTICLE VI

The qualifications of the members, the manner of their admission to membership and termination of such membership, and voting by members shall be as follows:

1. The Owners of all Condominium Units in the Condominium shall be members of the Corporation, and no other person or entity shall be entitled to membership, except as provided in item (5) of this Article VI.

2. Membership shall be established by the acquisition of the fee title to a Condominium Unit in the Condominium, or by acquisition of a fee ownership interest therein, whether by conveyance, devise, judicial decree or otherwise, and the membership of any party shall be automatically terminated upon his being divested of all title to or his entire fee ownership interest in any Condominium Unit, except that nothing herein contained shall be construed as terminating the membership of any party who may own two or more Condominium Units, or who may own a fee ownership interest in two or more Condominium Units, so long as such party shall retain title to or a fee ownership interest in any Condominium Unit.

3. The interest of a member in the funds and assets of the Corporation cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to his Condominium Unit. The funds and assets of the Corporation shall belong solely to the Corporation subject to the limitation that the same be expended, held or used for the benefit of the membership and for the purposes authorized herein, the Declaration and in the Bylaws which may be hereafter adopted.

4. The vote(s) of each Unit may be cast or exercised by the Owner or Owners of each Condominium Unit in such manner as may be provided in the Bylaws hereafter adopted by the Corporation. Should any member own more than one Condominium Unit, such member shall be entitled to exercise or cast the votes associated with each Condominium Unit owned in the manner provided by the Bylaws.

5. Until such time as a Condominium Unit is first sold, the membership of the

Corporation shall be composed of the four (4) individuals named in Article XI hereof as the initial Executive Board of the Corporation, and each such individual shall be entitled to cast one vote on all matters on which the membership shall be entitled to vote.

ARTICLE VII

The Corporation shall have perpetual existence.

ARTICLE VIII

The affairs of the Corporation shall be managed by the President of the Corporation, assisted by the Vice President, Secretary and Treasurer and Assistant Secretaries and Assistant Treasurers, if any, subject to the directions of the Executive Board, may employ a Managing Agent and/or such other managerial and supervisory personnel or entities to administer or assist in the administration of the operation and management of the Condominium, and the affairs of the Corporation, and any such person or entity may be so employed without regard to whether such person or entity is a member of the Corporation or a Director or Officer of the Corporation, as the case may be.

ARTICLE IX

The number of members of the first Executive Board of the Corporation shall be no fewer than three (3) and no more than five (5). The number of members of succeeding Executive Boards shall be as provided from time to time by the Bylaws. The members of the Executive Board shall be elected by the members of the Corporation at the Annual Meeting of the membership as provided by the Bylaws, and at least a majority of the Executive Board shall be members of the Corporation or shall be authorized representatives, officers or employees of a member of the Corporation. Notwithstanding the foregoing, Declarant shall have the right to designate and select a majority of the persons who shall serve as members of the Executive Board of the Corporation for a period of time commencing on the date hereof and continuing until the earlier of (i) five (5) years after the date of the first conveyance of a Unit to a Unit Owner other than a Declarant; (ii) 120 days after conveyance of seventy-five percent (75%) of the Units (including any Units which may be created pursuant to Special Declarant Rights) to Unit Owners other than Declarant; (iii) two (2) years after Declarant has ceased to offer Units in the ordinary course of business; (iv) two (2) years after any development right to add new Units was last exercised, or (v) the date upon which Declarant voluntarily surrenders control of the condominium. Declarant may designate and select the person or person to serve as a member or members of said Executive Board in the manner provided in the Bylaws, and such person or persons so designated and selected need not be a resident of the Condominium, or a member of the Association.

ARTICLE X

The Executive Board shall elect a President, Vice-President, Secretary and Treasurer, and as many Assistant Secretaries and Assistant Treasurers as the Executive Board shall determine. The

President shall be elected from among the membership of the Executive Board but no other officer need be a Director. The same person may hold two offices, the duties of which are not incompatible; provided, however, that the office of President and Vice-President shall not be held by the same person, nor shall the office of President and Secretary or Assistant Secretary be held by the same person.

ARTICLE XI

The names and post office addresses of the initial Executive Board who, subject to the provisions of these Articles of Incorporation, the Bylaws, and the laws of the State of North Carolina, shall hold office until the first Annual Meeting of the membership (or until their successors are elected and qualified or appointed by the Declarant as provided in Section IX hereof) are as follows:

| | <u>Names</u> | <u>Addresses</u> |
|----|--------------------|--|
| 1. | Mark P. Schweibinz | 7000 Six Forks Road, Suite 115 Raleigh, North Carolina 27615 |
| 2. | Leo Daniel Devin | 7000 Six Forks Road, Suite 115 Raleigh, North Carolina 27615 |
| 3. | Edwin B. Hoel | 200 Cascade Pointe Lane, Suite 101 Cary, North Carolina 27513 |
| 4. | Salvatore DiFranco | 200 Cascade Pointe Lane, Suite 100 Cary, North Carolina 27513 |

ARTICLE XII

The original Bylaws shall be adopted by a majority vote of the Executive Board of the Corporation present at a meeting at which a majority of the members of the Board is present, and thereafter, such Bylaws may be altered or rescinded only in such manner as said Bylaws may provide.

ARTICLE XIII

Every Director and every Officer of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Corporation, whether or not he is a Director or Officer at the time such expenses are incurred, except in such cases wherein the Director or Officer is adjudged guilty or willful misfeasance or malfeasance in the performance of his duties; provided that, in the event of any claim for reimbursement or indemnification hereunder based upon a settlement by the Director or Officer seeking such reimbursement or

indemnification, the indemnification herein shall only apply if the Executive Board approves such settlement and reimbursement as being in the best interests of the Corporation. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled. The foregoing right of indemnification shall not include indemnification from liability resulting from being a member of the Association.

ARTICLE XIV

An amendment or amendments to these Articles of Incorporation shall require the assent of two-thirds (2/3) of the membership.

No amendment to these Articles of Incorporation which shall abridge, amend or alter the right of Declarant to designate and select members of each Executive Board of the Corporation, as provided in Article XI hereof, may be adopted or become effective without the prior written consent of Declarant.

ARTICLE XV

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of the voting members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XVI

The name and address of the incorporator is as follows:

David S. Kennett, Esq.
HEDRICK MURRAY & CHEEK PLLC
3511 Shannon Road, Suite 200
Durham, North Carolina 27707

ARTICLE XVII

All capitalized terms herein are as defined in the Declaration.

IN WITNESS WHEREOF, I, the undersigned incorporator, have hereunto set my hand and seal, this 1st day of May, 2005.



DAVID S. KENNETT, ESQ. (SEAL)



WILLIE L. COVINGTON
REGISTER OF DEEDS, DURHAM COUNTY
DURHAM COUNTY COURTHOUSE
200 E. MAIN STREET
DURHAM, NC 27701

PLEASE RETAIN YELLOW TRAILER PAGE

It is part of recorded document, and must be submitted with original for re-recording and/or cancellation.

Filed For Registration: 06/16/2005 01:58:37 PM
Book: RE 4834 Page: 373-412
Document No.: 2005026397
DECL 40 PGS \$128.00

Recorder: APRIL J WILLIAMS

State of North Carolina, County of Durham

The foregoing certificate of CAROLE ANN TONNESEN , KARLA L CORLEY , BRENDA PIERCE Notaries are certified to be correct. This 16TH of June 2005

WILLIE L. COVINGTON , REGISTER OF DEEDS

By: *April J Williams*
Deputy/Assistant Register of Deeds



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