

BYLAWS
OF
THORNBROOK HOME OWNERS ASSOCIATION

ARTICLE I

Name and Location

The name of the corporation is Thornbrook Home Owners Association, hereafter referred to as the "Association." The principal office of the corporation shall be located at 2606 North Stadium Blvd., Columbia, Missouri 65202, or at such other place as the Association's Board of Directors shall from time to time designate.

ARTICLE II

Definitions

The following terms shall have the following meanings when used in these Bylaws:

- Section 1. General Definitions. "Declaration" means the Declaration of Covenants, Conditions, Reservations, Easements and Restrictions of "Thornbrook," made by Thornbrook Development, Inc. (the "Developer"), and recorded in the Real Estate Records of Boone County, Missouri.
- Section 2. Other Definitions. Unless it is plainly evident from the context that a different meaning is intended, all other terms used herein shall have the same meaning as they are defined to have in the Declaration.

ARTICLE III

Membership in the Association

- Section 1. Class A. Every Lot Owner shall be a Class A Member of the Association, shall be subject to the jurisdiction of the Association, shall be subject to assessments levied by the Association under the provisions of the Declaration, and shall be entitled to all rights and provisions of Class A membership in the Association. The foregoing is not intended to include persons, who hold an interest merely as security for the performance of an obligation, as members of the Association. There shall be one (1) Class A membership in the Association appurtenant to the ownership of any Lot which is subject to assessment by the Association. Class A membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for Class A membership in the Association. Class A membership in the Association cannot, under any circumstances, be partitioned or separated from ownership of a Lot subject to the jurisdiction of the Association. Any covenant or agreement to the contrary shall be null and void. No Lot Owner shall execute any deed, lease, mortgage, or other instrument affecting title to his Lot ownership without including therein both his interest in the Lot and his corresponding membership in the Association, it being the intention hereof to prevent any

severance of such combined ownership. Any such deed, lease, mortgage, or instrument purporting to affect the one without including also the other, shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein.

During any period in which a member shall be in default in the payment of any assessment levied by the Association as provided in the Declaration, the voting rights of such member and rights of a member to receive services provided by the Association and the right to use any Common Areas in or available to the Subdivision shall be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended by the Board of Directors, after notice and hearing, for a period not to exceed 90 days, for violation of any of the rules and regulations established by the Board of Directors governing the use of the Common Areas in or available to the Subdivision.

Section 2.

Class B. Class B membership is reserved for those Lots owned by the Developer or those to which it assigns all or any part of its rights as the Developer under the terms of the Declaration. Builders who purchase Lots with the intention of building and reselling homes are deemed to hold Class B nonvoting membership rights in the Association. Such membership does not include any voting rights nor are Class B nonvoting memberships responsible for paying Association assessments. The Developer and those to which it assigns all or any portion of its rights as the Developer under the terms of the Declaration shall become Class A Members upon and following the termination of Class B memberships as provided in the Declaration. Rights of the Developer shall not be deemed to be assigned by any Warranty Deed or other conveyance made or given by the Developer, unless specific reference is made in such Warranty Deed or other conveyance to the rights of the Developer and to Class B voting rights. Otherwise, rights of the Developer can be assigned only by a written document, properly recorded, which specifically refers to the rights of the Developer hereunder and assigns all or a portion of such rights. The Developer can assign all or a portion of its Class B voting rights hereinafter set forth to other persons, entities or corporations, but such assignment shall be made solely by a written assignment, or by a recital in a Warranty Deed or similar conveyance, which specifically refers to such rights and is properly recorded. Notwithstanding anything to the contrary set forth in the Declaration, in the event a Class A membership has not earlier attached to a Lot under the above provisions of this Article, such membership shall attach to such Lot and the Class B membership attributable to such Lot shall terminate upon the earliest of the following events:

1. Such Lot has been conveyed to someone other than the Developer or the Builder-Buyer as defined below;
2. Such Lots owned by Developer or such Lots owned by third parties wherein Developer has assigned its Class B rights as Developer to any third party Lot Owners, upon recording "Developer's Certificate of Substantial Completion," as provided herein. Upon the termination of a Class B membership attaching to a Lot, a Class A membership shall

automatically attach to such Lot. Once a Class A membership has attached to such Lot, such Lot shall thereafter forever be deemed to be a Lot to which a Class A membership attaches and the Owner or Owners of such Lot shall automatically be a Class A member of the Association.

ARTICLE IV

Voting Rights

The Association shall have two (2) classes of voting memberships, Class A and Class B voting. The qualifications for Class A membership and Class B membership, and the identities of the Class A and Class B Members, and the nature and extent of the voting rights of Class A and Class B Members shall be as specified in the Declaration, at Article III, Sections 3-4. Each member shall have one vote for each Lot in which he or she holds the interest required for membership and upon which he or she shall not be delinquent in the payment of assessments; provided, however, when more than one person holds such interest or interests in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they, among themselves, shall determine, but in no event shall more than one vote be cast with respect to any such Lot.

ARTICLE V

Membership Meetings

- Section 1. Place of Meetings. Meetings of the membership shall be held at the principal office or place of business of the corporation, or at such other suitable place convenient to the membership as may be designated by the Board of Directors.
- Section 2. Annual Meetings. Annual meetings shall be held in the month of April of each year, on a date and at a time and place established by the Board of Directors from time to time; provided, however, that the first annual meeting of the members need not be held, unless the Board of Directors determines to the contrary, until that month of April which next follows the conveyance by the Developer or the Developer's assignees or other Class B Members to Lot Owners other than the Developer and the Developer's assignees or other Class B Members of the twentieth (20th) Lot to be so conveyed. That is to say that it is the intention that the first annual meeting of the members shall not be held until twenty (20) Lots have been sold to Class A Members and that the first annual meeting shall be held in that month of April which follows the conveyance of the twentieth (20th) said Lot.
- Section 3. Special Meetings. Special meetings of the membership may be called at any time for the purpose of considering matters which, by the terms of the Declaration, or by the terms of the Association's Articles of Incorporation, or by the terms of these Bylaws, require the approval of some or all of the members, or for any other reasonable purpose. Said meeting shall be called by a written notice, authorized by a majority of the Board of Directors, or upon a petition signed by ten percent (10%) of the Class A or any of the Class B voting members or a majority of the Class B nonvoting Members of the Association having been presented to the Association's Secretary. The

notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members of each class present, either in person or by proxy.

Section 4.

Notice of Meetings. Except when otherwise provided by the Declaration and except when notice is waived as hereinafter provided, written or printed notice of any annual or special meeting of the members shall be sent by the Secretary of the corporation to all members by mailing the same, postage prepaid, at least ten (10) days and not more than forty (40) days prior to the meeting, addressed to the members at their respective addresses as recorded upon the membership books of the Association. Notice may also be accomplished by service of same upon the member at his Lot or last known address. Notice by either such method shall be considered as notice served. Any notice shall state the place, day and hour of the meeting and the purpose or purposes for which it is called. No notice of any annual or special meeting of the members is required if all members file with the records of the meeting written waivers of such notice. In the absence or disability of the Secretary, notice as provided for in this Section may be sent out by any such officer as may be designated by the Board of Directors. Notice shall be deemed to be delivered when it is deposited in the United States mail with postage prepaid thereon so addressed to the member.

Section 5.

Waiver of Notice. Any member may waive notice of any membership meeting, either in writing or by telegram, signed by the member whether such member attends the meeting or not. The presence of a member at any membership meeting shall be deemed to constitute a waiver by the member of notice to the meeting unless such member attends for the express purpose of objecting to the transaction of business at the meeting.

Section 6.

Quorum. The presence of ten percent (10%) of the members of the Association of each class, either in person or by proxy, shall constitute a quorum for the transacting of business at all meetings of the members, unless a greater quorum is required for the transaction of the particular business by the Declaration. Unless otherwise specified by these Bylaws or the Declaration, or by the Association's Articles of Incorporation, or by law, decisions at membership meetings shall be by the majority vote of the members present at each class. If a quorum is not present, a majority of the members of each class present can adjourn the meeting to another date and time not less than forty-eight (48) hours from the time the original meeting was called, unless otherwise required by the Declaration, at which time the quorum requirement shall be reduced by one-half (1/2). No notice of such date and time shall be required.

Section 7.

Proxies. A member may appoint any other member or the Developer or the manager or managing agent of the Association, if any, as his proxy. In no case may any member, (except the Developer or the manager or managing agent, if any) cast more than one (1) vote by proxy. Any proxy must be filed with the Secretary of the Association before the appointed time of each meeting. Unless limited by its terms, any proxy shall continue until revoked by a written notice of revocation filed with the Secretary of the Association

or by the death of the member. However, a proxy shall automatically cease to be effective upon conveyance by the member of his or her Lot.

Section 8. Meetings, Convened, How. Every meeting of the members, for whatever purpose, shall be convened and chaired by the Association's President, if he be present, otherwise by the Vice President, or in his absence or refusal to act, by a person selected by the Board of Directors.

Section 9. Order of Business. The order of business at all annual meetings of the members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers, if any.
- (e) Reports of committees, if any.
- (f) Election of inspectors in an election.
- (g) Election of directors.
- (h) Unfinished business.
- (i) New business.

In the case of a special meeting, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the special meeting.

ARTICLE VI

Board of Directors

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors composed of three (3) directors. The members of the first Board of Directors named in the Articles of Incorporation shall serve until their successors are duly elected and qualified. Thereafter, so long as there are Class B voting rights in existence, a majority of the directors shall be natural persons (who need not be Lot Owners) elected by the Class B voting members, and the remaining directors shall be natural persons holding ownership interests in Lots (other than the Developer) elected by the Class A Members of the Association. (EXAMPLE: Since there are to be only three (3) directors, two (2) of the directors shall be a natural person elected by the Developer and one (1) of such directors shall be a natural person holding an ownership interest in a Lot, elected by the other Lot Owners who are also members of the Association.) After all Class B voting rights have ceased to exist, the Board of directors shall consist of three (3) Lot Owners as herein provided and elected by the members of the Association. All directors shall be elected at the annual meeting of the Association's members and shall serve for one (1) year and until their respective successors are duly elected and qualified. At the first annual meeting of the members after Class B voting rights have ended, all members of the Board of Directors shall be elected from the Class A membership. They shall be elected to serve for staggered terms, so that the term of one-third (1/3) of the directors will expire in each year. For example, if three (3) directors are to be elected then:

- The director receiving the greatest number of votes shall be elected for a term of three (3) years;

- The director receiving the second greatest number of votes shall be elected for a term of two (2) years; and

- The remaining director shall be elected for a term of one (1) year.

The Board of Directors shall thereafter be constituted so that the terms of one-third (1/3) of the Board will expire with each annual meeting. Each individual elected as a director shall serve until the next annual election or until his or her successor is duly elected and has commenced his or her term of office or until his or her earlier resignation or removal. If annual meetings are not held or if successors are not elected, the serving Board shall continue to serve with all powers vested in the Board of Directors.

Section 2. Nominating Procedure. The President of the Board of Directors shall select a nominating committee of two persons, which will make nominations of persons to serve as directors for the coming year at the annual meeting of the Association. Such nominating committee shall consist of the President and one other person selected by the President from the Board or Association membership. Members of the corporation may make additional nominations from the floor at the annual meeting. The nominating committee shall make all reasonable attempts to secure suggestions for nominations from all interested members.

Section 3. Election. Election to the Board of Directors shall be by written ballot. At any such election, the members entitled to vote or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article IV hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 4. Commencement of Term of Office. A director shall be deemed elected at the time of his or her election, but he or she shall not be deemed to have commenced his or her term of office or to have any of the powers or responsibilities of a director until the time he accepts the office of director either by a written acceptance or by participating in the affairs of the Association at a meeting of the Board of Directors.

Section 5. Vacancies. The Board shall fill vacancies in its membership occurring between elections. A Board member, who is absent without sufficient cause (such sufficient cause being determined within the sole and absolute discretion of the remaining members of the Board by the majority vote thereof) from three (3) consecutive meetings of the Board may, at the option of the remaining members of the Board, be considered to have resigned, and such vacancy shall be filled by the unanimous vote of the remaining members of the Board; provided, however, that before such option is exercised by the Board, such member shall be given at least eight (8) days written notice that the exercising of such option is an issue to be placed before the Board so that such Board member shall have ample opportunity to appear before the Board to explain his absence from the meeting of the Board. For purposes of

determining whether or not to exercise such option, the size of the Board of Directors shall be deemed to be reduced by one.

- Section 6. Management. The Board of Directors shall, if it in its sole and absolute discretion deems it advisable to do so, employ for the Association, a professional manager, management firm or managing agent, at a rate of compensation to be established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize, including, but not necessarily limited to those duties and services specified by ARTICLE III, Section 7, Subparagraph E of the Declaration. The employment of such a manager, management firm or managing agent shall be upon such terms and conditions as the Association's Board of Directors shall, in its sole and absolute discretion, elect.
- Section 7. Term of Office. So long as there are Class B voting rights in the Association, all directors shall be elected for one year terms. At the first annual meeting of the members after Class B voting rights have expired, the term of the office of one-third of the director(s) (the director(s) receiving the greatest number of votes) shall be fixed for three years. The term of the office of one-third of the director(s) (the director(s) receiving the second greatest number of votes) shall be fixed at two years. The term of the office for the remaining director(s) shall be fixed at one year. [Example: if five directors are elected, then two shall be elected for a term of three years, two for a term of two years and one for a term of one year.] Thereafter, any additional directors elected shall be elected for a term of three years. At the expiration of the term of office, each respective director shall be elected to serve a term of three years. The directors shall hold office until their successors have been duly elected and hold their first meeting.
- Section 8. Termination of Directorship. The term of any director who becomes more than thirty (30) days delinquent in the payment of any assessments and/or carrying charges shall be automatically terminated, and a successor shall be voted upon as provided in Section 3 of this Article.
- Section 9. Compensation. Directors, as such, shall not receive any stated compensation or salaries for their services as directors. However, any director may be reimbursed for his or her reasonable out-of-pocket expenses incurred in the performance of his or her duties.
- Section 10. Organization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors are elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.
- Section 11. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two (2) of such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least eight (8) days prior to the day named for such meeting.

- Section 12. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) or more directors on three (3) days notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) director.
- Section 13. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.
- Section 14. Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such later meeting at which a quorum shall be present, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- Section 15. Meetings by Conference Telephone or Similar Communications Equipment. Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting pursuant hereto shall constitute presence in person at such meeting.
- Section 16. Action Without Meeting. Any action by the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.
- Section 17. Fidelity Bonds and Officers and Directors Insurance. The Board of Directors shall, if it in its discretion deems it appropriate to do so, require that all officers and employees of the Association handling or responsible for corporate or trust funds shall furnish adequate fidelity bonds and may purchase Officers and Directors Liability Insurance. The premiums on such bonds and insurance shall be paid by the Association.
- Section 18. Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law, or by the Declaration or by these Bylaws directed to be exercised and done by the members of the Association. The Association's Board of Directors shall have authority to employ, discharge and determine the compensation of such management

personnel, management firm, managing agent, professional management and employees as in its opinion are needed to do the work of the Association. The Board of Directors shall make such rules as in its judgment are necessary concerning the receiving, banking and disbursing of funds, and the handling of any other business of the Association; provided, however that such rules shall not be inconsistent with any of the provisions of these Bylaws, the Declaration or the Association's Articles of Incorporation. The Board of Directors shall also be responsible for arranging the annual auditing of all accounts of the Association. The Board of Directors shall have the duty and responsibility to see to it that the Association does all that is required of it to discharge its duties to the Association's members as specified by the Declaration, and particularly shall see to it that the Association provides for those services and other items required of it by the Declaration.

Section 19. Assessments. In addition to its powers and duties as provided for by the above provisions of these Bylaws, the Association's Board of Directors shall have the duty and responsibility to levy, collect and enforce those annual and special assessments provided for by the Declaration. The terms and conditions of the Declaration dealing with such assessments are incorporated herein by reference.

Section 20. Architectural Committee. The Board of Directors shall either serve as the Architectural Committee or, in its discretion, may appoint an Architectural Committee and hear appeals of this Committee's decisions.

ARTICLE VII

Officers

Section 1. Number. The officers of the Association shall consist of a President, a Vice President, a Secretary and a Treasurer. The Board of Directors may, if it, in its sole and absolute discretion determines appropriate, also choose and appoint one or more additional Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, and such additional officers and agents, if any, as it may deem necessary from time to time. Any person may hold more than one of such offices, with the exception of the offices of President and Secretary, which must be filled by different individuals. Such officers shall be selected by the Board of Directors at the organizational meeting of the Board of Directors following the annual meeting of the members of the Association.

Section 2. Term. The officers shall hold office at the pleasure of the Board of Directors, for a period of one (1) year from the date of their respective elections, and until their successors are duly elected and qualified.

Section 3. Vacancies. A vacancy in any office for any reason shall be filled by a majority vote of the Board of Directors at any meeting. This newly elected officer shall serve for the unexpired portion of the term.

Section 4. Resignation and Removal. Any officer may be removed from office by the Board of Directors whenever, in the Board's judgment, the best interests of the Association will be served thereby. Any officer may resign at any time

by giving written notice to the Board through the President or Secretary. Such resignation shall take effect on the date of receipt of such notice by the Board or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VIII

Duties of Officers

- Section 1. General Powers. The officers of the Association shall have such power and authority in the control and management of the property and business of the Association as is usual and proper in the case of, and incident to, such corporate officers, except insofar as such power and authority is limited by these Bylaws, or by resolution of the Board of Directors.
- Section 2. President. The President shall be the chief executive officer of the Association, and shall, in general, control and manage the property and affairs of the Association. He shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors from time to time. He shall sign all notes, agreements, conveyances or other instruments in writing made and entered into for or on behalf of the Association. He shall have all the general powers and duties which are usually vested in the office of President of a corporation, including but not limited to the power to appoint committees from time to time among the membership of the Association as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.
- Section 3. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent and unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
- Section 4. Secretary. The Secretary shall record the votes and keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have custody of the seal of the Association; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.
- Section 5. Treasurer. The Treasurer shall have the responsibility for the Association's funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors. The books of account and accounting records shall at all reasonable times be open to inspection by any director.

- Section 6. Assistant Secretaries. The Assistant Secretaries, in order of succession, shall perform all of the duties of the Secretary in the event of the death, disability or absence of the Secretary, and such other duties, if any, as may be prescribed by the Board of Directors.
- Section 7. Assistant Treasurers. The Assistant Treasurers, in order of their succession, shall perform all of the duties of the Treasurer in the event of the death, disability or absence of the Treasurer, and such other duties, if any, as may be prescribed by the Board of Directors.
- Section 8. Compensation of Officers. No officer shall receive any salary or other compensation for services rendered to the Association in his capacity as an officer of the Association. No remuneration shall be paid to any officer for services performed by him for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken. However, officers may be reimbursed for their reasonable out-of-pocket expenses incurred in the performance of the duties of their offices.

ARTICLE IX

Liability and Indemnification of Officers and Directors

The officers and directors of the Corporation shall be entitled to indemnification in accordance with the following provisions of this Article IX:

- Section 1: Liability and Indemnification of Officers and Directors. The Association shall indemnify (to the maximum extent permitted by the law of Missouri) every officer and director of the Association, against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the then Board of Directors of the Association) to which he may be made a party by reason of being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association or the Development (except to the extent that such officers or directors may also be Owners of Lots) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right of indemnification provided for herein shall not be exclusive of any other rights to which any officer or director of the Association, or former officer or directors of the Association may be entitled.
- Section 2. Common or Interest Directors. The directors shall exercise their powers and duties in good faith and with a view of the interests of the Association. No

contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association (including the Developer) in which one or more of the directors of the Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the Board of Directors or any committee therefor which authorizes or approves the contract or transaction, or because of his or their votes as counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

- (a) The fact of the common directorate or interest is disclosed and known to a majority of the Board of Directors and noted in the minutes, and the Board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose of the transaction; or
- (b) The fact of the common directorate or interest is disclosed and known to a majority of the members, and they approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or
- (c) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or executed.

Common or interested directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorized, approves or ratifies any contract or transaction, and may vote thereafter to authorize any contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE X

Management

Section 1. Management. The Association, by and through its Board of Directors, shall manage, operate and maintain, the Development. For the benefit of the Lot and the Owners thereof, and residents of the Development, the Association, acting through its directors, shall enforce the provisions of the Declaration and of these Bylaws, and may pay out of the Maintenance Fund, established by the Declaration, for those articles, items, duties and services to be supplied and performed by the Association under the terms of the Declaration.

Section 2. Manager or Managing Agent. The Association, by and through its Board of Directors, may delegate any of its duties, powers or functions to a manager or managing agent. The Association, and its officers, and its Board of Directors shall not be liable for any omission or improper exercise by the manager or managing agent of any such duty, power or function so delegated.

Section 3. Employment. The Association, by and through its Board of Directors, may employ (and contract with for such periods of time and on such terms as may

be deemed appropriate) agents, independent contractors, managers and employees, and prescribe their duties and responsibilities.

- Section 4. Duty to Maintain. Except for the maintenance requirements imposed by these Bylaws and the Declaration upon the Association, if any, the Owner of any Lot shall, at his own expense, maintain the interior of the building located on his Lot and any and all equipment, appliances or fixtures therein situated, and its other appurtenances (including without limitation any balcony, deck, terrace, porch or patio appurtenant to such Lot) in good order, condition and repair, and in a clean and sanitary condition and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his Lot, the building located thereon, and such appurtenances. In addition to the foregoing, the Owner of any Lot shall, at his own expense, maintain, repair or replace all improvements located on his Lot so as to maintain same in a clean, neat, safe, sanitary and attractive condition.
- Section 5. Access at Reasonable Times. For the purposes of discharging its duties and responsibilities as provided by these Bylaws and the Declaration, or in the event of a bona fide emergency involving illness or potential danger to life or property, the Association, through its duly authorized agents, directors or employees, shall have the right, after reasonable efforts to give notice to the Lot Owner, to enter into any Lot and the building located thereon at any hour considered to be reasonable under the circumstances.
- Section 6. Rules and Regulations for Common Areas. The Board of Directors may adopt and amend administrative rules and regulations as it deems advisable for the use, operation, maintenance, conservation and beautification of the Common Areas. These rules and regulations, and any such amendments, become effective upon a majority vote of a quorum of the Board of Directors.
- Section 7. Limitation of Liability. The Association, and its directors, and its officers, shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the Maintenance Fund established by the Declaration, or for injury or damage to person or property caused by the elements or by the Owner of any Lot, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Areas or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the Owner of any Lot for loss or damage by theft or otherwise of articles which may be stored upon any of the Common Areas. No diminution or abatement of Maintenance Fund assessments as provided for by the Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Areas, or the Lots or the buildings located thereon, or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any municipal or other governmental authority.

ARTICLE XI

Assessments

- Section 1. Annual and Special Assessments. The Association shall be entitled and required to assess and to receive, and the Association's members and the Lots shall be liable and responsible for paying, those annual and special assessments provided for by the Declaration, which shall be levied, assessed and collected as provided for by the Declaration and the above provisions of these Bylaws.

ARTICLE XII

Use Restrictions

The Lots and the property shall be subject to those use restrictions set forth by the Declaration, and to those architectural controls imposed by the Declaration.

ARTICLE XIII

Use of Common Areas

- Section 1. Common Areas. The Owners of Lots within the Subdivision shall have the non-exclusive right to the use of all Common Areas to the extent not located on any Lot. The Developer(s) and its/their guests, as well as those to which the Developer(s) may assign all or any portion of its rights as Developer under the terms of the Declaration, also shall have the same non-exclusive right to the use of these Common Areas.
- Section 2. Rules and Regulations. The Association shall have the right and power to make reasonable rules and regulations which shall govern the use of the Common Areas.

ARTICLE XIV

General

- Section 1. Fiscal Year. The fiscal year of the Association shall begin on January 1 of each year, and shall end on December 31 of each year. The commencement and ending dates of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice reasonably dictate that such change be made.
- Section 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer, in accordance with good accounting principals and bookkeeping principals, consistently applied. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the Development and its administration and shall specify the maintenance and repair expenses of the general and limited Common Areas and services and any other expenses incurred. That amount of any assessment required for payment on any capital expenditures of the Association shall be credited upon the

books of the Association to the "Paid-in-Surplus" account as a capital contribution by the members.

- Section 3. Auditing. At the request of any member of the Board of Directors, the books and records of the Association shall be audited, either by an independent Certified Public Accountant, or by an audit committee appointed by the Board of Directors, as the Board of Directors, in its discretion, shall deem appropriate.
- Section 4. Inspection of Books. The books and accounts of the Association and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, and/or their duly authorized agents or attorneys during normal business hours and for purposes reasonably related to their interests as members.
- Section 5. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President and by the Secretary, and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.
- Section 6. Seal. The Board of Directors may, if it in its discretion deems it appropriate, provide a corporate seal containing the name of the Association, which seal shall be in the charge of the Secretary. If so directed by the Board of Directors, a duplicate seal may be kept and used by the Treasurer or any Assistant Secretary or Assistant Treasurer.
- Section 7. Certain Loans Prohibited. Neither the Board of Directors nor the Association shall make any loan to any officer or director of the Association.

ARTICLE XV

Amendment

Those provisions of these Bylaws which also appear in the Declaration may be amended only in that manner providing for the amendment of the Declaration by the Declaration. The remaining provisions of these Bylaws may be amended by the affirmative vote of two-thirds (2/3) of the members of each class present at any meeting of the members at which a quorum is present, and which is duly called for such purpose. Amendments may be proposed by the Board of Directors or by a petition signed by members representing at least one-third (1/3) of the voting members of a single class of members. A description of any proposed amendment of these Bylaws or the Declaration shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

Adopted as the Bylaws of Thornbrook Home Owners Association by resolution of the initial Board of Directors of the Association named in the Articles of Incorporation on the _____ day of _____, 2000.

Elvin E. Sapp
Elvin E. Sapp
Robert L. Sapp
Robert L. Sapp
Valerie Barnes
Valerie Barnes

the initial Directors of the Corporation

Approval of Bylaws

We, the undersigned Directors, being all of the members of the initial directors named in the Articles of Incorporations of Thornbrook Home Owners Association hereby approve of and adopt the foregoing Bylaws as being the Bylaws of the Association.

Elvin E. Sapp
Elvin E. Sapp
Robert L. Sapp
Robert L. Sapp
Valerie Barnes
Valerie Barnes