

**AMENDED AND RESTATED BYLAWS  
OF  
THISTLE DOWNS PROPERTY OWNERS ASSOCIATION, INC.**

**PREAMBLE**

Thistle Downs Property Owners Association, Inc., was formed by the filing of Articles of Incorporation with the North Carolina Secretary of State on November 21, 2000, as a non-profit corporation pursuant to Chapter 55A of the North Carolina General Statutes. These Amended and Restated Bylaws of Thistle Downs Property Owners Association, Inc. (the "Bylaws"), amend, restate and replace any prior bylaws (if any).

**ARTICLE I  
NAME AND LOCATION**

The name of the corporation is Thistle Downs Property Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located in Brunswick County, North Carolina, and meetings of members may be held at such places within Brunswick County, North Carolina as may be designated by the Board of Directors.

**ARTICLE II  
DEFINITIONS AND RULES OF CONSTRUCTION**

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in that certain Declaration of Protective Covenants, Restrictions and Easements for Thistle Downs at Thistle Golf Club recorded on December 7, 2001, at Book 1529, Page 572, of the Brunswick County Public Registry, as the same may have been or be amended from time to time (as amended, the "Declaration").

To the extent that any term or provision of these Bylaws regarding the existence, operation, governance or activity of the Association is contradicted by an applicable term or provision of the Declaration or Articles of Incorporation of the Association (as amended from time to time, the "Articles"), the applicable term or provision of the Declaration or the Articles shall have precedence and shall govern and control. Each such term or provision of these Bylaws regarding the existence, operation, governance or activity of the Association (i) is intended to conform to any applicable term or provision of the Declaration and the Articles regarding the Association's existence, operation, governance or activity, and (ii) shall be construed and applied in conformity with any such applicable term or provision of the Declaration or Articles. Nothing in these Bylaws shall impair, amend, replace, waive or limit any right or privilege of the Declarant as established in the Declaration or Articles.

**ARTICLE III  
ADMINISTRATION OF THE ASSOCIATION**

Section 1. Authority and Responsibility. Except as otherwise specifically provided in the Declaration, the Association shall be responsible for administering the Subdivision in accordance with the Declaration and other Governing Documents.

Section 2. Official Action. Unless specifically required by the Declaration, any action taken or to be taken by the Association shall be valid when such action is approved by the Board of Directors or when taken by the committee, person or entity to whom such authority has been duly delegated by the Board of Directors pursuant to the Declaration or these Bylaws. The Association and the Board of Directors, officers and Members shall at all times act in conformity with the North Carolina Nonprofit Corporation Act as set forth in Chapter 55A of the North Carolina General Statutes, the North Carolina Planned Community Act as set forth in Chapter 47F of the North Carolina General Statutes, and the Declaration.

**ARTICLE IV  
OFFICES – FISCAL YEAR**

Section 1. Principal Office; Registered Office. The principal office and registered office of the Association shall be located at 1815 Olde Thistle Club Road, Sunset Beach, North Carolina 28468.

Section 2. Other Offices. The Association may have other offices at such other places within the State of North Carolina as the Board of Directors may from time to time determine or as the affairs of the Association may require.

Section 3. Fiscal Year. The fiscal year of the Association shall be the calendar year.

**ARTICLE V  
MEMBERSHIP**

Membership in the Association (“Membership”) shall be limited to the Declarant and the Owners, and every Owner of a Lot shall automatically be a member (a “Member”) of the Association. Membership in the Association shall be appurtenant to and may not be separated from Lot ownership. Membership in the Association shall inure automatically to an Owner upon acquisition of fee simple title (whether encumbered or not) to any one or more Lots. The date of recordation in the Office of the Register of Deeds of Brunswick County of the conveyance deed for the Lot in question shall govern and determine the date of ownership of each particular Lot. However, in the event of an Owner’s death, the transfer of ownership shall occur on the date of death, in the case of intestacy, or on the date of probate of the will, in the case of testacy. Until a decedent’s will is probated, the Association may rely on the presumption that a deceased Owner died intestate.

**ARTICLE VI  
MEETINGS OF MEMBERS AND VOTING RIGHTS**

Section 1. Annual Meetings. A meeting of the Members shall be held at least once each year (an "Annual Meeting"). From and after the date of these Bylaws, **the Annual Meeting of the Members shall be held on the second Monday in February of each year at 8:00 p.m.,** Eastern Standard Time. If the second Monday in February shall be a legal holiday, the Annual Meeting shall be held at the same hour on the next business day. At Annual Meetings, the Board of Directors shall be elected in accordance with these Bylaws and the Members shall transact such other business as may properly come before them.

Section 2. Substitute Annual Meetings. If an Annual Meeting shall not be held on the day designated by these Bylaws, a substitute Annual Meeting (a "Substitute Annual Meeting") may be called in accordance with the provisions of Sections 3 and 4 below. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 3. Special Meetings. Special meetings of the Members ("Special Meetings") may be called at any time by the President of the Association, by a majority vote of the Board of Directors or upon written request to the Association's Secretary by Members entitled to at least twenty percent (20%) of the votes of the Membership describing the purpose or purposes for which the Special Meeting is to be held. Business to be acted upon at any Special Meeting shall be confined to the subjects stated in the notice of such meeting.

Section 4. Notices of Meetings. A written or printed notice (which written notice may be in the form of electronic mail) stating the time and place of all Membership meetings, including Annual Meetings and Special Meetings, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of any such meeting, personally, by first class or registered mail, or by electronic mail, return receipt requested, to the address of each Lot or to such other mailing address or electronic mail address designated in writing by the Owner of the Lot. It shall be the primary responsibility of the Secretary of the Association to give the notice, but notice may be given by any other officer. If mailed, such notice shall be deemed to be effective when deposited in the United States mail with postage thereon prepaid, correctly addressed to the Member's address shown in the Association's current record of Members.

The notice of a Membership meeting shall specifically state the time, date, and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Articles, the Declaration or these Bylaws, any budget changes, and any proposal to remove a Director or officer.

Section 5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members entitled to cast at least fifty-one percent (51%) of the votes of the Membership shall constitute a quorum at all meetings of the Members, except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. If a quorum is not present or represented at any meeting, the Members who are present and who are entitled to vote shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum is present or is represented.

The Members at any meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 6. Voting Rights. The voting rights of the Membership shall be as set forth and established in the Declaration

Section 7. Proxies. Each Member may vote either in person or by an agent duly authorized by a written proxy executed by the Member or by the Member's duly authorized attorney-in-fact. A proxy is not valid after the earlier of (i) the expiration of the term stated therein or (ii) the date that is eleven (11) months after the date of its execution. Unless a proxy otherwise provides, any proxy holder may appoint in writing a substitute to act in his place. In order to be effective, all proxies must be filed with the Secretary of the Association (or duly acting Secretary) either during or prior to the meeting in question. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot. A Member may not revoke a proxy given pursuant to this Section except by (i) attending the meeting and voting in person, (ii) delivering a subsequent proxy or (iii) written notice of revocation delivered to the Secretary of the Association.

Section 8. Majority Vote. The casting of a majority of the votes represented at a meeting at which a quorum is present, in person or by proxy, shall be binding for all purposes except where a different percentage vote is stipulated by these Bylaws, the Declaration or the Articles of Incorporation.

Section 9. Actions Without Meeting. Any action that the Members could take at a meeting may be taken without a meeting if one or more written consents, setting forth the action taken, shall be signed, before or after such action, by all the Members who would be entitled to vote upon the action at a meeting. The consent shall be delivered to the Secretary of the Association for inclusion in the minutes or filing with the Association's records.

Section 10. Parliamentary Procedure. All meetings of the Members shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

## **ARTICLE VII BOARD OF DIRECTORS**

Section 1. General Powers. The business and affairs of the Association shall be managed by the Board of Directors or by such committees as the Board of Directors may establish pursuant to these Bylaws; provided, however, that the Board of Directors may not act on behalf of the Association to amend the Declaration, to elect Directors or to determine the qualifications, powers, duties or terms of office of the Directors. The Board of Directors may, however, fill vacancies in its membership for the unexpired portion of any term.

Section 2. Number, Term and Qualifications. At each Annual Meeting, the Members shall elect three (3) Directors, each to serve for a term of one (1) year or until his or her death,

retirement, removal, disqualification or until his or her successor is elected and qualified. Directors may succeed themselves in office. As of the date of the first Annual Meeting which follows the point in time at which the Class B membership ceased and became converted to Class A membership pursuant to Section 2 of Article IV of the Declaration, a majority of the Directors must be Lot Owners.

Section 3. Election of Board of Directors. The election of Directors shall be by ballot. Persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted. Nomination of candidates to serve as director may be made by (i) a nominating committee established by the Board of Directors, if any, (ii) the Declarant and (iii) the Members.

Section 4. Declarant's Right to Appoint or Remove Directors. Notwithstanding anything set forth herein to the contrary, Declarant shall have the right to appoint or remove by written notice to the Board of Directors any member or members of the Board of Directors until such time as the Class B membership ceases and becomes converted to Class A membership pursuant to Section 2 of Article IV of the Declaration.

Section 5. Removal. Any Director not appointed by Declarant may be removed from the Board of Directors, with or without cause, by a vote of a majority of the votes entitled to be cast by all Members present and entitled to vote at any meeting of the Membership at which a quorum is present; provided, however, that the notice of the meeting must state that the question of such removal will be acted upon at the meeting. If any Directors are so removed, their successors as Directors may be elected by the Membership at the same meeting to fill the unexpired terms of the Directors removed.

Section 6. Vacancies. A vacancy occurring in the Board of Directors may be filled by a majority of the remaining Directors, though less than a quorum, or by the sole remaining Director; but a vacancy created by an increase in the authorized number of Directors shall be filled only by election at an Annual Meeting or Substitute Annual Meeting or at a Special Meeting of Members called for that purpose or by unanimous written consent of the Members without meeting. The Members may elect a Director at any time to fill any vacancy not filled by the Board of Directors. The Membership shall have the first right to fill any vacancy created by the Membership's removal of a Director.

Section 7. Chairperson. The Directors shall elect, from time to time, a Director to serve as chairperson of the Board of Directors (the "Chairperson"). The Chairperson shall preside at all meetings of the Board of Directors and perform such other duties as may be directed by the Board of Directors. Prior to election of a Chairperson and/or in the event that the Chairperson is not present at any meeting of the Board of Directors, the President of the Association shall preside.

Section 8. Compensation. No Director or any business, business associate, or relative of any Director shall receive any compensation, including payments made in the form of goods and services, from the Association; provided, however, that each Director shall be reimbursed for reasonable pre-approved out-of-pocket costs and expenses incurred and paid by him/her on behalf of the Association.

Section 9. Loans to Directors and Officers. No loans shall be made by the Association to its Directors or officers.

Section 10. Liability of Directors. To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable time, each Director may be indemnified by the Association subject to the provisions of the North Carolina Nonprofit Corporation Act with respect to any liability and expense of litigation arising out of his activities as a Director. Such indemnity shall be subject to approval by the Members only when such approval is required by the North Carolina Nonprofit Corporation Act.

Section 11. Meetings of the Board of Directors.

A. Regular Meetings. Regular meetings of the Board of Directors shall be held at such hour and address as may be fixed from time to time by resolution of the Board of Directors. Should any such meeting fall upon a legal holiday, then that meeting shall be held at the same hour and address on the next business day. At regular intervals, the Board of Directors shall provide Members an opportunity to attend a portion of a Board of Directors meeting and to speak to the Board of Directors about their issues or concerns. The Board of Directors may place reasonable restrictions on the number of persons who may speak on each side of an issue and may place reasonable time restrictions on each person who speaks.

B. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any Director after not less than three (3) nor more than thirty (30) days written notice to each Director.

C. Notices of Special Meetings. The notice provided for herein may be waived by written instrument signed by those Directors who do not receive said notice. Except to the extent otherwise required by law, the purpose of a Directors' special meeting need not be stated in the notice. Notices shall be deemed received upon the happening of any one of the following events: (1) one day following deposit of same in the United States mail with proper postage paid and addressed to the Director at his last known address on file with the Association; (2) deposit of same in his Home Site mail box; or (3) personal delivery to the Director. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting unless the subject Director gives a written statement at the meeting to the person presiding objecting to the transaction of any business because the meeting is not lawfully called and gives such notice prior to the vote on any resolution.

D. Approved Meeting Place. All Board of Directors meetings shall be held in Brunswick County, North Carolina; provided, however, that any Director shall be permitted, upon request, to participate in any such meeting telephonically.

E. Quorum. A majority of the Directors then holding office shall constitute a quorum for the transaction of business, and 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 or decision of the Board of Directors.

Section 12. Action Without Meeting. The Directors shall have the right to take any action in the absence of a meeting that 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 Board of Directors. Said written approval shall be filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action so taken.

Section 13. Presumption of Consent. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have consented to the action taken unless his contrary vote is recorded or his dissent is otherwise entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 14. Parliamentary Procedure. All meetings of the Board of Directors shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised.

Section 15. Publication of Names of Directors. The Association shall publish the name of each newly elected or appointed Director within thirty (30) days of his or her election or appointment.

Section 16. Powers and Duties. The Board of Directors shall have the authority to exercise, in accordance with the provisions of the North Carolina Planned Community Act, all powers and duties of the Association necessary for the administration of the Subdivision in accordance with the terms of the Declaration and other Governing Documents, except such powers and duties as by law or by the Declaration may not be delegated by the Owners to the Board of Directors. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to, the following:

A. Determining Regular Assessments, Special Assessments and Individual Assessments as provided in Article X of the Declarations, including providing timely notice of each assessment to each Owner and collecting such Assessments.

B. Enforcing the terms and provisions of Article VI of the Declaration and, after the Turnover Date, preparing and amending the Architectural Design Criteria and appointing the members of the ACC.

C. Keeping and maintaining all Common Areas clean and free from refuse and debris and maintaining any other amenities in a clean and orderly condition, and maintaining the landscaping therein in good condition and appearance including any necessary removal and replacement of landscaping.

D. Paying all ad valorem taxes levied against the Common Areas and any other property owned by the Association.

- E. Maintaining and paying the premiums on all insurance carried by the Association.
- F. Paying legal, management, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Declaration.
- G. Maintaining the signs and landscaping in any Common Areas.
- H. Enforcing, on behalf of the Association and in compliance with the provisions of the North Carolina Planned Community Act, the assessments as provided in the Declaration, including, but not limited to, the institution of civil actions to enforce payment of the assessments as provided in the Declaration, and the imposition of late charges and fines for late payment of assessments.
- I. Suspending the voting rights of a Member and right to use of Common Areas for any period during which any assessment or other charge against such Member's Lot remains unpaid for a period of thirty (30) or more days, or for reasonable periods for non-monetary violations of these Bylaws, the Declaration or the Articles of Incorporation, after providing such Member notice and an opportunity to be heard in accordance with the provisions of Section 47F-3-107.1 of the North Carolina Planned Community Act.
- J. Providing such maintenance in addition to that provided by the applicable governmental authorities with respect to public streets located within the Property as the Association shall deem appropriate, including the clearance of storm drainage inlets to remove debris.
- K. Paying for the cost of street light lease charges, if any, for street lights located within public right-of-ways within the Property.
- L. Declaring the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without good cause.
- M. Adopting and publishing rules and regulations governing the use of the Common Areas and facilities and the personal conduct of the Members and their guests thereon and establishing penalties for the infraction thereof, in compliance with the provisions of the North Carolina Planned Community Act.
- N. Employing and dismissing personnel as necessary for the efficient operation, maintenance, repair and replacement of the Common Areas.
- O. Opening of bank accounts on behalf of the Association and designating the signatories required therefor.
- P. Keeping detailed, accurate records of the receipts and expenditures of the Association and all assets and liabilities of the Association; obtaining annual audits of the financial records of the Association from the Association's public accountant; furnishing the



annual reports; and furnishing current budgets. All books and records shall be kept in accordance with good and accepted accounting practices and the same shall be available for examination by all Owners or their duly authorized agents or attorneys at convenient hours on business days. In addition to the foregoing, the Board of Directors shall make an annual income and expense statement for the Association available to all Members at no charge within seventy-five (75) days after the close of each fiscal year. Notwithstanding the foregoing requirements, a more extensive compilation, review or audit of the Association's books and records for the current or immediately preceding fiscal year may be required by a majority vote of the Board of Directors or by the affirmative vote of a majority of the Members present and voting in person or by proxy at any annual or special meeting duly called for that purpose.

Q. Keeping a complete record of the minutes of all meetings of the Board of Directors and the Membership in which minute book shall be inserted actions taken by the Board of Directors and/or Members by consent without meeting. The minute book shall be available for examination by all Owners or their duly authorized agents or attorneys at convenient hours on business days.

R. Supervising all officers, agents and employees of the Association and ensuring that their duties are properly performed.

S. Making repairs, additions, and improvements to or alterations or restoration of the Property in accordance with the provisions of these Bylaws and the Declaration after damage or destruction by fire or other casualty or as a result of a condemnation or eminent domain proceeding.

T. Signing all agreements, contracts, deeds and vouchers for payment of expenditures and other instruments in such manner as from time to time shall be determined by written resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such documents shall be signed by either the Treasurer or the Assistant Treasurer of the Association and countersigned by a Director.

X. Exercising any other powers and duties reserved to the Association exercisable by the Board of Directors in the Declaration, the Articles of Incorporation, Section 47F-3-102 of the North Carolina Planned Community Act or these Bylaws, excluding, however, those powers specifically denied to the Board of Directors herein.

Section 17. Third Party Management. The Board of Directors may employ or enter into a management contract with any individual, firm or entity it deems appropriate and in the best interest of the Association concerning the routine management of the Common Areas. The Board of Directors may delegate to such person, firm or entity (referred to in these Bylaws as the "Independent Manager") such duties and responsibilities in the management of the Common Areas as the Board of Directors deems appropriate; provided, however, that the Board of Directors may not delegate to the Independent Manager the complete and total responsibilities and duties of the Association in violation of the Nonprofit Corporation Act of North Carolina or the North Carolina Planned Community Act. The Independent Manager's contract shall be for a term not to exceed one (1) year, renewable by agreement between the Board of Directors and

such Independent Manager for successive terms not to exceed one (1) year each, and shall be terminable by written notice. The Board of Directors shall have authority to fix the reasonable compensation for the Independent Manager. The Independent Manager shall at all times be answerable to the Board of Directors and subject to its direction.

## **ARTICLE VIII COMMITTEES**

Section 1. Creation. The Board of Directors, by resolutions adopted by a majority of the Directors then holding office, may create such committees as it deems necessary and appropriate in aiding the Board of Directors to carry out its duties and responsibilities with respect to the management of the Common Areas. Each committee so created shall have such authority and responsibilities as the Directors deem appropriate and as set forth in the resolutions creating such committee. The Board of Directors shall elect the members of each such committee; provided, however, that each committee shall have in its membership at least one (1) Director.

Section 2. Vacancy. Any vacancy occurring on a committee shall be filled by the vote of a majority of the Directors then holding office at a regular or special meeting of the Board of Directors.

Section 3. Removal. Any member of a committee may be removed at any time with or without cause by a majority vote of the Director then holding office.

Section 4. Minutes. Each committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required.

Section 5. Responsibility of Directors. The designation of committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any Director of any responsibility or liability imposed upon it or him by law.

If action taken by a committee is not thereafter formally considered by the Board of Directors, a Director may dissent from such action by filing his written objection with the Secretary of the Association with reasonable promptness after learning of such action.

## **ARTICLE IX OFFICERS**

Section 1. Enumeration of Officers. The officers of the Association may consist of a President, a Secretary and a Treasurer, as well as such Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers as the Board of Directors may from time to time elect. No officer need be a member of the Board of Directors.

Section 2. Election and Term. The officers of the Association shall be elected annually by the Board of Directors. Such elections shall be held at the first meeting of the Board of Directors next following the Annual Meeting or Substitute Annual Meeting of the Members.

Each officer shall hold office until his death, resignation or removal or until his successor is elected and qualified.

Section 3. Declarant's Right to Appoint or Remove Officers. Notwithstanding anything set forth herein to the contrary, Declarant shall have the right to appoint or remove by written notice to the Board of Directors any officer or officers of the Association until such time as the Class B membership ceases and becomes converted to Class A membership pursuant to Section 2 of Article IV of the Declaration.

Section 4. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Association will be served thereby.

Section 5. Vacancy. A vacancy in any office may be filled by the election by the Board of Directors of a successor to such office. Such election may be held at any meeting of the Board of Directors. The officer elected to fill such vacancy shall serve for the remaining term of the officer he replaces.

Section 6. Multiple Offices. The person holding the office of President shall not also hold the office of Secretary or Treasurer at the same time. Any other offices may be simultaneously held by one person. Any officer may also be a member of the Board of Directors.

Section 7. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members. The President shall see that the orders and resolutions of the Board of Directors are carried out; he shall sign all written instruments regarding the Common Areas and co-sign all promissory notes of the Association, if any, together with the Treasurer; he shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association; and he shall have all of the general powers and duties that are incident to the office of president of a corporation organized under Chapter 55A of the North Carolina General Statutes.

Section 8. Vice Presidents. The Vice Presidents in the order of their election, unless otherwise determined by the Board of Directors, shall in the absence or disability of the President, perform the duties and exercise the powers of that office. In addition, they shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

Section 9. Secretary. The Secretary shall keep the minutes of all meetings of Members and of the Board of Directors; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of secretary of a corporation organized under Chapter 55A of the North Carolina General Statutes.

Section 10. Treasurer. The Treasurer shall be responsible for the Association's funds and securities and for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial statements. He

shall co-sign promissory notes of the Association, if any, together with the President; he shall prepare a proposed budget (to be approved by the Board of Directors) in accordance with the provisions of the North Carolina Planned Community Act and the other reports to be furnished to the Members as required in the Declaration. He shall perform all duties incident to the office of treasurer of a corporation organized under Chapter 55A of the North Carolina General Statutes.

Section 11. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries and the Assistant Treasurers shall, in the absence or disability 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 the Treasurer, respectively, or by the President or the Board of Directors.

Section 12. Compensation. No officer or any business, business associate, or relative of any officer shall receive any compensation, including payments made in the form of goods and services, from the Association; provided, however, that each officer shall be reimbursed for reasonable pre-approved out-of-pocket costs and expenses incurred and paid by him/her on behalf of the Association.

Section 13. Indemnification. To the extent permitted by the provisions of the North Carolina Nonprofit Corporation Act in effect at the applicable times, each officer may be indemnified by the Association with respect to any liability and expense of litigation arising out of his activities as an officer. Such indemnity shall be subject to approval by the Members only when such approval is required by the North Carolina Nonprofit Corporation Act.

Section 14. Publication of Names of Officers. The Association shall publish the name and address of each newly elected or appointed officer of the Association within thirty (30) days of his or her election or appointment.

## **ARTICLE X BUDGET**

Within thirty (30) days after adoption of any proposed budget for the Association, the Board of Directors shall provide to all Owners a summary of the budget and a notice of a meeting to consider ratification of the budget, including a statement that the budget may be ratified without a quorum. The Board of Directors shall set a date for a meeting of the Owners to consider ratification of the budget, such meeting to be held not less than ten (10) days nor more than sixty (60) days after mailing of the summary and notice. There shall be no requirement that a quorum be present at the meeting. The budget is ratified unless at that meeting a majority of the Owners rejects the budget. In the event the proposed budget is rejected the periodic budget last ratified by the Owners shall be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors.

## ARTICLE XI AMENDMENTS

These Bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of the entire Board of Directors at any annual, regular or special meeting of the Board of Directors; and by a majority of the Members present at any meeting at which a quorum is present, provided that a notice of the meeting shall have been given that states that the purpose or one of the purposes of the meeting is to consider a proposed amendment to the Bylaws and includes a copy or summary of the proposed amendment or states the general nature of the amendment. Such notice may be waived as provided in these Bylaws. Notwithstanding the foregoing, where a larger vote of the Membership is required for the Association to take or refrain from taking a specific action, as set forth in the Declaration or these Bylaws, no amendment of these Bylaws with respect to the vote required to take or refrain from taking such action shall be made unless and until the Owners holding such larger percentage of the vote of the Membership approves said amendment. All persons or entities who own or hereafter acquire any interest in the Property shall be bound to abide by any amendment to these Bylaws that is duly approved and a copy thereof recorded as provided herein. No amendment to these Bylaws shall be adopted or passed that shall impair or prejudice the rights and priorities of any holder of a first mortgage on any Lot without the consent of such lien holder. Notwithstanding anything to the contrary set forth herein, so long as Declarant owns any one (1) Lot, neither these Bylaws nor the Declaration may be amended without its written consent.

## ARTICLE XII MISCELLANEOUS

Section 1. Severability. Invalidation of any covenant, condition, restriction or other provisions of the Declaration or these Bylaws shall not affect the validity of the remaining portions thereof or hereof, which shall remain in full force and effect.

Section 2. Successors Bound. The rights, privileges, duties and responsibilities set forth in the Declaration, as amended from time to time, shall run with the ownership of the Property and shall be binding upon all persons who own or hereafter acquire any interest in the Property.

Section 3. Gender, Singular, Plural. Whenever the context so permits, the use of the singular or plural shall be interchangeable in meaning and the use of any gender shall be deemed to include either gender.

Section 4. Conflict. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the case of any conflict between the Declaration and the Articles of Incorporation of the Association, the Declaration shall control.

Section 5. Nonprofit Corporation. No part of the Association's assets or net income shall inure to the benefit of any of the Members, the officers of the Association, the Directors or any other private individual either during its existence or upon dissolution, except as reasonable

compensation paid or distributions made in carrying out its declared nonprofit purposes as set forth in the Articles of Incorporation and these Bylaws.

Section 6. Fiscal Year The fiscal year of the Association shall begin on the first 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.

Section 7. Attorneys' Fees. To the extent permitted by Section 47F-3-120 of the North Carolina Planned Community Act, in any action to enforce the provisions of the Declaration, the Articles, these Bylaws or the rules and regulations duly adopted by the Association, the court may award reasonable attorneys' fees to the prevailing party.

### **ARTICLE XIII INDEMNIFICATION OF OFFICERS AND DIRECTORS**

The Association shall indemnify any person who may serve or who has served at any time as a director or officer of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such person in connection with the defense or settlement of any claim, action, suit or proceeding in which such person is made a party, which may be asserted against such person, by reason of being or having been a director or officer of the Association, except in relation to matters as to which such person shall be adjudged in any action, suit or proceeding guilty of willful and intentional negligence or misconduct in the performance of his or her duties to the Association; provided, however, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer may otherwise be entitled under any law, these Bylaws, agreement, vote of Members or otherwise. In the event of death of any officer or director, the provisions hereof shall extend to such person's legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact directors or officers at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters that antedate the adoption of these Bylaws.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**CERTIFICATION**

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Association; and

THAT the foregoing Bylaws constitute the original Amended and Restated Bylaws of Thistle Downs Property Owners Association, Inc., as duly adopted at a meeting of the Members of the Association thereof, held on the 22<sup>nd</sup> day of April, 2013.

IN WITNESS WHEREOF, I have hereunto subscribed my name this \_\_\_\_\_ day of May, 2013.

\_\_\_\_\_  
Neel Stacy, Secretary