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BY-LAWS

Of the

Gold Hill Airpark



Homeowners' Association

As Amended October 14, 2017

Table of Contents

| | Page |
|--|------|
| Article I: Offices..... | 3 |
| Article II: Purpose..... | 3 |
| Article III: Association Membership..... | 3 |
| Article IV: Association Meetings | 6 |
| Article V: Board of Directors..... | 8 |
| Article VI: Board Meetings..... | 11 |
| Article VII: General Provisions | 12 |
| Article VIII: Collections..... | 14 |
| Article IX: Wastewater Treatment System..... | 16 |
| Article X: Enforcement of the By-Laws and the Covenants and Restrictions..... | 17 |
| Article XI: Certification..... | 20 |

ARTICLE I.

OFFICES

- Section 1. Principal Office:** The principal office of the Gold Hill Airpark Homeowners' Association (Association) shall be located in Gold Hill Airpark, Rowan County, North Carolina. The mailing address is 295 Fine Street, Gold Hill, NC 28071
- Section 2. Registered Office:** The registered office of the Association will be the same as the principal office.

ARTICLE II.

PURPOSE

- Section 1. General:** Gold Hill Airpark (Airpark) was established as a private residential community designed for the use of residents and Lot Owners who are general aviation enthusiasts and participate in various aviation activities including flying small general aviation aircraft.

The Gold Hill Airpark Homeowner's Association is the non-profit corporation established under the Articles of Incorporation to own the common areas of the airpark, to maintain and manage the operations of the Airpark, to enhance the value and desirability of the Airpark and to provide a pleasant community in which Members may live. The manner in which it is organized and the way it carries out its responsibilities is described in these By-Laws.

ARTICLE III.

ASSOCIATION MEMBERSHIP

- Section 1. General:** A Member of the Association is one that meets the requirements specified in Section 3.

Multiple owners of a lot are considered one (1) Member. Conversely, a Member who owns a number of lots, (and must pay an assessment for each) is also considered one (1) Member.

A Member who terminates his or her membership or whose membership is terminated may re-join the Association once they again meet all of the requirements specified in Section 3.

- Section 2.**Each Member shall be required to pay annual dues, the amount of which will be determined by the Board of Directors and approved by the members.

- Section 3. Member:** A Member is an individual, family, company or group who:
- owns land in Gold Hill Airpark,
 - agrees, either as part of their deed or by separate legal document, to make their property subject to the Covenants and Restrictions of the Airpark, and thereby agrees to abide by the provisions of that document,
 - pays the membership dues established by the Association,
 - does not have their membership terminated for failure to pay any dues, fees, assessments or fines,
 - pays any required Initiation Fee as specified in Section 6.
- Section 4. Member in Good Standing:** a Member in Good Standing is a Member who is not in arrears in the payment of any dues, fees, assessments or fines.
- Section 5. Benefits of Membership:** Each Member:
- shares equally in the ownership of all real property currently owned by the Association and any real property which may be acquired in the future, once three (3) years of membership has been completed,
 - is entitled to an equal vote on all matters brought before the Association in any meeting if he or she is a Member in Good Standing at the time a vote is called,
 - is eligible to receive utilities and services from the Association except as limited in the Covenants and Restrictions,
 - has the right to use the Common Area, unless that right is denied as provided in the Covenants and Restrictions.
- Section 6. Initiation Fee:** An Initiation Fee is required from any Lot Owner in Gold Hill Airpark if:
- the property owned by that Lot Owner has not been subjected to the Covenants and Restrictions imposed on Gold Hill Airpark since the Date of Incorporation of the Association and/or,
 - the Lot Owner has not paid all dues, fees, and assessments that have been imposed on Association Members since the Date of Incorporation of the Association.

The amount of the Initiation Fee will be equal to the total amount that each Member of the Association has paid since the Date of Incorporation for all assessments, dues, common area maintenance fees and reserves.

The Treasurer shall maintain a running list of said amount for each such lot and make it freely available upon request to potential purchasers of such lots.

Section 7. Utility Members: A Utility Member is a Lot Owner who has chosen not to become a Member of the Association but nevertheless receive utilities and/or services from the Association.

Utility Members:

- are required to pay an equal share of the cost for providing the utilities and/or services they receive,
- have voting rights only on the budget and other matters concerning those utilities and services they receive from the Association,
- are not required to pay Association membership dues,
- do not share in the ownership of any real property currently owned by the Association or any real property which may be acquired in the future.

Section 8. Utility Member in Good Standing: A Utility Member in Good Standing is a Utility Member who is not in arrears in the payment of any fees, assessments or fines.

Section 9. Associate Members: In view of the unique juxtaposition of the Airpark with the properties of the Eric Cox household and the Ray Hill household and the unique contractual agreement which allows the Airpark to use some of the property of the Jimmy Hill household, these households are considered Associate Members of the Association so long as each is in residence adjacent to the Airpark. This membership will not be automatically carried forward to future owners of the properties owned by these households.

Associate Members:

- may be offered utilities and services, sharing equally in the costs of these services,
- do not have to pay Association membership dues, fees or assessments,
- have no voting rights, unless they are also Utility Members,
- shall be kept informed of and invited to all Airpark social activities,
- do not share in the ownership of any real property currently owned by the Association or any real property which may be acquired in the future,
- do not have a right to use the Common Area.

Section 10. Land owners of a certain parcel of land adjacent to the Airpark and have as part of their deed a right to membership and privileges as defined in 'Deed of Easement with Mutual Covenants', dated June 25, 1993 (Book 713, Page 245): Any individual, family, company, or group who owns land as described in the above referenced document, who applies for membership and pays the appropriate membership fee, shall be permitted to join the Gold Hill Airpark Homeowners Association with all the privileges of Membership except, they:

- shall not be eligible to serve on the Board of Directors of the Association for the first 5 years after the beginning of their HOA membership,
- may subject their land to the Gold Hill Airpark Covenants and Restrictions without payment of an Initiation Fee,
- shall not have access to utilities and services provided by the Association,
- shall not share in the ownership of any real property currently owned by the Association or any real property which may be acquired in the future.

ARTICLE IV.

ASSOCIATION MEETINGS

Section 1. Place of Meetings: All meetings of the Association shall be held at a location convenient to Gold Hill Airpark as designated by the Board of Directors.

Section 2. Annual Meetings: A meeting of all Members and Utility Members shall be held each calendar year. The meeting shall consist of two (2) parts:

- A Utilities meeting open to Members and Utility Members for the purpose of approving the utility budget for the next calendar year and transacting any business which involves the utilities and services provided by the Association.
- A general meeting open to Members and their invitees only, for the purpose of approving the Association’s general budget for the next calendar year, electing Directors and transacting any other Association business.

The Annual Meeting will usually be scheduled in October but in no case will the meeting be held later than the last day of November of each calendar year.

Section 3. Special Meetings: A Special Meeting may be called at any time by the Board of Directors (Board) or by two (2) members of the Board or by one (1) Member and one (1) Director.

In the case of a Special Meeting called by a Member and Director, the Member and Director must pay any costs associated with the meeting, notify the membership as specified in Section 4 and secure a location for the meeting. In any Special Meeting called by a Member and Director, one

of the items of business will be deciding whether or not to reimburse that Member and Director for any expenses incurred.

Section 4. Notice of Meetings: The Board shall provide written notice of all meetings to each Member or Utility Member, as appropriate, stating the date, time and place of the meeting. This notice shall be delivered either personally, by mail or by email not less than ten (10) days or more than fifty (50) days before the date of the meeting.

The notice for the utilities part of the annual meeting shall include a detailed financial statement for the utilities and services provided by the Association and the proposed utility budget for the next fiscal year.

The notice for the general part of the annual meeting shall include a detailed financial statement for the Association as a whole and the proposed general budget for the next fiscal year.

The notice for an Annual Meeting need not state other business to be transacted. The notice for a Special Meeting shall specifically state the purpose(s) for which the meeting is called.

When a meeting is adjourned without completing all business the notice for resumption of the adjourned meeting shall be given in accordance with this section.

Section 5. List of Members: The Secretary of the Association shall at all times keep a current list, including address, telephone number and email address identifying all Members and Utility Members. The Treasurer shall keep a list of any Members or Utility Members who are not in Good Standing (and therefore ineligible to vote). These lists will be made available to any Member upon request.

Section 6. Quorum: A quorum is required to conduct business at an Annual or Special meeting. The quorum shall consist of two-thirds (2/3) of the Members in Good Standing, either physically present or represented by proxy.

If no quorum is present at a meeting, that meeting will be adjourned, and another meeting will be scheduled in accordance with Section 3 of this Article.

Section 7. Voting: A Member in Good Standing is eligible to vote on all matters brought before the Members at any meeting.

A Utility Member in Good Standing is eligible to vote only on the budget and other business related to those utilities and/or services he or she receives from the Association.

Each Member or Utility Member in Good Standing shall have one (1) vote on each matter submitted to a vote at a meeting.

Members comprised of more than one individual must decide who will vote for that Member. In any vote in which such a Member cannot agree on its vote, that Member will be counted as having abstained.

Any issue brought before the Association shall be decided by a vote of a simple majority of a quorum unless the vote of a greater number is required by North Carolina statute, these By-Laws or the Covenants and Restrictions.

Voting for the election or removal of a Director shall be by secret ballot.

Voting on all other matters shall be by a show of hands.

A proxy will be considered valid if it meets all of the following conditions:

- The person granting the proxy must be a Member in Good Standing or a Utility Member in Good Standing as of the date of the meeting.
- The proxy must be given to a fellow Member who is a Member in Good Standing.
- The proxy must be presented to the Secretary of the Association prior to or at the beginning of a meeting.
- A proxy form or a letter giving the proxy must be signed and dated by the Member granting the proxy.
- A proxy in the form of an email must bear the sender's email address which matches the email address on the list of Members maintained by the Secretary.

A member may hold or exercise a maximum of two (2) proxies in any meeting. A Member who is asked to act as a proxy must advise the proxy giver if he or she already holds 2 proxies and cannot accept more. It is the responsibility of the proxy giver to find another Member to whom to give their proxy. If a Member does hold the proxy for more than two (2) Members or Utility Members at a meeting, the proxies with the latest date will be discarded.

Members of the Board of Directors or their households may not hold any proxies.

ARTICLE V.

BOARD OF DIRECTORS

Section 1. General Powers: The Board of Directors (Board) shall manage the business and all other affairs of the Association and shall be considered as speaking for the Association when making its decisions.

Section 2. Board Positions: The Board will consist of a President, a Secretary, a Treasurer and a Director-at-Large, each position to be held by a different individual.

Section 3. Eligibility Requirements for Director Positions: A candidate for election to the Board must be a Member in Good Standing and a full-time resident in the Airpark.

Once elected, a Director must continue to meet these eligibility requirements during their term of office. If a Director fails to remain eligible his or her service as a Board member will be suspended until he or she once again meets all the eligibility requirements or until the next Annual Meeting at which a new Director will be elected. A suspended Director will not participate in Board meetings nor have a vote on issues deliberated by the Board.

No more than one person from a Member household may hold a Board position at the same time.

Section 4. Election and Term: Except as specified in Sections 5 and 6, the election of Directors shall be held during the Annual Meeting. An affirmative vote by a simple majority is required to elect a Director.

The term of service for each director shall be three (3) years. The terms of the Directors except for Director-at-Large are to be staggered such that each year only one member of the Board is replaced. The term of office for the Director-at-Large begins and ends on the same date as that of the President.

A new President, Secretary, Treasurer or Director-at-Large shall assume office on March 1st of the year following his or her election.

During the period prior to assuming office the newly elected Director will attend the meetings of the Board of Directors, but will not have a vote.

Each Director shall hold Office until his/her death, resignation, removal or until his/her term of office expires.

- Section 5. Removal:** A Director(s) may be removed from office at a Special Meeting of the Members called for that purpose. An affirmative vote by seventy-five (75) percent of a quorum is required to remove a Director. If such action is taken, the replacement Director(s) shall be elected at the same meeting.
- Section 6. Vacancies:** Vacancies other than those covered in Sections 3 and 5 of this Article will be filled by a person mutually agreed upon by the remaining Directors and will serve until the next Annual Meeting. In the event the remaining Directors cannot agree on a replacement, a Special Meeting of the Members shall be called for the purpose of filling the vacancy.
- Section 7. Compensation:** There shall be no compensation for Directors.
- Section 8. Responsibilities of the President:** The President of the Association shall:
- Be the principal Executive Officer of the Association.
 - Answer to the Board of Directors, supervise and control the management of the Association in accordance with these By-Laws and the Covenants and Restrictions.
 - When present, preside at all meetings of Members.
 - Sign, along with any other Association Director, any deeds, mortgages, bonds, contracts, or other instruments that may be lawfully executed on behalf of the Association.
 - At his/her discretion, appoint Chairmen for various operating committees (other than the Architectural Review Committee). These Chairmen will report to the Board of Directors periodically, and will be empowered to select, through consultation with the President, their Committee members.
 - At the end of his or her term, may act as an Ex Officio of the Board of Directors for the purpose of continuity. The position of Ex Officio shall be as a non-voting member of the Board of Directors. The term as Ex officio shall be for one (1) year.
 - In general, perform all duties incidental to the Office of President, and other duties prescribed from time to time by the Board of Directors.
- Section 9. Responsibilities of the Secretary:** The Secretary of the Association shall:
- In the absence or disability of the President, perform the duties and exercise the powers of that office.
 - Keep accurate records of the acts and proceedings of all meetings of Members and Directors.
 - Give all notices required by law, these By-Laws or the Covenants and Restrictions.
 - Sign such instruments as may require his or her signature.
 - In general shall perform all duties incident to the office of Secretary and such other duties as may be assigned to him or her by the President or the Board of Directors.

Section 10. Responsibilities of the Treasurer: The Treasurer of the Association shall:

- Have custody of all funds and securities belonging to the Association and shall receive, deposit or disburse those funds under the direction of the Board of Directors.
- Keep full and accurate accounts of the finances of the Association in books especially provided for that purpose.
- Prepare a detailed financial statement for the Association and an annual budget and provide it to the Secretary in good time for inclusion with the notice of the Annual Meeting.
- Under the direction of the President, prepare and submit any necessary tax documents.
- Provide to any Member of the Association, within fifteen (15) days of receipt of written request, a copy of the Treasurer's report from the most recent Annual Meeting.
- Sign all checks, drafts, or other orders for payment of expenses issued in the name of the Association.
- In general, perform all duties incident to this office and such other duties as may be assigned to him or her by the President or the Board of Directors.

Section 11. Responsibilities of the Director-at-Large: The position of Director-at-Large of the Association was created to assure that a quorum would always be available for board meetings in the event of an absence by one of the Board members. The Director-at-Large shall:

- Attend Board meetings.
- Provide advice and counsel to the Board on any matters brought before it. Opinions expressed by the Director-at-Large will be given equal weight to those of other Board members.
- Perform those duties assigned by the President or Board of Directors.

ARTICLE VI.

BOARD MEETINGS

Section 1. Regular Meetings: Meetings of the Board of Directors shall be held at least quarterly, or more frequently if called by the President. The Board will hold such meetings within the Airpark and at the time and place determined by the President.

Section 2. Special Meetings: Special Meetings of the Board may be called by or at the request of any Director.

Section 3. Notice of Meetings: All Directors must be notified, either verbally or in writing, of the day, time and place of any meeting of the Board. Meetings which are regularly scheduled may be held without formal notice.

Section 4. Quorum: A quorum is required to conduct business at any Board meeting. The presence of three (3) Directors shall constitute such a quorum.

Section 5. Voting: The affirmative vote of two (2) Directors shall be considered the decision of the Board on any matter.

The Director-at-Large will not have a vote on issues deliberated by the Board unless one of the other Directors, who have been duly notified of the Board meeting, is not able to attend.

Section 6. Open Meeting: Any Member may attend a Board meeting as a spectator. Members will not have a vote on any issue.

The Board will close that portion of a meeting during which the issue under discussion involves an individual in the Airpark. The Board may close a meeting if, in its sole discretion, it determines that an issue is of a private or confidential nature.

ARTICLE VII. **GENERAL PROVISIONS**

Section 1. Reference to the Covenants and Restrictions: All references to the Covenants and Restrictions in this document shall mean those Covenants and Restrictions currently in effect as approved by the Association membership and filed with the Registrar of Deeds for Rowan County, North Carolina.

Section 2. By-Laws and Covenants and Restrictions: These By-Laws along with the Covenants and Restrictions shall be taken as a whole and both will be applied in the governance of the airpark, its residents and Lot Owners. The omission of a topic in this document which is included in the Covenants and Restrictions and vice versa shall not be construed as a contradiction and therefore unenforceable.

Section 3. Contracts: The Board of Directors may authorize any Director to enter into any contract or execute and deliver any instrument on behalf of the Association. Such authority shall be confined to specific instances.

Section 4. Loans: No loans shall be contracted on behalf of the Association unless approved by at least a seventy-five (75) percent majority vote of the Members in attendance at a Special or Annual meeting. The Association

cannot enter into more than one loan at any one time using real property as collateral.

Section 5. Deposits: All funds of the Association shall be deposited promptly into the appropriate bank account authorized by the Board of Directors.

The Association shall maintain at least two (2) separate bank accounts:

- A checking account shall be funded to an amount suitable to meet the everyday and/or anticipated current expenses.
- A Savings Account shall be maintained for all funds in excess of those required in the checking account.

In addition to a Savings Account funds may be deposited in a money market account and/or short term Certificate of Deposit. The use of a Certificate of Deposit shall require the approval and signature of two Directors. The drafting of a check and cash withdrawals from the Savings Account and the opening and closing of the Savings Account shall require the approval and signature of two Directors. The signature of one Director shall be sufficient to renew or extend a previously approved Certificate of Deposit for comparable terms and conditions.

Additional bank accounts may be opened upon authorization by the Board to meet any special financial needs.

Section 6. Fiscal Year: The fiscal year of the Association shall begin on January 1st and end on December 31st of each year.

Section 7. Amendments: These By-laws shall be changed only at a Special or Annual meeting of the Members. A motion to change the By-Laws requires approval by seventy-five (75) percent of a quorum.

Section 8. Earnings: No part of the net earnings of the Association shall go to the benefit of any individual Member, Director, or other person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Association

Section 9. Annual Budget and Financial Statement: Each year the Board of Directors shall prepare a detailed statement of the Association's current finances and a proposed budget for the next fiscal year which will include the anticipated costs of operating and maintaining the common areas of the Airpark, providing utilities and services, accumulating reserve funds and compensating for any collection difficulties.

Section 10. Day-to-Day Operations: Using the funds provided in the annual budget, as approved by the membership, the Board will operate and maintain the Airpark facilities.

The Treasurer may sign checks of any amount up to a total of \$5000 to any one vendor within a 12 month period without approval; checks for more than \$5000 require approval of the Board of Directors.

If expenses are incurred which exceed the available funds provided in the annual budget the Board may, at its discretion, use funds from the appropriate reserve up to \$5000.

Approval by a majority of the Members is required for any expenditure of reserves over \$5000. However if the expenditure is between \$5000 and \$10,000, the Board may call for a vote of approval by e-mail or letter, without calling a meeting. In this case, a response must be received from a quorum of the members in order for the vote to be valid. The results of any such vote will be published to the Members at the end of the voting. Any expenditure over \$10,000 requires the approval of a majority of those present at a Special or Annual meeting.

When the Association must pay for outside work, the Board of Directors will make every effort to get the best price possible for quality work. Except when dealing with emergencies, the Board shall make an effort whenever possible to get competitive bids before awarding a contract to outside contractors.

When it is in the best interest of the Association, Lot Owners may be hired to perform necessary work, provided that the cost is no more than what an outside contractor would charge. The work performed by a Lot Owner receiving reimbursement must be at least equal in quality to that of an outside contractor. In these cases, the Lot Owner(s) in question will be paid directly. Every transaction of this type is to be recorded by the Treasurer. The records shall be made available to any Member upon request.

ARTICLE VIII.

COLLECTIONS

Section 1. Assessments: The Treasurer will send a statement for the annual assessment to each Lot Owner on or about January 1st of each year.

That portion of the assessment which itemizes the cost of utilities and services shall include the amounts for fixed costs, which will be allocated

equally among all Lot Owners and direct (user) costs which will be allocated equally among the active users of each service.

The annual assessment may be paid either in a lump sum in January, at a 3% discount or in four (4) equal payments throughout the calendar year.

The lump sum payment and the first quarterly payment are due within two (2) weeks of the statement date. The remaining quarterly payments are due on April 15th, July 15th, and October 15th. There is no discount for quarterly payments.

The Treasurer will send a statement for any Special Assessments to each Member or Lot Owner, as appropriate when such assessments are approved. Special Assessments will be payable under the conditions established by the Members at the time the assessment is voted upon.

Section 2. Nonpayment of Assessments or Fines: In the event that a Lot Owner fails to pay any dues, fees, an assessment or a fine the Treasurer will make every effort to communicate with that Lot Owner and arrange proper payment. The Treasurer shall keep the Board of Directors informed of any such efforts as they occur.

Appropriate interest and collection fees as specified in the Covenants and Restrictions shall be charged on any delinquent account.

If a Lot Owner falls behind in any payments for three (3) months or more:

- All utilities and/or services offered to that Lot Owner may be terminated after a thirty (30) day notice.
- The Board shall attach a lien on every property in the Airpark possessed by that Lot Owner.
- The Lot Owner's membership in the Association shall be terminated.

If the owner continues to be in arrears for twelve (12) months:

- The Board shall take legal action to recover all monies owed plus appropriate interest and related expenses, including foreclosure and the subsequent sale of the property owned by that Lot Owner in Gold Hill Airpark.
- The Lot Owner will also be held personally liable for any delinquent payments and the Board shall pursue collection from any and all of the Lot Owner's other assets including foreclosure and the subsequent sale of any other property owned by the Lot Owner regardless of its location.

The Board may delay implementation of any of the above steps if it determines, in its sole discretion, that an unusual hardship exists or if a payment plan, acceptable to the Board, is presented by the Lot Owner.

If dues, fees, assessments or fines have not been paid and the delinquent Lot Owner offers his or her property for sale, the Board shall immediately place the appropriate liens on the property.

Section 4. Members Owning Multiple Lots: Solely for the purpose of calculating membership dues, fees and assessments, the following contiguous lots will each be considered a single lot:

- Lots 8 & 9 aka parcel ID 543 063 and 543 062;
- Lots 28, 29 & 30 aka parcel ID 543 043, 543 042 & 543 041;
- Lots 37 & 38 aka parcel ID 543 037;
- Lots 39 & 40 aka parcel ID 543 039 & 543 040; and
- Lots 42, 43, 44 aka parcel ID 543 080, 543 081 and 543 082.

No other property will be treated in this manner.

This special consideration will be ongoing regardless of any changes in the ownership of the Lots.

However, this special consideration will end for any Lot Owner of these Lots who:

- Separates, sells or transfers any part of the properties to another owner for any purpose,
- Builds a residence on any part of the properties for the use of anyone other than the Lot Owner.

If one of these events occurs that portion of the property which is separated, sold or transferred or on which a residence is constructed will be considered an individual Lot for which dues, fees, and assessments are due.

ARTICLE IX. WASTEWATER TREATMENT SYSTEM

Section 1. General: The Association has applied to the North Carolina Department of Environment and Natural Resources (DENR) for a permit, pursuant to G.S. 143-215.1, to operate and maintain a wastewater collection and treatment system. This permit must be renewed from time to time.

The Association agrees to accept certain duties and responsibilities required by DENR as specified in this permit. This Article will outline those duties and responsibilities as specified in an 'Operational Agreement' executed between DENR and the Association, dated May 12, 2006.

The agreements set forth in Section 2 of this Article are required by DENR to issue a permit.

A copy of the Association By-Laws reflecting this agreement shall be filed at the Register of Deeds for Rowan County.

Section 2. Mutual Agreement: The Association shall properly operate and maintain the wastewater system in accordance with applicable permit provisions and law and shall make additions or modifications to the system in accordance with the permit, plans and specifications issued and approved by DENR.

This Article of the By-Laws hereby affirms that the entire wastewater collection and treatment system is a part of the Common Area of the Airpark and as such shall be properly maintained and operated. Furthermore, the wastewater system will receive the highest priority for expenditures by the Association except for Federal, State, and local taxes and insurance.

The Association shall include as a part of the annual budget, adequate funding to assure that the wastewater system will be properly operated and maintained. To assure that there will be funds readily available for costs beyond the routine expenses, a separate reserve fund will also be established as part of the annual budget for the Association.

In the event the annual budget allocation and the reserve fund are not adequate, the Association shall enact special assessments to cover any necessary costs. There shall be no limit on the number or amount of the special assessments for this purpose.

If a wastewater collection and treatment system provided by any private entity or government unit becomes available to serve the Airpark, the Association will take whatever action is necessary and will convey or transfer as much of the wastewater system and the necessary easements as may be required so that the wastewater of the Airpark will be accepted into that system.

Recognizing that it would be contrary to the public interest for the Association to voluntarily dissolve without making adequate provision for the continued operation and maintenance of its wastewater system, the Association agrees not to enter into any voluntary dissolution without first transferring its system and facilities to some person, corporation or other entity which has received a permit from DENR.

Section 3. Wastewater System Limitations: The wastewater system has capacity limitations and is subject to strict governmental oversight and operating

requirements. Therefore, the Association reserves the right to refuse any new services when necessary to comply with permit requirements and to discontinue any non-compliant service.

ARTICLE X. **ENFORCEMENT OF THE BY-LAWS AND THE COVENANTS AND RESTRICTIONS**

Section 1. **General:** The Board of Directors shall enforce these By-Laws and the Covenants and Restrictions (C&Rs) of Gold Hill Airpark. Any issue in question will be resolved in the least confrontational manner possible, with legal action taken only after all attempts at negotiation have failed.

Section 2. **Violations Deemed a Nuisance:** Every violation of the By-Laws or C&R's is deemed to be a nuisance and is subject to all the public and private remedies allowed by law or in equity for the abatement of the violation.

Section 3. **Compliance:** Each property owner whose property is subject to the Gold Hill Airpark By-Laws and C&R's shall comply with the provisions of those documents. Failure to comply shall be grounds for penalties as specified in Section 4 of this Article.

Section 4. **Penalties for a Violation:** The Board may impose a fine of up to one hundred (100) dollars per occurrence or one hundred (100) dollars per day if a violation is an on-going one, as authorized in the C&Rs.

Section 5. **Procedures to Remedy a Violation:** The Board shall notify a Lot Owner in writing of a violation and give the violator a reasonable amount of time, but no less than seven (7) days, to correct the violation. If the violation is not corrected by the end of this compliance period, the Board shall impose a fine.

The fine must be paid by the end of each seven (7) day period beginning on the date of the fine. If the fine is not paid, it will be treated as a nonpaid expense, the collection of which is covered under Article VIII, Section 2.

Section 6. **Appeals:** A Lot Owner notified of a violation will have seven (7) days from the date of the Board's notice to request a meeting with the Board to dispute the violation or request a longer time frame for correcting the violation. The Board will make every effort to schedule this meeting as soon as possible.

If, after meeting with the Board, the Lot Owner is not satisfied with the Board's decision, the Lot Owner shall have thirty (30) days from the date of the meeting to call a Special Meeting of all Association Members to appeal the Board's decision.

If a Special Meeting is called the imposition of the fine will be withdrawn until the Special Meeting is held.

A Lot Owner calling for a Special Meeting will be responsible for notifying all Members of the meeting, securing a place for the meeting and for covering all costs associated with the meeting.

The Board of Directors will conduct the meeting in the same manner as the Annual Meeting. A quorum as specified in the By-Laws for an Annual Meetings is required. If a quorum is not present the Board will adjourn the meeting of those present and no further meetings on the violation will be called.

If a quorum is present, the Board shall explain the nature of the violation, the decision of the Board to issue a violation and cite the appropriate part of the By-Laws or C&Rs governing the violation. The Lot Owner will be given the opportunity to explain why the violation should not be imposed and/or request an exception to the applicable rule. The Members will vote on the issue or request by the Lot Owner by a show of hands. Any Member can request a vote by secret ballot which will be granted.

If a quorum is not present or the Lot Owner's appeal is rejected by the Members, the Lot Owner shall have the period of time specified in the initial written notice of violation, starting on the date of the Special Meeting, to correct the violation. The Lot Owner may request additional time for compliance which may be granted at the sole discretion of the Board.

If the violation is not corrected by the end of the specified time period, the Board of Directors shall again impose the appropriate fine. The fine must be paid by the end of each 7 day period beginning on the date of the fine. If the fine is not paid, it will be treated as a nonpaid expense, the collection of which is covered under Article VIII, Section 2.

Final compliance to correct a violation will not be grounds for waiving any incurred fines.

The Board may, at any time following the compliance period take legal action to recover damages or for injunctive relief to cause any such violation to be remedied, or both.

In addition to the remedies set forth in this Article, any violation of the By-Laws or C&R's shall give the Association the right to enter upon the offending premises or take appropriate peaceful action as allowed by law to abate, remove, modify or replace, at the expense of the violator (offending Lot Owner) any structure, thing or condition that may exist thereon contrary to the interest and meaning of the By-Laws or C&R's.


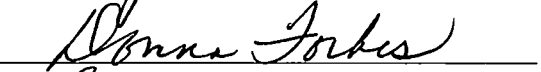


Section 7. Recovery of Costs: If legal assistance is obtained to enforce any of the provisions of the By-Laws or C&R's, or in any legal proceeding (whether or not suit is brought) for damages or for enforcement of the By-Laws or C&R's, or for the restraint of violations of the By-Laws or C&R's, the Association shall be entitled to recover all costs incurred by it in such action, including reasonable attorney's fees as may be incurred, or if suit is brought, as may be determined by the Court.

ARTICLE XI. CERTIFICATION


This document is hereby certified as being the correct version of the Gold Hill Airpark Homeowners' Association By-Laws effective October 14, 2017 as approved by vote of the Association membership.

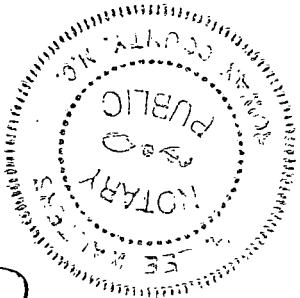
In TESTIMONY WHEREOF, the elected representatives of the Association have hereby set their hands in Rowan County, North Carolina.

ROWAN COUNTY, NORTH CAROLINA
I certify that the following persons personally appeared before me this day, each acknowledging to me that he or she signed the foregoing document:

| | |
|--------------------------------|--|
| | GOLD HILL AIRPARK HOMEOWNERS' ASSOCIATION, INCORPORATED |
| John B. Ciolino, President |  |
| Donna Forbes, Secretary |  |
| Elizabeth Blake, Treasurer |  |
| Ron Schreck, Director-at-Large |  |

Date: November 14, 2017


H. Lee Walters



My Commission Expires: February 15, 2020