

**BYLAWS
OF
GLENHAVEN TOWNHOMES ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the corporation is Glenhaven Townhomes Association Inc. The principal office of the corporation shall be located at 352 James Road, Clemmons, North Carolina, 27012, but meetings of members and directors may be held at such places within the State of North Carolina, County of Davidson, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Glenhaven Townhomes Association, Inc., its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property described in the Declaration of Covenants, conditions and Restrictions of Glenhaven Townhomes and such additions thereto as may hereafter become subject to the Declaration and any Supplemental Declaration and brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners and shall include those areas designated "Common Area" or "Common Open Space" or "COS" or "Residual" on any plat of the Property duly recorded in the Davidson County Public Registry, but shall not include all Lots as herein defined and public streets shown thereon. "Common Area" shall also include all private streets, if any, shown on said plats as now recorded or shall hereafter be recorded in the Davidson County Public Registry.

Section 4. "Lot" shall mean and refer to any plot of land with delineated boundary lines shown upon any recorded subdivision map of the Property with the exception of any streets, easements or the Common Area shown on any recorded map.

Section 5. "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 part of the Property, but excluding those having such interest as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to Thornefield Accociates, LLC, a North Carolina limited liability company, its successors and assigns.

Section 7. "Declaration" shall mean and refer to any Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the Register of Deeds of Davidson County, North Carolina.

Section 8. "Member" shall mean and refer to those persons or entities entitled to membership with voting rights as provided in the Declaration and in Article III of these Bylaws.

ARTICLE III

MEMBERSHIP AND PROPERTY RIGHTS

Section 1. Membership. Every Owner of a Lot, which is subject to a lien for assessments, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot subject to assessment. The voting rights of the Members shall be as provided by the Declaration. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote or votes for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot. The President of the Association shall have the authority to require that such multiple Owners of a Lot file a Certificate with the Secretary of the Association, signed by all of the Owners, designating the person entitled to cast the vote for such Lot. Such Certificate shall be valid until revoked by a subsequent Certificate. If such Certificate is not filed when required, the vote of such Owners shall not be considered in determining the requirements for a quorum or for any other purpose.

Section 2 Property Rights. Each Member shall be entitled to the use and enjoyment of the Common Area facilities as provided in the Declaration. Any Owner may delegate his right of enjoyment to the Common Area and facilities to the members of his family, to his tenants, or to contract purchasers who reside on the Property.

ARTICLE IV

MEETINGS OF MEMBERS

Section 1. Annual Meetings. 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 the same month of each year thereafter at such a time and place as the Board of Directors may prescribe.

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 (1/4) of all the votes of the Class A membership.

Section 3. Notice of Meetings. 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 pre-paid, at least ten (10) days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice. A copy of all notices shall be mailed to the Secretary of Glenhaven Townhomes Association, Inc. at such address as may be provided to the Association from time to time. Glenhaven Townhomes Association, Inc. may designate a representative to attend any or all meetings of Members or the Board of Directors, but said representative shall have no vote at such meetings.

Section 4. Quorum. The presence at the meetings of Members entitled to cast, or of proxies entitled to cast, one-fourth (1/4th) 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 Bylaws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called, subject to the above notice requirements in Section 3, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

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: SELECTION: TERM OF OFFICE

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. Until such time as the Class B membership has ceased and been converted to Class A membership, the Declarant shall have the sole right to appoint all directors to the Association, which directors need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting the Members shall select two (2) directors for a term of two (2) years and one (1) director for a term of one (1)

year; and at each annual meeting thereafter the members shall elect directors for a term 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 predecessor's unexpired term.

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 to serve 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 not less than the number of vacancies that are to be filled. Such nominations may also be made from among 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 such time and place and with such notice as shall be determined by resolution of a majority of the 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 (3) days notice to each director. Copies of any such notice shall be mailed to the Secretary of the Glenhaven Townhomes Association, Inc. at such address as may be provided to the Association from time to time.

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 of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members, and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment, dues or charges levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (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 Bylaws, 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 is absent from three (3) consecutive regular meetings of the Board of Directors;

(e) Contract for management of the Property and to delegate to such contractor all of the powers and duties of the Association, except those which may be required by the Declaration to have approval of the Board of Directors or membership of the Association; provided, however, that any such management agreement shall not exceed a period of one (1) year from its effective date, (but may be renewed by agreement of the parties for successive one-year periods) and shall be terminable without cause upon not more than ninety (90) days written notice thereof;

(f) Employ attorneys to represent the Association when deemed necessary; and

(g) Grant easements for the installation and maintenance for electrical, telephone, cable, television, water and sewage utilities and drainage facilities upon, over, under and across the Common Area without the assent of the membership if such easements are requisite for the convenient use and enjoyment of the Property as determined in the sole judgment of the Board of Directors.

The undertakings and contracts authorized by the initial Board of Directors shall be binding upon the Association in the same manner as though such undertakings and contracts had been authorized by any Board of Directors duly elected by the Membership, so long as such undertakings and contracts are within the scope of the powers and duties which may be exercised by the Board of Directors of the Association in accordance with the Declaration, Articles of Incorporation or these Bylaws; and provided further that any undertaking or contract entered into by the Association at a time prior to the conversion of the Class B membership to Class A membership shall contain a provision reserving the right of the Association to terminate such undertaking or contract upon not more than ninety (90) days written notice to the other party(ies) thereto.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all of its acts and corporate affairs and to 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 one-fourth (1/4th) 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 thirty (30) days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every Owner subject thereto at least sixty (60) days in advance of each assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring action at law against the Owner personally obligated to pay the same.
- (d) issue, or cause an appropriate officer to issue, upon demand by such 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 insurance covering the Association, its directors, officers agents and employees and procure and maintain adequate hazard insurance as required by the Declaration;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) cause the Common Area and the improvements on the Lots to be maintained as required by the Declaration.

Section 3. Additional Powers of Directors. The Board of Directors shall have the power to implement the provisions of the Declaration.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and one 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, including additional vice-presidents who need not be members of the Board of Directors.

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 one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointment. 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 by giving written notice to the Board, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later times 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 office he replaces.

Section 7. 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 and shall co-sign all checks and promissory notes.

(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 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 sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by an independent certified public accountant at the completion of each fiscal year, and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, and deliver a copy of each to the Members.

ARTICLE X

COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in The Declaration, and a Nominating Committee, as provided in these Bylaws. 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, and any Institutional Lender, as the term is defined in the Declaration. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date, a late charge shall be assessed in an amount determined from time to time by the Board of Directors and the assessment with late charge shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessments. No owner may waive

or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his/her lot.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Glenhaven Townhomes Association, Inc.

ARTICLE XIV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3rds) of the Members present in person or by proxy subject to the Department of Housing and Urban Development/Veterans Administration's rights to veto any amendments as long as there is a Class B Membership. In addition, Developer may amend these Bylaws at the request of the Veterans Administration, the Department of Housing and Urban Development or the Federal National Mortgage Association or to correct clerical or scrivener's errors.

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

ARTICLE XV

MISCELLANEOUS

Section 1. 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 2. Every person who is or shall be or shall have been a director or officer of the Association and his personal representative shall be indemnified by the Association against all costs and expenses reasonably incurred by or imposed upon him in connection with or resulting from any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association or any subsidiary or affiliate thereof, except in relation to such matters as to which he shall finally be adjudicated in such action, suit or proceeding to have acted in bad faith or to have been liable by reason of willful misconduct in the performance of his duties as such director or officer. "Costs and expenses" shall include, without limiting the generality thereof, attorney's fees, damages and reasonable amounts paid in settlement.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Glenhaven Townhomes Association, Inc., a North Carolina non-profit corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a Meeting of the Board of Directors thereof, held on the ____ day of _____, 2008.

,Secretary

(CORPORATE SEAL)