

BYLAWS OF
THORNBLADE HOMEOWNER'S ASSOCIATION OF MECKLENBURG, INC.,
(a North Carolina Nonprofit Corporation)

Pursuant to the provisions of the North Carolina Non-Profit Corporation Act, the Board of Directors (the "Board") of Thornblade Homeowner's Association of Mecklenburg, Inc., a North Carolina nonprofit corporation, has adopted the following Bylaws for such nonprofit corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.1. **Name.** The name of the nonprofit corporation is "Thornblade Homeowner's Association of Mecklenburg, Inc.", hereinafter referred to as the "Association".

1.2. **Offices.** The principal offices of the Association shall be in Mecklenburg County, North Carolina.

ARTICLE II
DEFINITIONS

2.1. **Definitions.** Except as otherwise provided herein or required by the context hereof, all capitalized terms used herein and defined in that certain Declaration of Restrictive and Protective Covenants for Thornblade Subdivision, dated December 21, 1995 and recorded in the office of the Register of Deeds for Mecklenburg County in Book 08444 at Pages 0786-0796, and each Addendum, amendment or supplemental declaration thereto filed for record from time to time in the Office of the Register of Deeds for Mecklenburg County, North Carolina (hereinafter collectively referred to as the "Declaration"), shall have such defined meanings when used in these Bylaws.

ARTICLE III
MEMBERS; MEETINGS OF MEMBERS

3.1. **Members.** Each Owner of a Lot shall be entitled to be a Member of the Association. The rights and authority of Members are limited to the extent set forth in the Declaration or these Bylaws.

3.2. **Notice of Ownership.** In order to confirm eligibility for Membership, upon purchasing a Lot, the Owner of such Lot shall promptly furnish to the Association, upon request, a legible copy of the instrument conveying ownership to the Owner, which copy shall be maintained in the records of the Association.

3.3. **Voting by Members.** In those instances in which the Members have the right to vote, each Member shall have votes equal in number of Lot(s) owned. When more than one party or entity holds an interest in a Lot, the vote(s) for that Lot shall be exercised as its Owners collectively determine.

3.4. **Authority of Person Voting.** The Board shall have the authority to determine, in its sole discretion, whether any person claiming to have authority to vote for a Member has such authority. Unless the authority of the representative is challenged in writing at or before the time of voting, or is challenged orally at the time of voting, however, the Association may accept such representative as a person authorized to vote for such Member, regardless of whether evidence of such authority is provided.

3.5 **Annual Meeting.** Meetings of the Members shall be held at place as may be designated by the Board, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time as determined by the Board, to be designated in the notice of the meeting.

3.6 **Special Meetings.** Special meetings of the Members for any purpose may be called at any time by the President, Secretary or Treasurer or by any two or more Members of the Board or upon written request of Members holding twenty five percent (25%) of the total votes of the Association.

3.7 **Notice.** Notice shall be in accordance with the procedure set forth in Section 9.1. Any Member may waive notice of a meeting. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed not more than sixty (60) days, and not less than ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted.

3.8 **Informal Action by Members.** Any action required or permitted by law to be taken at a meeting of the Members of the Association 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 of the Association, which consent shall be filed with the Secretary of the Association as part of the Association records.

3.9 **Quorum; Manner of Acting.** The presence at a meeting of Members of a number Members or proxies entitled to cast a majority of the total vote of the membership shall constitute a quorum for the transaction of business at such meeting of the Members. Unless otherwise provided herein or the Declaration, a majority of the total votes cast in person or by proxy at a duly called meeting of the Association shall be the vote required to adopt and make decisions.

ARTICLE IV **BOARD OF DIRECTORS**

4.1. **General Powers.** The Board shall manage the property, affairs, and business of the Association. The Board may exercise all of the powers of the Association, whether derived from law, the Declaration, the Articles of Incorporation or these Bylaws, except such powers as are expressly vested in another person by such sources. The Board shall constitute the final administrative authority of the Association, and all decisions of the Board shall be binding upon the Association. The Board may by written contract delegate, in whole or in part, to a management agent or agents, such of its duties, responsibilities, functions, and powers, or those

of any officer, as it determines are appropriate. Without limiting the foregoing, the Board shall have the power to:

4.1.1. exercise on behalf of the Association all other powers, duties and authority vested in or delegated to the Association as set forth in the Declaration and not reserved to the membership by other provisions of these Bylaws, the Article of Incorporation, or the Declaration; and

4.1.2. employ a manager, an independent contractor, or such other employees as they deem necessary to carry out said duties and to prescribe their respective responsibilities.

4.2 ***Duties of Directors.*** It shall be the duty of the Board to, subject to and in accordance with the Declaration:

4.2.1. cause to be kept a complete record of all its acts and corporate affairs, have the same available for inspection at the offices of the Association, and present a statement thereof to the Members at the annual meeting of the Members or any special meeting when such statement is requested in writing by members holding fifty-percent (50%) or more of the voting rights of the Association;

4.2.2 supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

4.2.3. perform all duties set forth in the Declaration, including without limitation:

(A.) fixing and levying the amounts of all assessments, annual, special or otherwise;

(B.) sending written notice of all assessments to every Owner subject thereto;

(C.) issuing or causing 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; and

(D.) causing the General Easement and Entrance Area to be maintained, replaced, improved and properly landscaped or repaired.

4.2.4. cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; to provide directors and offices liability insurance, errors and omission insurance or similar insurance for officers and directors as it may deem appropriate;

4.2.5. prepare an annual budget for the Association outlining anticipated receipts and expenses for the following fiscal year;

4.2.6. carry out the reconstruction of General Easement and Entrance Area improvements after casualty, and to carry out the further improvement of such property;

4.2.7. enforce by legal means the provisions of the Articles of Incorporation, the Declaration, and the Bylaws of the Association and the regulations promulgated by the Board;

4.2.8. pay all taxes and assessments which are liens against any property belonging to the Association;

4.2.9. borrow money on behalf of the Association and to pledge/mortgage the property of the Association as security for such loan(s); and

4.2.10 exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Declaration and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation.

4.3. **Number, Tenure, and Qualifications.**

The Board shall be selected as follows:

(A.) The Board shall consist of not less than three (3) nor more than five (5) individuals. A Director shall be a Member. The then current Board of the Association shall constitute a Nominating Committee to nominate competent and responsible persons to serve as Directors of the Association. The President or Secretary of the Association shall cause notice to be given to all Members that a meeting shall be held at a designated time and place in Mecklenburg County not earlier than seven (7) days after the date such notice is given for election of Directors. The notice shall contain the names of those persons recommended by the Nominating Committee, but shall note that Members may make other nominations at the meeting. In order to provide for continuity in the management of the Association, the terms of the Board shall be staggered. The initial Board shall draw lots in order that two initial Directors shall serve a term of two years and one initial Director shall serve a term of one year. Thereafter, each Director shall serve terms of one year.

(B.) At the meeting and each subsequent election of Directors, each Member shall be entitled to cast, personally or by written proxy in form approved by the then-existing Board.

(C.) After giving the Members (or proxy holders) attending such meeting the opportunity to nominate other persons, with a second by another Member or proxy holder, the Directors shall be elected by written secret ballot. Each Member shall be authorized to cast votes equal to the product of the votes permitted such Member, multiplied by the number of Directors to be elected; such votes may be cast for one or more nominees not to exceed the number of Directors being elected.

4.4. **Annual and Regular Meetings.** The first meeting of the Board shall be held within one (1) year from the date of incorporation of the Association. Subsequent annual meetings shall be set by the Board so as to occur no later than ninety (90) days after the close of the Association's fiscal year, provided that the date for such annual meeting may be deferred by the Board. Regular meetings of the Board shall be held on such dates as the Board may determine.

4.5. **Special Meetings.** Special meetings of the Board may be called by or at the request of two Directors. The Director(s) calling a special meeting of the Board may fix any place within Mecklenburg County, North Carolina (or such other place as is approved by all Directors) as the place for holding such a meeting. Except as otherwise required or permitted by the North Carolina Nonprofit Corporation Act, notice of any special meetings shall be given at least two (2) days prior thereto. Notice shall be in accordance with the procedure set forth in Section 9.1. Any Director may waive notice of a meeting.

4.6. **Quorum, Telephonic Meetings and Manner of Acting.** A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. Upon approval of a majority of the Board, a meeting may be conducted by any electronic means that permits all participating Directors to communicate simultaneously (such as a telephone conference call). The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board. The Directors shall act only as a Board, and individual Directors shall have no powers as such.

4.7. **Compensation.** No Director shall receive compensation for any services that he may render to the Association as a Director; provided, however, that Directors may be reimbursed for expenses incurred in performance of their duties as Directors and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as Directors.

4.8. **Resignation and Removal.** A Director may resign at any time by delivering a written resignation to either the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed at any time for or without cause, by a majority of the votes held by Members having the right to designate or elect Directors at the time of removal.

4.9. **Vacancies.** If a vacancy shall occur in the Board by reason of the death or resignation of a Director, then such vacancy shall be filled by vote of the remaining Directors. If a vacancy shall occur in the Board by reason of removal, then such vacancy shall be filled solely by a majority of the votes held by Members then having the right to designate or elect Directors. Any Director designated or appointed to fill a vacancy shall serve for the unexpired term of his predecessor.

4.10. **Informal Action by Directors.** Any action that is required or permitted to be taken at a meeting of the Board may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE V
OFFICERS

5.1. **Number.** The officers of the Association shall be a President, a Secretary, a Treasurer, and such other officers as the Board may from time to time appoint.

5.2. **Election, Tenure, and Qualifications.** The officers of the Association shall be chosen by the Board at the regular annual meeting of the Board. In the event of failure to choose officers at such regular annual meeting of the Board, officers may be chosen at any subsequent regular or special meeting of the Board. Each officer (whether chosen at a regular annual meeting of the Board or otherwise) shall hold his office until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one individual may hold any two or more of such offices, except that the President may not also be the Secretary or the Treasurer. No individual holding two or more offices shall act in or execute any instrument in the capacity of more than one office. It is not necessary that an officer be a Director or a Member.

5.3. **Subordinate Officers and Agents.** The Board may from time to time appoint such other officers or agents as it deems advisable, each of whom shall have such title, hold office for such periods, have such authority, and perform such duties as the Board may from time to time determine. The Board may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities, and duties. It is not necessary that a subordinate officer or agent be a Director or an Owner.

5.4. **Resignation and Removal.** Any officer may resign at any time by delivering a written resignation to the President or the Board. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board at any time, for or without cause.

5.5. **Vacancies and Newly Created Offices.** If any vacancies shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board at any regular special meeting.

5.6. **The President.** The President shall preside at meetings of the Board and at meetings of Members called by the Association. He shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things that the Board may require of him; provided that the Board may authorize other officers or persons to act on specific matters by proper resolution of the Board.

5.7. **The Secretary.** The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board may require him to keep. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board may require of him.

5.8. **The Treasurer.** The Treasurer shall have custody and control of the funds of the Association, subject to the action of the Board, and shall, when requested by the President or the Board to do so, report the state of the finances of the Association. He shall perform such other duties as the Board may require of him.

5.9. **Compensation.** No officer shall receive compensation for any services that he may render to the Association as an officer; provided further, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as otherwise provided in these Bylaws, may be additionally compensated for services rendered to the Association other than in their capacities as officers.

ARTICLE VI **COMMITTEES**

6.1. **Designation of Committees.** The Board may from time to time by resolution designate such committees, as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall consist of such number, as the Board shall determine. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and (except as otherwise provided by these Bylaws) may be compensated for services rendered to the Association other than in their capacities as committee members. It is not necessary that a committee member be a Director, an officer or a Member of the Association.

6.2. **Proceedings of Committees.** Unless appointed by the Board, each committee designated hereunder by the Board may appoint its own presiding and recording officers and may meet at such places and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board. Unless expressly delegated to the committee by the Board, the power and authority of each committee shall only be to make recommendations to the Board, which shall have the final decision whether to take any action or not.

6.3. **Quorum and Manner of Acting.** At each meeting of any committee designated hereunder by the Board, the presence of committee members constituting at least a majority of the authorized membership of such committee shall constitute a quorum for the transaction of business, and the act of a majority of the committee members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board hereunder shall act only as a committee, and the individual committee members thereof shall have no powers as such.

6.4. **Resignation and Removal.** Any committee member designated hereunder by the Board may resign at any time by delivering a written resignation either to the President, the Board, or the presiding officer of the committee of which he is a member. Unless otherwise

specified therein, such resignation shall take effect upon delivery. The Board may at any time, for or without cause, remove any member of any committee designated by it hereunder.

6.5. **Vacancies.** If any vacancy shall occur in any committee designated by the Board hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining committee members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board.

ARTICLE VII **INDEMNIFICATION**

7.1. **Indemnification.** The Association shall indemnify any person who was or is a party to, or is threatened to be made a party to, any threatened, pending, or completed action, suit, or proceeding (including a proceeding brought by the Association) whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a Director, officer, employee, or agent of the Association, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement in connection with such action, suit, or proceeding, if the indemnified person (a) acted in good faith, without fraudulent intent or gross negligence (or, if the action is brought by the Association, without negligence or breach of any contractual or fiduciary obligation to the Association), and in a manner he reasonably believed to be in or not opposed to the best interest of the Association, and (b) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by an adverse judgement, order, or settlement, or plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

7.2. **Determination.** If a Director, officer, employee, or agent of the Association is successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 7.1, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith. Any other indemnification under Section 7.1 hereof shall be made by the Association only upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth respectively in Section 7.1 hereof. Such determination shall be made by the Board by a majority vote of a quorum consisting of Directors excluding the person whose indemnification is being considered.

7.3. **Advances.** Expenses incurred in defending a civil or criminal action, suit, or proceeding as contemplated in this Article may be paid by the Association in advance of the final disposition of such action, suit, or proceeding upon a majority vote of a quorum of the Board (excluding the person whose indemnification is being considered) and upon receipt of an undertaking by or on behalf of the Director, officer, employee, or agent to repay such amount or

amounts unless it ultimately be determined that he is entitled to be indemnified by the Association as authorized by this Article.

7.4. **Scope of Indemnification.** The indemnification provided for by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision in the Declaration, Articles of Incorporation, Bylaws, agreements, vote of disinterested Members of Directors, or applicable law. The indemnification authorized by this Article shall apply to all present and future Directors, officers, employees, and agents of the Association and shall continue as to such persons who cease to be Directors, officers, employees, or agents of the Association and shall inure to the benefit of the heirs and legal representatives of all such persons.

7.5. **Insurance.** The Association may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee, or agent of the Association against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the Bylaws or the Laws of the State of North Carolina, as the same may hereafter be amended or modified.

7.6. **Payments and Premiums.** All indemnification payments made, and all insurance premiums for insurance maintained, pursuant to this Article shall constitute common expenses of the Association and shall be paid with funds of the Association.

ARTICLE VIII **FISCAL YEAR AND SEAL**

8.1. **Fiscal Year.** The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the first fiscal year shall begin on the date of incorporation.

8.2. **Seal.** The Board may by resolution provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Seal" or "Corporate Seal."

ARTICLE IX **NOTICES**

9.1. **Notices.** Notices required hereunder shall be deemed given when in writing and delivered by (a) hand, (b) private or public carrier that provides evidence of delivery, with delivery charges prepaid, (c) facsimile, in which event receipt shall be the date of electronic or written confirmation of receipt, (d) if within the United States, five (5) calendar days after being deposited in the United States Mail, First Class, postage prepaid, or (e) registered or certified mail, return receipt requested, in which event receipt shall be the date the receipt is signed. All notices to Members shall be delivered or sent to such addresses or facsimile telephone numbers as have been provided in writing to the Association, or if no address had been provided, then at

the address of any improved Lot owned by such Member, or at the address then shown as that of the owner on the property tax records.

All notices to the Association shall be delivered or sent in care of the Association at:

or to such other address as the Association may from time to time notify the Owners.

ARTICLE X
AMENDMENT OF BYLAWS

10.1. ***Amendment of Bylaws.*** The Bylaws may be amended by approval of the proposed amendment by vote of two thirds of the then-existing Board. Notice of the proposed amendment shall be given to the Board in writing by a Director proposing the amendment and the notice shall contain a general description of the proposed amendment and the purpose of the proposed amendment.

STATE OF NORTH CAROLINA)
)
COUNTY OF MECKLENBURG)

APPOINTMENT OF ARCHITECTURAL
COMMITTEE FOR THORNBLADE
SUBDIVISION

The Declaration of Restrictive and Protective Covenants for Thornblade Subdivision recorded in the Mecklenburg County Public Registry in Book 8444 at Page 786 and re-recorded in Book 8633 at Page 391 provides in Article 3 for an Architectural Committee. Initially, Don A. Galloway and Tim Samuels served as the Architectural Committee. Don A. Galloway has previously resigned. The remaining member of the Architectural Committee, Tim Samuels, by his signature where provided below has this date appointed a new Architectural Committee which will be comprised of three (3) members, Steve Haggard, Paul Nunziata, and Ben Weiner.

The new Architectural Committee for Thornblade Subdivision shall be effective this the 14th day of February, 2001, and by their signatures where provided below the new members of the Architectural Committee hereby accept appointment as the committee.

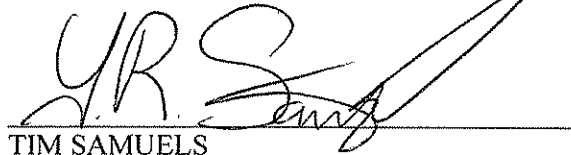
By his signature where provided below, Tim Samuels, hereby resigns effective February 14, 2001 from the Architectural Committee.

As required under Article 3 of the aforescribed Declaration of Restrictive and Protective Covenants, all documents required to be submitted to the Architectural Committee shall be delivered or mailed to the Architectural Committee for Thornblade Subdivision at the following address:


P.O. Box 2336
MATTHEWS NC
28106-2336

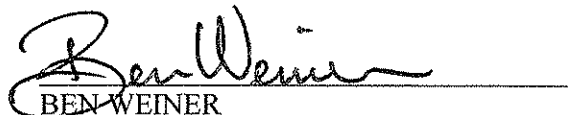
A copy of this document may be recorded in that Mecklenburg County Public Registry and a copy should be distributed to the homeowners and property owners in Thornblade Subdivision.

In witness whereof, the undersigned have set their hands and seals this the 14th day of February, 2001.


TIM SAMUELS


STEVE HAGGARD


PAUL NUNZIATA


BEN WEINER

