

PEMBROKE SQUARE OFFICE CONDOMINIUMS ASSOCIATION, INC. RULES AND REGULATIONS

1. ANIMALS. No animals, with the sole exception of seeing eye or guide dogs, shall be on the Condominium Properties unless such animals are confined to the interior of the Owner's units or in vehicles belonging to Unit Owners or Unit Occupants. Animals may be walked for sanitary purposes behind buildings 3, 4, 5 and 6. Except as provided herein, no animals shall be on the Condominium Properties.

2. VEHICLES. Any vehicle which is parked or stored on the Condominium Properties for more than seven days without having been operated shall be considered an abandoned vehicle and shall be subject to towing at the vehicle owner's sole liability and expense.

3. PARKING. Each unit is entitled to four (4) parking spaces. If you are going to have extra visitors, please ask them to park by the dumpsters. Occupants/Owners using more than four (4) spaces will be subject to a \$100.00 fine per day.

4. LEASE INFORMATION REQUIRED: Any Unit Owner who leases or rents a Unit shall file a copy of said lease with the Association's management company, together with a copy of the completed information sheet attached hereto as Exhibit A.

5. SIGNS AND ADVERTISING:

A. Unit Identification on Entrance Door. All units which are occupied are required to install and maintain at the Unit Owner or Occupants expense, uniform door signage conforming to the following specifications:

- All door signs shall be of uniform "brass type" appearance – contact Association's management company for materials and vendor information
- No door sign shall exceed four (4) inches in height and twenty-four (24) inches in length
- All door signs shall be affixed to the doors with tape backing, and no screws or bolts may be used to fasten signs to doors
- All businesses operating within the Unit shall be identified by name on the door sign corresponding to that Unit

B. End Unit Directional Signage. The Association shall maintain and install, for the end units on Buildings 3, 4 and 5, directional signage on the side of the building identifying those Units whose entrance doors do not face the parking lot. Identification signage mounted on the buildings shall be of the same "brass type" appearance as the door signage, shall list the business name for the Units whose entrance doors do not face the parking lot. All signs shall be eighteen (18) inches by eighteen (18) inches square and affixed to the façade of the building at a height five (5) feet above ground level.

C. Window Signage and other Signage/Advertising Prohibited. No window signs, placards, banners, flags, neon installations, artwork or other visual displays shall be installed in any Unit which can be viewed from outside the Unit; and no signs other than the signs specified in A. and B. above shall be installed on the exterior of any Unit or building.

6. MAIL/POST OFFICE BOXES. All post office boxes must meet required standards of the Postal Service. External bulk mail shall be handled in a manner that prevents the loss or theft of outgoing mail and that maintains the professional appearance of the Condominium Properties. Outgoing mail shall be placed in appropriate mail slots.

7. NON-RESIDENTIAL PURPOSES. The Condominium Properties shall be used for commercial purposes and not for any residential purpose

8. NUISANCE AND ANNOYANCE. There shall be no offensive odors or noises in or emanating from any unit. No noxious or offensive activity shall be conducted in any Unit or upon the Condominium Properties nor should anything be done therein or thereupon which may become a nuisance or annoyance to the Condominium Properties.

9. LATE FEES FOR NON-PAYMENT OF ASSESSMENT. In addition to the other means for enforcing payment of any assessments authorized by the Declaration and Bylaws, the Board of Directors shall have the right to assess reasonable late fee charges against a Unit Owner in the manner provided herein. The Board of Directors shall have the authority to impose reasonable late fee charges in the amount of \$20.00 per month that the assessment remains unpaid following the tenth (10th) day after the same becomes due. Any such late fee charges shall be added to and become a part of the assessment and the lien therefore, all as provided in Article V, Section 8 of the By-Laws and Chapter 47F of the North Carolina General Statutes.

10. CONFLICT OF INTEREST. A member of the Board of Directors is not qualified to vote upon any matter and shall not attempt to influence any other member's vote upon any matter in which the Director has a conflict of interest. A conflict of interest exists if a Director has a pecuniary interest either directly or indirectly, or as an owner, officer, or employee of any firm or corporation that is affected either directly or indirectly by a decision of the Board on any matter that is before it for its consideration. A Director who learns he has a conflict of interest shall immediately notify the Board and this fact shall be recorded in the minutes of the Board's meeting.

11. SNOW AND ICE REMOVAL. It is resolved by the Board of Directors, in its discretion, the Association will maintain contracts for handling snow and ice removal on both walkways and in parking lots.

12. RESPONSIBILITY FOR LESSEES. Owners shall be responsible for any violation of these Rules and Regulations by the Occupants and invitees of their unit. It is the Owner's responsibility to ensure the Common Areas and Facilities are not littered by their lessees or clients of their lessees.

13. MEDIATION. The Board encourages the amicable resolution of disputes and avoidance of the emotional and financial costs of litigation to enforce these Rules and Regulations. Therefore, there is established a permanent Mediation Committee whose members shall be appointed by the President of the Association and whose purpose shall be to mediate and resolve conflicts involving the Rules and Regulations promulgated hereunder pursuant to the following:

A. Any Owner, the Board of Directors or the Association ("Claimant") may bring any alleged violation of these Rules and Regulations, including the imposition of fines, and the non-payment of late fees before the Committee by submitting in writing thereto a statement of the facts, circumstances and nature of the claim or violation and the name and address of the person with whom mediation is sought ("Respondent"). Within thirty days of receipt of the claim of violation, the Committee shall notify the Respondent in writing of the facts, circumstances and nature of the claim and the name and address of the Claimant; such notice shall require the Respondent to present a written response to it and to the other party within thirty (30) days of receipt of the notice.

B. Following receipt of the written response, the Committee shall coordinate the time, date, and place for the mediation. The Committee shall require each party, no less than ten days prior to the

mediation, to submit to it and to provide the other party with a copy of a written offer of settlement of the matter to be mediated.

C. At the mediation conference, the Committee shall attempt to resolve the matter in controversy by engaging the parties in meaningful discussion and by presenting to both parties the strengths and weaknesses of each party's position. If the matter is not resolved at the mediation conference, the Committee may schedule and hold another mediation conference in its discretion if the parties are willing.

E. The mediation process terminates if (i) the Respondent does not provide a written response to the claim, (ii) the parties fail to submit a written offer of settlement or to attend mediation, (iii) the parties settle the matter in controversy and record such settlement in a written document, (iv) the parties are unable to resolve the matter in controversy following any mediation, or (v) the Committee determines that mediation is no longer an effective remedy. Upon the termination of mediation, the Committee shall notify each party in writing of the reasons for termination of mediation (other than settlement of the matter) and shall notify the parties that each is free to proceed with the claim or matter in controversy.

F. Mediation is non-binding and these procedures shall be liberally construed to accomplish the objectives of mediation. If the parties desire to submit to binding arbitration, the Board suggests that an independent third party be designated as arbitrator.

14. ENFORCEMENT. In addition to the other means for enforcement provided in the Declaration and Bylaws, the Board of Directors shall have the right to assess reasonable monetary fines against a Unit Owner or his/her guests, relatives, or lessees, in the manner provided herein. The Board of Directors shall have the authority to impose reasonable monetary fines up to but not to exceed \$100.00 per each violation of the Declaration, the By-Laws or the Rules and Regulation promulgated hereunder. Each day on which a violation shall occur or continue may be deemed as a separate and distinct offense. Any such fines levied shall be an assessment secured by lien upon the Unit Owner's property interest. No monetary fines shall be imposed except following (i) a hearing before the Board of Directors, which shall accord to the party charged with the violation a notice of the charge, an opportunity to be heard and to present evidence; and (ii) notice of the decision to the person upon whom the fine is imposed. Nothing herein shall be construed to interfere with any right that a Unit Owner may have to obtain from a violator occupying his Unit payment in the amount of any monetary fine or fines assessed against that Unit. Nothing herein shall be construed as a prohibition of or limitation on the right of the Board of Directors to pursue other means to enforce the provisions of the various Associations' legal documents, including but not limited to legal actions for damages or injunctive relief.