

BY-LAWS
OF
LIBERTY SQUARE CONDOMINIUM OWNERS ASSOCIATION

A non-profit corporation under the laws of the State of North Carolina

ARTICLE I
PURPOSES AND OBJECTIVES

The purpose of the corporation shall be a homeowner's association for the Liberty Square Apartments Condominium, including but not limited to, the management of the use of the common area, the maintenance of the common area and the setting of assessments for the upkeep of same.

ARTICLE II
OFFICES

Section 1. PRINCIPAL OFFICE: The principal office of the Corporation shall be located at JMJ Builders, P.O. Box 53922, Fayetteville, NC 28303

Section 2. REGISTERED OFFICE: The registered office of the Corporation is required by law to be maintained in the State of North Carolina and may be, but need not be, identical with the principal office. The registered office shall be located at JMJ Builders, P.O. Box 53922, Fayetteville, NC 28303.

ARTICLE III
BOARD OF DIRECTORS

Section 1. GENERAL POWERS: The business and affairs of the Corporation shall be managed by the Board of Directors.

Section 2. NUMBER TERM AND QUALIFICATION: The affairs of the Association shall be managed by a Board of three (3) Directors. The original Board of Directors shall consist of three (3) members. At the first annual meeting, subject to the provisions of Article XXIX of the Declaration of LIBERTY SQUARE APARTMENTS CONDOMINIUM, there shall be elected one director for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years. Each Director shall hold office until the expiration of his term or until his successor is elected and qualified. No director shall serve more than two (2) consecutive terms (including the initial term). So long as the Developer owns one or more units he shall have the right to appoint two of the Directors or remove Directors at will, subject to the terms of the Declaration of the Condominium.

Section 3. ELECTION OF DIRECTORS: Except as provided in Section of Article III, and specifically subject to Article XXIX of the Declaration above noted, the Directors shall be elected at the annual meeting of the Association. Those persons who receive the highest number of votes shall be deemed to have been elected. In the event any vacancy shall occur because of death, resignation or time, the Developer shall fill the vacancy at his own discretion.

Section 4. REMOVAL: Directors may be removed from office with or without cause by a majority of the votes. If any Directors are so removed, new Directors may be elected at the same meeting.

Section 5. VACANCIES: A vacancy occurring in the Board of Directors shall be filled by a majority of the members of the Association, even though less than a quorum. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 6. COMPENSATION: The members of the Board of Directors may not be compensated for their services in fulfilling their duties to the corporation.

Section 7. INDEMNIFICATION OF DIRECTORS AND OFFICERS: Each present and former Director and Officer of the corporation shall be indemnified by the corporation against expenses reasonably incurred by him or her in connection with any threatened, pending, or completed action, suit or proceeding to which he or she may be a party by reason of his or her being or having been an Officer or Director of the Corporation (whether or not he or she continues in that capacity at the time of incurring such expenses), except in disputes between himself or herself and the corporation; and in those events, he or she shall be entitled to indemnification should a court of competent jurisdiction find the corporation to be at fault. The foregoing right of indemnification shall inure to the benefit of the legal representatives of any such person, shall not be exclusive of other rights to which any Director or officer may be entitled as a matter of law.

Section 8. EXECUTIVE COMMITTEE: There shall be elected annually by the members of the association, three (3) members thereof, who with the Chairman, Secretary, Treasurer and any Executive Committee shall act on behalf of the corporation in any manner (except as provided in Article VII) when the Board of Directors is not in session, reporting to the Board of Directors for its ratification of their action at each regular or special meeting called for that purpose. Four (4) members shall constitute a quorum for the transaction of business. Meetings may be called by the Chairman or by two (2) members.

Section 9. SPECIAL COMMITTEES: The Chairman may, at any time, appoint other committees on any subject. Each committee shall consist of at least one (1) Director.

Section 10. COMMITTEE QUORUM: A majority of any committee of the corporation shall constitute a quorum for the transaction of business, unless any committee shall by majority vote of its entire membership decide otherwise.

Section 11. All section of this Article III shall be expressly subject to the provisions of Article XXXX of the Declaration of LIBERTY SQUARE APARTMENTS CONDOMINIUM, the terms and conditions of which are incorporated herein by reference.

ARTICLE IV MEETINGS OF DIRECTORS

Section 1. REGULAR MEETINGS: Regular meetings of the Board of Directors shall be held at 7:30 p.m. on the first Wednesday of each month at a time and place designated by a majority of Directors.

Section 2. ANNUAL MEETINGS: The annual meetings of the Board of Directors shall be held at 7:30

on the first Wednesday in March of each year, if not a legal holiday, for the purpose of electing Directors of the corporation and for transaction of such other business as may be brought before the meeting.

Section 3. SUBSTITUTE ANNUAL MEETINGS: If the annual meeting shall not be held on the day designated by these by-laws, a substitute annual meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 4. SPECIAL MEETINGS: Special meetings of the shareholders may be called at any time by the President, on or at such other place, as shall be designed in the notice of the meeting agreed upon by a majority of the Directors entitled to vote thereat.

Section 5. NOTICE OF MEETINGS: Written or printed notice stating the time and place of the meeting shall be delivered not less than five or more than fifty days before the date thereof, either personally or by mail, by or at the direction of each President, Secretary or other person calling the meeting, to each member of record entitled to vote at such meeting. In case of an annual or substitute meeting, the notice of meeting need not specifically state the business to be transacted. In case of a special meeting, the notice of meeting shall not necessarily state the purpose or purposes for which the meeting is called. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. When a meeting is adjourned for less than thirty days in any one adjournment, it is not necessary to give notice of the adjourned meeting other than by announcement at the meeting at which the adjournment is taken.

Attendance by a Director at a meeting shall constitute a waiver or 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 is not lawfully called.

Section 6. QUORUM: A majority of the duly elected or appointed and qualified Directors of the corporation shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A majority of the Directors present at any meeting, whether or not a quorum is present, may adjourn the meeting from time to time without notice, other than announcement at the meeting, until a quorum shall attend.

Section 7. MANNER OF ACTING: Except as otherwise provided in this Section, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. INFORMAL ACTION BY DIRECTORS: Action taken by a majority of the Directors without meeting is nevertheless Board action if written consent to the action in question is signed by all Directors, and filed with the Minutes of the proceedings of the Board, whether done before or after the action is so taken.

ARTICLE V OFFICERS

Section 1. NUMBER:

The Corporation shall have a Chairman, Secretary, Treasurer and such Vice-Chairman, Assistant Secretaries, Assistant Treasurers and other officers as the members may from time to time elect. Any two or

more offices may be held by the same person, except the office of Chairman and Secretary. However, no officer may act in more than one capacity where the action of two (2) or more offices is required.

Section 2. ELECTION AND TERM:

The officers of the Corporation shall be elected by the Board of Directors. Such elections may be held at any regular or special meeting of the membership. Each officer shall hold office for one (1) year, or until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified, unless otherwise specified by the members. The members may fill any vacancy in any office occurring for whatever reason.

Section 3: REMOVAL:

Any officer or agent elected or appointed by the members may be removed by the members with or without cause, except that in the case of the Chairman, he shall not be removed by less than three-fourths (3/4) majority of the members.

Section 4. CHAIRMAN:

The Chairman shall be the chief executive officer of the corporation and shall preside at all meetings of the members and the Board of Directors. Subject to the direction and control of the Board of Directors, he shall have general charge and authority over the business of the corporation. He shall make reports of the business of the corporation for the preceding fiscal year to the Directors at each annual meeting. He shall sign with any other proper officer any deeds, mortgages, bonds contracts, or other instrument which may be lawfully executed on behalf of the corporation, except where the signing and execution thereof shall be delegated by the Board of Directors to some other office or agent. In general, he shall perform all duties as may be prescribed by the Board of Directors from time to time, including the appointment of various committees from the membership in order to carry out the business of the corporation as approved by the Board of Directors.

Section 5. VICE-CHAIRMAN:

The Chairman shall perform the duties of the Chairman in the absence or during his inability to act. The Vice-Chairman (or Vice-Chairman) shall have such other duties and powers as may be assigned to or vested in them by the Board of Directors.

Section 6. SECRETARY:

The Secretary shall keep accurate records of the acts and proceedings of all meetings of shareholders and Directors. He shall give all notices required by law and by these by-laws. He shall have general charge of all corporate books and records and of the corporate seal, and he shall affix the corporate seal to any lawfully executed instrument requiring it. He shall then sign such instruments as may require his signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him from time to time by the Chairman, the Executive Committee, or by the Board of Directors.

Section 7. TREASURER:

The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors or the Executive Committee. The Board of Directors or the Executive Committee may appoint a custodian or a depository for any such funds and securities and may designate those persons upon whose signature or authority such fund and securities may be disbursed or transferred. He shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he shall cause a true statement of its assets and liabilities as of the close of each fiscal year within four (4) months after the end of such fiscal year. The Treasurer shall, in general, perform all duties incident to this office and such other duties as may be assigned to him from time to time by the Chairman, the Board of Directors, or the Executive Committee.

Section 8. ASSISTANT SECRETARIES AND TREASURERS:

The Assistant Secretaries and Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform the duties and exercise the powers of those offices, and they shall, in general, perform such other duties as shall be assigned to them by the Secretary or Treasurer, respectively, or by the Chairman, Board of Directors, or Executive Committee.

Section 9. EXECUTION OF DOCUMENTS:

The following officers are hereby authorized, empowered and directed to prepare, execute, certify and record amendments to the declaration of condominium on behalf of the corporation:

Execution of documents by the Chairman or Vice-Chairman
Attestation of documents by the Secretary or Assistant Secretary

ARTICLE VI
MEMBERS

Section 1.

This corporation shall be a non-profit corporation organized and existing under all Laws of the State of North Carolina, being governed by a Board of Directors as set forth in Article III of the By-laws, and shall be with voting members.

Section 2.

Any person owning a Unit in Liberty Square Apartments Condominium will be a member of the corporation.

Section 3. ANNUAL MEETING:

There shall be an annual meeting of the members of this corporation to hear the annual report of the corporation and to transact other business in accordance with the decision of the Board of Directors. Unless otherwise determined by the Board of Directors, the annual meeting of members shall be held on the first Wednesday in May at a time and place and designated by the Chairman of the corporation; provided, however, that should said day fall upon a legal holiday, then any such meeting shall be held at the same time and place to be determined by the Board of Directors. Notice of the annual meeting shall be given to all members of the Board of Directors and members of the corporation. The notice required by this Section shall, in all respects, comply with the notice required by Article IV, Section 4 of these bylaws for notice to members of the Board of Directors in case of a special meeting of said Board. Voting shall be conducted in accordance with the Declaration of Covenants and Restrictions. Upon the written request of 75% of the members, a special meeting shall be held at a time and place to be determined by the petitioning members.

ARTICLE VII
CONTRACTS, LOANS, DEPOSITS, AND MISCELLANEOUS PROVISIONS

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 on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS:

No loans shall be contracted on behalf of the Corporation, and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the members. Such authorization 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 Corporation shall be signed by such officer or officers, agent or agents of the Corporation 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 Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Director shall direct.

Section 5. FISCAL YEAR:

Unless otherwise ordered by the Board of Directors, the fiscal year of the corporation shall be from January 1 through December 31 of each calendar year.

Section 6. AMENDMENTS:

Except as otherwise provided herein, these Bylaws may be amended or repealed and new Bylaws may be adopted by an absolute majority of the votes cast pursuant to Article V of the Articles of Incorporation.

Section 7. SEAL:

The corporate seal of the corporation shall consist of two concentric circles between which is the name of the corporation and in the center of which is inscribed "Seal".

Section 8.:

The association shall make available to the members, lender and the holder, insurer and guarantor of the first mortgage on any unit, current copies of the Declaration, Bylaws and other rules governing the condominium, books, records and financial statements of the Association. The Association also shall make available to prospective purchasers copies of the Declaration, By-laws, other rules governing the condominium, and the most recent audited financial statement, if such is prepared.

ARTICLE VII.
PROHIBITED ACTIVITIES

Other provisions of these Bylaws notwithstanding, the corporation shall not engage in any act of self-dealing as defined in Section 4941, Subdivision (d) of the Internal Revenue Code of 1954, or corresponding provisions if any subsequent federal excise law; not retain any excessive business holdings as defined in Section 4943 Subdivision (c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; nor make any investment in such manner as to subject it to tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws; nor make any taxable expenditure as defined in Section 4945, Subdivision (d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent federal tax laws.

The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undisturbed income imposed by Section 4942 of the Internal Revenue Code of 1954 or the corresponding provisions of any subsequent tax laws.

ARTICLE IX
501(c) (3) REQUIREMENTS

Section 1. EARNINGS:

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, Directors, Officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the purposes set forth in the Articles hereof. No substantial part of the activities of the corporation

shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of a candidate for public office.

Section 2. EXEMPT FUNDS:

Notwithstanding any other provisions of these Articles, this corporation shall not carry on any other activities not permitted to be carried on by (a) corporation exempt from federal income tax under Section 501(a)(3) of the Internal Revenue Code of 1954, or the corresponding provisions of any future United State Internal Revenue Law, or (b) corporation, contributions to which are deductible under Section 170(a)(2) of the Internal Revenue Code of 1954, or any other corresponding provisions of any future United States Internal Revenue Law.

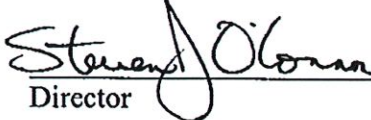
Section 3. DISSOLUTION:

Upon the dissolution of the corporation, the Board of Directors shall, after paying and making provision for payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively to such organizations that are exempt under Section 501 (c) (3) or Section 528 (c) (4) of the Code or corresponding sections of any prior or future Internal Revenue Code at the time of the dissolution as shall, in the judgment of the directors be most likely to fulfill the purposes of the Corporation. Any such asset not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of the corporation or organizations, as said: Court shall determine, which are organized and operated exclusively for such purposes.

IN TESTIMONY WHEREOF the foregoing were adopted as the Bylaws of LIBERTY SQUARE CONDOMINIUMS OWNERS ASSOCIATION at the first meeting of the Board of Directors on the 14th day of September, 2006.

 (SEAL)
Director

 (SEAL)
Director

 (SEAL)
Director