

BY-LAWS
OF
THORNTON CREEK TOWNHOME ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is Thornton Creek Townhome Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1330 Sunday Drive, Suite 105, Raleigh, Wake County, North Carolina 27607 but meetings of members and directors may be held at such places within the State of North Carolina, County of Wake, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Thornton Creek Townhome Association, Inc., its successors and assigns.

Section 2. "Additional Properties" shall mean and refer to any real property annexed or otherwise acquired by the Association.

Section 3. "Builder" shall mean and apply to any Owner of a Lot who is in the business of building and constructing residential dwellings and whose main purpose for acquiring the Lot is to build a residence upon it.

Section 4. "Common Area" shall mean all real property owned by the Association and the easements granted thereto for the common use and enjoyment of the Owners, including, without limitation, private streets, parking areas, and stormwater facilities, as may be hereinafter defined. The Common Area to be owned by the Association shall be described in deeds to the Association and designated as such on each recorded map of the Property.

Section 5. "Declarant" shall mean and refer to GHD-Thornton, LLC, a North Carolina Limited Liability Corporation, its successors and assigns, and any person or entity who is specifically assigned the rights and interests of Declarant hereunder or under a separate instrument executed by the Declarant and recorded in the Wake County Registry.

Section 6. "Lot" shall mean and refer to any plot of land described by a metes and bounds description shown upon any recorded subdivision map of the Property with the exception of the Common Area.

Section 7. "Lot in Use" shall mean and refer to any Lot on which a dwelling unit has been fully constructed and for which a certificate of occupancy has been issued by the appropriate governmental agency. It shall also mean any Lot which has been conveyed by the Declarant to a subsequent purchaser for a period of one year,

but which does not have a dwelling unit constructed thereon and certificate of occupancy issued. In no event, shall it mean a Lot owned by the Declarant on which no dwelling unit has been constructed.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association. There shall be two classes of voting membership in the Association.

A. "Class A Members" shall be all those Owners as defined in Article III herein, with the exception of the Declarant. Declarant may, however, be a Class A member upon termination of Class B membership.

B. "Class B Member" shall be the Declarant as defined herein.

Section 9. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Property" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 11. "Stormwater Agreement" shall mean and refer to that certain Declaration of Maintenance Covenant and Grant of Protection Easements for Stormwater Control Facilities entered into by BHA Investors, predecessor in title to Declarant, and the City of Raleigh, dated March 10, 2011 and recorded in Book 14293, Page 1171, Wake County Registry, as amended by that First Amendment to Declaration of Maintenance Covenant and Grant of Protection Easements for Stormwater Control Facilities, dated the 9th day of September, 2016, and recorded in Book 016553, Page 01014, Wake County Registry (hereinafter collectively referred to as "Stormwater Agreement 1"); and that Declaration of Maintenance Covenant and Grant of Protection Easements for Stormwater Control Facilities entered into by GHD-Thornton, LLC, dated the 8th day of July, 2016, and recorded in Book 016553, Page 949, Wake County Registry (hereinafter "Stormwater Agreement 2"). If not otherwise stated, the term Stormwater Agreement as used herein shall collectively refer to Stormwater Agreement 1 and Stormwater Agreement 2.

Section 12. "Stormwater Control Facilities" shall mean and refer to those certain "stormwater control facilities" as defined in the Stormwater Agreement 1 referred to in Section 11 above, and the permeable pavement and grass swale, as shown on the subdivision plat for Thornton Creek Townhomes recorded in Book of Maps 2016, Page 1618-1622, Wake County Registry.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held in September of each year thereafter, or as otherwise set by the Board of Directors, at a date and hour established by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written request of the members who are entitled to vote one-fourth of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Unless otherwise provided in the Declaration, written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days and no more than 60 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 as supplied by such member to the Association for the purpose of notice, which may be notification by electronic means. 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.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth 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 By-Laws. 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 from time to time, without notice other than announcement at the meeting, and the quorum requirement for the next meeting shall be one-half the quorum requirement for the previous meeting until a quorum as aforesaid shall be present or be represented.

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 his Lot.

ARTICLE V

BOARD OF DIRECTORS

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors who need not be members of the Association. The number of members of the Board will be increased to five (5) at the termination of the Class B Membership.

Section 2. Term of Office. At the first annual meeting of the members after the termination of the Class B Membership, the members shall elect three directors for a term of one year, and two directors for a term of two years; and at each annual meeting thereafter the members shall elect directors to fill any vacancies for a term of two years. Until such time as the Class B Membership terminates, the Declarant may appoint the members of the Board of Directors to serve for terms of two (2) years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. A director may also be removed for cause by the Board of Directors for failing to attend three (3) Board meetings in a row. The members of the Board of Directors appointed by the Declarant may not be removed by the membership, but may be removed by the Declarant at any time.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

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 or more members of the Association. 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 election to the Board of Directors as it shall in its discretion determine, but no 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 by secret written ballot. 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. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. **Regular Meetings.** Regular meetings of the Board of Directors 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 unless cancelled by the President or by a majority vote of the Board of Directors.

Section 2. **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three days notice to each director.

Section 3. **Quorum.** A majority of the number of directors 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.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section. 1. **Powers.** The Board or Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Properties, including but not limited to 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 right to use of the recreational facilities 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 60 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 other provisions of these By-Laws, 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 consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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 one-fourth of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this 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 assessment against each Lot at least 30 days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least 30 days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within 30 days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to 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 all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other 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 of Directors 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 1 year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. 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. Any officer may resign at any time 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 at 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:

- (a) President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments. The Board shall have the authority to delegate the power to sign checks of the Association to a management company or employee, provided that such company or employee is properly bonded.
- (b) Vice-President: The Vice-President shall act in the place and stead 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 Board.
- (c) Secretary: The 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.
- (d) Treasurer: 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; shall approve all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made as determined by the Board; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Board shall have the authority to delegate some or all of these functions to a management company or employee, provided that such company or employee is properly bonded.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition,

the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

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. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

CORPORATE SEAL

The Association shall have a seal as may be adopted by the Board of Directors.

ARTICLE XIII

ADOPTION AND AMENDMENTS

Section 1. These By-Laws may be initially adopted by the Board of Directors, and may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

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

ARTICLE IX

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Thornton
Creek Townhome Association, Inc., have hereunto set our hands this the 12TH day
of December, 2016.

Thornton Creek Townhome Association, Inc.

By: Craig A. Bui
Director

By: [Signature]
Director

By: Kristina S. Ger
Director