

BYLAWS

of the

Gold Hill Airpark



Home Owner's Association

As Amended December 13, 2014

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BYLAWS of the
Gold Hill Airpark Home Owner's Association
Amended October 21, 2013

ARTICLE I.

OFFICES

Section 1. Principal Office:

The principal office of the Gold Hill Airpark Home Owners Association (hereinafter referred to as the Corporation) shall be located in Rowan County, North Carolina.

Section 2. Registered Office:

The registered office of the Corporation will be the same as the principal office.

Section 3. Other Offices:

There will be no other offices of the Corporation.

ARTICLE II.

PURPOSE

Section 1. General:

The Bylaws governing the Corporation are designed to ensure the representation of the majority of the Members of the Gold Hill Airpark Home Owners Association. The Corporation was organized for the purpose of providing for the preservation and enhancement of the value, attractiveness and desirability of all Common Areas, facilities and those lots or parcels of land, known to be a part of the Gold Hill Airpark, the same as duly dedicated, platted and recorded among the land records of Rowan County, Register of Deeds and any such additions of land thereto which from time to time may be brought within the jurisdiction of the Gold Hill Airpark.

The Gold Hill Airpark was established as a private Residential Community, designed for the use of residents and/or land owners who are General Aviation enthusiasts who participate in various aviation activities including the flying of small General Aviation aircraft. The Corporation shall have the responsibility to ensure there are no commercial/industrial businesses or operations of any type, permitted to operate from the Gold Hill Airpark.

1. This restriction applies to any business which increases air or street traffic or causes extra vehicles or equipment to be parked on the premises.
2. This restriction is not meant to prevent reasonable guest or visitor traffic, i.e. no more than three (3) movements per week.

ARTICLE III.

MEETINGS of MEMBERS

Section 1. Place of Meetings:

All meetings of the Members will be held at the Principal Office of the Corporation or at any other location convenient to Gold Hill Airpark as designated by the President.

Section 2. Annual Meetings:

The Annual Meeting of the Members shall be held in October of each calendar year, for the purposes of approving the following calendar year's budgets, for the election of Directors, and for the transaction of such other business as may be properly brought before the Meeting. The Board of Directors shall give notice of the date, time, and place of said Annual Meeting.

Section 3. Substitute Annual Meeting:

If the Annual Meeting shall not be held on the day designated by the notice giving the day and time of the annual meeting, a Substitute Annual Meeting may be called in accordance with the provisions of Section 4 of this Article. A meeting so called shall be designated and treated for all purposes as the Annual Meeting.

Section 4. Special Meetings:

Special Meetings of the Members may be called at any time by two (2) Officers of the Corporation. Also, Special Meetings of the Members may be called at any time by at least one (1) Member and one (1) Officer: The Member and Officer must pay the costs of reproduction and postage necessary to meet the provisions of Section 5 of this Article. In any Special Meeting called by a Member and an Officer, one of the items of business will be deciding whether or not to reimburse that Member's and that Officer's costs.

Section 5. Notice of Meetings:

Written or printed notice stating the time and place of the Annual Meeting shall be delivered not less than ten (10) days or more than fifty (50) days before the date thereof, either personally or by mail, by or at the direction of the Officer calling a Special Meeting, to each Member.

In the case of an Annual or Substitute Annual Meeting, the notice for the Meeting shall include: A) A detailed financial statement for the Corporation; and B) The proposed budget for the year.

In case of an Annual or Substitute Annual Meeting, the notice of Meeting need not specifically state the business to be transacted. In the case of a Special Meeting, the notice of Meeting shall specifically state the purpose or purposes for which the Meeting is called.

When a Meeting is adjourned the notice for resumption of the adjourned Meeting shall be given as in an original Meeting.

Section 6. Voting Lists:

The Secretary of the Corporation shall at all times keep a current list, including address and telephone number, of all Members in good standing (as per Article VII, Section 2.) eligible to vote. This list will be made available to any Member upon request.

Section 7. Quorum:

Two thirds (2/3) of the Members in good standing, as per Article VII, Section 2, physically present or represented by proxy (as per Article III, Section 8), shall constitute a quorum at a meeting of Members. If no quorum is present at the beginning of a meeting, that meeting will be adjourned, and another meeting will be scheduled in accordance with Section 4 of this Article.

Section 8. Voting:

Each Membership in good standing as per Article VII, Section 2 shall have one (1) vote on each matter submitted to a vote at a meeting of Members. Memberships having more than one individual attending meeting must decide who will vote for that Membership. In any vote in which such a Membership cannot agree on its vote, that Membership will be counted as if having abstained. The vote of a majority on any matter at a meeting of Members at which a quorum is present shall be the act of the Members on that matter, unless the vote of a greater number is required by law, or by the charter of the Corporation.

Voting on all matters except the election or removal of Directors or the approval of Amendments to the formal Documents of the Corporation shall be by a show of hands. Voting for the election or removal of Directors and the approval of Amendments to the formal Documents of the Corporation shall be by secret written ballot.

A proxy will be considered valid under the following conditions:

a.) The member granting the proxy must be a member in good standing as per Article VII, section 2 as of the date of the meeting.

b.) The person designated to act as a proxy must be, in turn, a member of the corporation in good standing as per Article VII, Section 2.

c.) The member designated as a proxy must present a signed proxy form or letter or an e-mail, from the member granting the proxy, to the secretary of the corporation prior to the beginning of the meeting. If the proxy is in the form of an e-mail, the message section of the e-mail must contain a statement similar to the following:

“I, (name of person giving the proxy), hereby authorize (name of member to whom the proxy is given) to exercise my vote on all matters which are brought before the (Annual or Special) meeting held on (date of meeting).”

The sender’s e-mail address on the proxy e-mail must match the e-mail address on the airpark roster.

ARTICLE IV.

DIRECTORS

Section 1. General Powers:

The Board of Directors shall manage the business and all other affairs of the Corporation.

Section 2. Number and Eligibility Requirements:

The Board of Directors of the Corporation will consist of a Chairman, a Vice-Chairman, and at least two other Directors, each position to be held by a different individual. Qualification of a candidate for election to the Board of Directors is to be a full time resident of a Member’s household in the Airpark that is in full compliance with all requirements pertaining to Membership. Each Director of the Board must remain in full compliance with all requirements pertaining to membership during their term as a Director. No more than one person from a membership household may hold a Board of Directors position concurrently.

Section 3. Election and Term:

The Directors of the Corporation will be elected by secret ballot at the Annual Meeting of Members in good standing as per Article VII, Section 2. An affirmative vote by more than 50% of a quorum is required to elect an Officer. The term of service for each Officer is to be three (3) years. Except for the position of Director-at-Large (new as of October 18, 2014), the terms of the Officers are to be staggered such that each year only one member of the Board of Directors is replaced. The initial term of office for the Director-at-Large begins on October 18, 2014 and ends on the same date as that of the President. Thereafter, the term of the Director-at-Large parallels that of the President. The new Director (with the exception of the initial term of office for the Director-at-Large) will assume the responsibility of the elected office on the 1st day of July of the next year. During the period prior to assuming Office the newly designated Director is expected to attend the Meetings of the existing Board of Directors. Each Director shall hold Office until his/her death, resignation, removal (in accordance with Section 4 of this Article) or until his/her term of Office expires. Consecutive terms in the same Office by any person are discouraged.

Section 4. Removal:

A Director or Directors of the Corporation may be removed from office at a Special Meeting of the Members called for that purpose. An affirmative vote by more than 75% of a quorum (2/3 of the members in good standing, as per Article VII, Section 2) is required to remove a Director. If such action is taken, the replacement Director(s) shall be elected at the same Meeting.

Section 5. Vacancies:

Vacancies other than those covered in Section 4 of this Article will be filled, until the next Annual Meeting of the Members in good standing as per Article VII, Section 2, by a person mutually agreed upon by the remaining Directors. In the event the remaining Directors cannot agree on a replacement, a special meeting of the Members will be called for the purpose of filling the vacancy.

Section 6. Compensation:

There shall be no compensation for Directors.

ARTICLE V.

MEETINGS of DIRECTORS

Section 1. Regular Meetings:

Meetings of the Board of Directors shall be held at least quarterly, or more frequently as necessary for satisfactory conduct of Corporation business. The Board of Directors may hold such meetings within the State of North Carolina at such time and place as the Chairman may determine.

Section 2. Special Meetings:

Special Meetings of the Board of Directors may be called by or at the request of any Director.

Section 3. Notice of Meetings:

Regular meetings of the Board of Directors may be held without formal notice so long as a quorum is present.

Section 4. Quorum:

At any meeting of the Board of Directors a total of 75% of the Directors shall constitute a quorum for the transaction of business.

Section 5. Manner of Acting:

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors when only three (3) members comprise the total Board. The act of 75% of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors when more than three (3) members comprise the total Board.

ARTICLE VI.

OFFICERS

Section 1. Number, Term, and Qualifications:

The officers of the Corporation shall consist of a President, Secretary, and Treasurer. The Chairman of the Board shall be the President, the Vice-Chairman of the Board shall be the Secretary, the third Director shall be the Treasurer, and the fourth Director shall be the Director-at-Large. Each Officer of the Corporation shall hold Office as long as he or she remains a Director of the Corporation.

Section 2. Compensation:

There shall be no compensation for officers.

Section 3. President:

The President shall be the principal Executive Officer of the Corporation, and shall, answering to the Board of Directors, supervise and control the management of the Corporation in accordance with these Bylaws.

The President shall, when present, preside at all meetings of Members. He or she shall sign, with any other Corporate Officer, any deeds, mortgages, bonds, contracts, or other instruments that may be lawfully executed on behalf of the Corporation. In general he or she shall perform all duties incident to the Office of President, and other duties prescribed from time to time by the Board of Directors.

The President shall, at his/her discretion, appoint Chairmen of various operating committees such as Chairman of the Maintenance Committee, Chairman of the Architectural Committee, etc. as he perceives desirable. These Chairmen will be expected to 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, the past President shall act as a Governor of the Board of Directors for the purpose of continuity. The position of Governor shall be as a non-voting member of the Board of Directors but the Governor shall retain all rights and privileges otherwise due him or her as a member in good standing as per Article VII, Section 2. The term of the Governor of the Board of Directors shall be for one (1) year.

Section 4. Secretary:

The Secretary shall, in the absence or disability of the President, perform the duties and exercise the powers of that office. The Secretary shall keep accurate records of the acts and proceedings of all meetings of Members and Directors. He or she shall give all notices required by law and by these Bylaws. He or she shall sign such instruments as may require his or her signature, and in general shall perform all duties incident to the office of Secretary and such other duties as may be assigned him or her from time to time by the President or by the Board of Directors.

Section 5. Treasurer:

The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit or disburse the same under the direction of the Board of Directors. He or she shall keep full and accurate accounts of the finances of the Corporation in books especially provided for the purpose. He or she shall prepare a detailed financial statement for the Corporation and provide it to the Secretary in good time for inclusion with the notice of Annual Meeting of Members. He or she shall, under the direction of the President, prepare and submit any necessary tax documents. He or she shall provide to any Member of

the Corporation, within fifteen (15) days of receipt of written request, a copy of the Treasurer's report from the most recent Annual Meeting. The Treasurer shall, in general, perform all duties incident to this office and such other duties as may be assigned to him or her from time to time by the President or by the Board of Directors.

Section 6. Director-at-Large

The position of Director-at-Large was created to assure that a quorum would always be available for board meetings in the event of an extended absence by one of the board members.

The Director-at-Large shall attend Board of Director meetings and provide advice and counsel to the board on any matters brought before it. He or she shall have the right to be heard on all issues and opinions expressed by the Director-at-Large will be given equal weight to those of other Board members.

He or she will also perform those duties assigned by the President or Board of Directors.

The Director-at-Large will not have a vote on issues deliberated by the board unless one of the other Directors is absent.

ARTICLE VII.

MEMBERS

Section 1. General:

The Bylaws governing Membership are designed to ensure that the Corporation is representative of a majority of Members of the Gold Hill Airpark Home Owners Association. It is the express intent of these Bylaws to prevent an individual, family, company, or other such group, from gaining "control" of the Corporation and operating it in contrast to the will of the majority of the Membership. For that reason, the number of lots or amount of land owned does not change the number of Memberships to which a person or group may belong.

Section 2. Membership Requirements:

Only individuals, families, companies or groups owning land in Gold Hill Airpark are eligible to join the Corporation. All Memberships must agree, either as part of their deed or by separate legal document, to pay their share of all assessed fees, and to abide by the Declaration of Covenants and Restrictions imposed on Gold Hill Airpark (as recorded in Deed Book 1046 Page 633) Rowan County, North Carolina.

Any membership meeting the above requirements who remains fully paid up with all fees, dues, assessments and maintenance costs as voted on and approved by the members of the corporation shall be considered a "**Member in Good Standing**".

Section 3. Membership Initiation Fee:

Any lot owner in Gold Hill Airpark whose property has not been subjected to:

1. Adherence to the Declaration Statement of Covenants and Restrictions imposed on Gold Hill Airpark (as recorded in Deed Book 1046, Page 633) Rowan County, North Carolina since the date of Incorporation of the Gold Hill Airpark Home Owners Association; and/or
2. Payment of all assessed dues, fees, and maintenance costs that have been properly and duly imposed on the Members for the operation and enhancement of the Airpark for the benefit of all lot owners since the date of Incorporation of the Gold Hill Airpark Home Owners Association;

will be subjected to payment of an initiation fee, in addition to the other requirements detailed in the Documents, in order to qualify for Membership in the Corporation and to qualify to use the Common Areas. The amount of the Initiation Fee will be equal to the total amount that each Membership of the Gold Hill Airpark Home Owners Association has paid since the date of said Incorporation for all said assessed dues, fees, and maintenance costs. 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 4. Duration:

Memberships may continue in the Corporation for as long as they own property in the Airpark, remain fully paid-up with all assessments and are in compliance with the Declaration of Covenants and Restrictions imposed on Gold Hill Airpark (as recorded in Deed Book 1046, Page 633), Rowan County, North Carolina.

Section 5. Former Members:

Former Members of the Corporation, who quit while still eligible for Membership or whose Membership is terminated under the provisions of Section 4 of this Article, may re-join the Corporation, if they are otherwise eligible, by paying all monies that would have been payable had that former Member maintained continuous Membership.

Section 6. Plural Memberships:

No one individual, corporation, or other entity, can be part of more than one Membership.

Section 7. Membership of Residents Receiving Airpark Utilities & Services:

Any individual, family, company, or group who owns land in Gold Hill Airpark who may receive utilities and/or services from the Corporation, shall be a member of the Corporation provided:

1. Any individual, family, company, or group is a member in good standing.
2. A home has been constructed on the owner's property and the home is being used as a residence in the Airpark.
3. All connections between the home and the Airpark central utility service have been completed in accordance with established specifications.

Each member of the Corporation shall have equal voting rights on all matters concerning the Utilities and Services provided to that member by the Corporation, regardless of which Section of this Article determines eligibility for membership. However, for members whose eligibility is determined solely because they receive utilities and/or services provided within the Airpark, the following shall apply:

1. These members shall be known as "Utilities and /or Services Members".
2. Utilities and/or Services Members shall not be required to pay membership dues. However, they will be required to pay an equal share of the associated cost of providing to them the utilities and/or services they receive. Article XI, of these Bylaws, entitled Collections, shall provide a basis for the allocation of costs.
3. Utilities and/or Services members shall not share in the ownership of any real property currently owned by the Corporation or any real property which may be acquired in the future unless their membership status in the Corporation has changed. Article VII of these Bylaws, entitled Members, provides for a change of membership status.
4. Utilities and/or Services members shall not have a vote on any other matter/s of Corporation business that does not pertain to the Utilities and/or Services provided to that member
5. Utilities and/or Services members in good standing may vote, by mail, to approve or disapprove the annual budget established for the utilities and/or services they receive, on ballots posted to them on the day of each Annual Meeting of the Corporation. Their voted ballot must be post marked within thirty (30) days of the postmark on the ballot in order to be recorded as a valid vote.

The Gold Hill Airpark's central utilities have capacity limitations and are subject to strict Governmental oversight assuring strict operating guidelines and specifications. Therefore, the Corporation reserves unto itself the right to refuse any new services when necessary to comply with requirements and to discontinue any non-compliant service.

Section 8. Associate Members:

In view of the unique juxtaposition of the Airpark with the properties of Eric Cox, Ray Hill and Jimmy Hill, and with the unique contractual issues concerning Airpark use of some property of Jimmy Hill, a category of membership for the Airpark is hereby established called Associate Membership.

- There are three (3) Associate Memberships:
 1. The Eric Cox household so long as it is in residence adjacent to the Gold Hill Airpark.
 2. The Jerry Ray Hill household so long as it is in residence adjacent to Gold Hill Airpark.
 3. The Jimmy Leo Hill household so long as it is in residence adjacent to Gold Hill Airpark.
- Associate Memberships will not carry forward to future owners of these properties.
- Associate Memberships will have no fees or dues.
- Associate memberships will have no voting rights.
- Associate memberships will be kept informed of and invited to join in all Airpark social activities.
- Associate memberships shall not share in the ownership of any real property currently owned by the Corporation or any real property, which may be acquired in the future unless their membership status in the Corporation has changed.
- Associate memberships may be offered services, sharing equally in the costs of these services as other members are charged.

Section 9. Membership of Landowners who Own Certain Lands Adjacent to Gold Hill Airpark and Who Have ‘Right-of-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 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 as noted in this Section of the Bylaws.

Since Members of the Association, whose eligibility for Membership is determined under the provisions of this Section of the Bylaws, are owners of land outside of the subdivision, Phases I & II, as approved by the County of Rowan, the following shall apply:

1. Reference Article III, Directors, All Sections and Article V, Officers, All Sections. Members shall be ineligible to serve as a Director or Officer of the Gold Hill Airpark Homeowners Association.

2. Reference Article IV, Meetings of Directors. Not applicable
3. Reference Article VI, Members:
 - Section 2. Membership Requirements. Owners of land adjacent to the Gold Hill Airpark, who qualify for membership under this Section of the Bylaws, who have no previously imposed Covenants and/or Restrictions on their lands, may have the option to subject their land to the Gold Hill Airpark Covenants and Restrictions (as recorded in Deed Book 1046, Page 633, Register of Deed, Rowan County, North Carolina).
 - Section 3. Membership Initiation Fee. Not Applicable.
 - Section 7. Membership of Residents Receiving Airpark Utilities & Services. Not applicable.
4. Reference Article XI, Dissolution. All Sections. Not applicable.

ARTICLE VIII.

CONTRACTS, LOANS, and DEPOSITS

Section 1. Contracts:

The Board of Directors may authorize any Officer or Officers to enter into any contract or execute and deliver any instrument on behalf of the Corporation. Such authority shall be confined to specific instances.

Section2. Loans:

No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by at least a seventy-five percent (75%) majority vote at a Meeting of Members at which a quorum remains. The Corporation cannot enter into more than one loan at any one time using real property as collateral.

Section 3. Checks and Drafts:

All checks, drafts, or other orders for payment of budgeted expenses issued in the name of the Corporation shall be signed by the Treasurer. The Treasurer may sign checks up to \$5000 without approval; checks above \$5000 require approval of the Board of Directors. In the event the Treasurer is unable, for any reason, to exercise his/her signing authority the President may delegate in writing this authority to another Officer at his/her discretion.

Section 4. Deposits:

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such depositories as the Board of Directors shall direct.

The Corporation shall maintain two (2) separate bank accounts: A Checking Account for every day and/or anticipated current expenses and an interest bearing Savings Account for the Corporation's reserve funds. The Savings Account could include Money Market and short term Certificates of Deposit.

Checking Account: This account shall be funded to an amount suitable to meet the everyday and/or anticipated current expenses. Moneys on hand in excess of requirements shall be deposited into the Savings Account. The signature of the designated Officer (Section 3 of this Article) shall be required for checks drawn on the Checking Account.

Savings Account: The origination of any Financial Instrument such as a Certificate of Deposit shall require the approval and signature of two Officers of the Corporation. 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 Officers of the Corporation. The signature of one Officer shall be sufficient to renew or extend a previously approved Financial Instrument for comparable terms and conditions.

ARTICLE IX.

GENERAL PROVISIONS

Section 1. Waiver of Notice:

Whenever any notice is required to be given to any Member or Director under North Carolina Law or under the provisions of the charter or Bylaws of this Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 2. Fiscal Year:

The fiscal year of the Corporation shall end on December 31st of each year.

Section 3. Amendments:

These Bylaws may be amended or repealed, and new Bylaws may be adopted, only at a meeting comprised of a quorum (by presence and/or proxy) of members. A vote by members in good standing to amend, repeal, or adopt a Bylaw requires a 75% approval by the quorum to carry.

Section 4. Earnings:

No part of the net earnings of the Corporation shall enure to the benefit of its Members, Directors, Officers or other persons, except that

the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the exempt purposes of the Corporation.

ARTICLE X.

OPERATIONS

Section 1. Annual Budget:

Annually, the Board of Directors will prepare a detailed proposed Annual Budget for the anticipated costs of operating, maintaining, and providing services to the common areas of Gold Hill Airpark for the next fiscal year. This proposed budget shall be included in the notice given to all Members for the Annual Meeting. At the Annual Meeting of Members, attending Members will approve an Annual Budget for the next fiscal year.

The Annual Budget will include all anticipated costs of operating, maintaining and repairing of facilities and accumulation of reserve funds for replacing facilities in place and include anticipated costs involved with collections difficulties.

Section 2. Corporation Expenses:

Annually the Board of Directors will include the anticipated expenses of operating the Corporation for the following fiscal year within the Annual Budget.

Section 3. Day-to-Day Operations:

Staying within the budget approved in accordance with Section 1 of this Article, the Board will operate, maintain, and keep-up the facilities. 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. If this occurs the Board will promptly notify the membership of the amount and cause of the expenditure.

Approval by a majority of the membership 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 a majority of the members in good standing by e-mail or letter, without calling an HOA meeting. The results of any such vote will be published to the membership at the end of the voting. Any expenditure over \$10,000 requires the approval of a majority of the membership at an HOA meeting at which a quorum is present.

Where the Corporation 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, when bidding outside contractors, competitive bids must be sought prior to awarding a contract.

Where it is in the best interest of the Corporation, lot owners may be hired to perform necessary work, provided that it is at least as cheap to do so as to hire someone from the outside. The work performed by a lot owner receiving reimbursement must be at least equal in quality as 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 in good standing upon request.

Section 4. Covenants and Restrictions:

The Officers of the Corporation will enforce the Covenants and Restrictions 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.

ARTICLE XI.

COLLECTIONS

Section 1. Services:

The Treasurer will send statements to each lot owner, where services are made available, of the following:

1. Fixed Cost: The fixed cost will be allocated equally among lot owners where services have been made available.
2. Direct Expenses: The direct expenses will be allocated equally among the active users of each service.

This bill may be paid in lump sum, (at a 3% discount), within 2 weeks of receipt of bill; or may be paid quarterly (1/4 of the total without discount): 1st Quarter within 2 weeks of receipt of bill and thereafter prior to April 15, July 15, and October 15.

Section 2. Exempted Lot Owners:

There are no exempted lot owners. All owners are liable for the payment of their fair share of expenses for the services offered as defined in Article XI, Section 1, for the maintenance and operation of the Gold Hill Airpark.

Section 3. Nonpayment of Expenses:

In the event of a lot owner failing to pay the appropriate share of expenses, the Treasurer will make every effort to communicate with that lot owner and arrange proper payment, keeping the Board of Directors informed in good time. Appropriate interest and collection fees may be charged on any delinquent account.

Should a lot owner fall behind in payments for three (3) months or more:

- a.) All services offered to said lot owner may be terminated after a thirty (30) day warning notice.

- b.) The Board of Directors will initiate appropriate legal action to attach a lien on every property possessed by that owner in Gold Hill Airpark.
- c.) If the lot owner involved is a Corporation Member, that Membership will be terminated.
- d.) Should that owner continue to be in arrears for twelve (12) months the Board of Directors is to take all measures within the full extent of the law to recover all owed monies plus appropriate interest and related expenses including foreclosure on, and subsequent sale of, the property owned by that lot owner in Gold Hill Airpark,
- e.) The lot owner will also be held personally liable for any delinquent fees, and the Board of Directors will pursue collection from any and all of the lot owner's other assets including foreclosure on, and subsequent sale of, any other property owned by the lot owner regardless of its location.

The Board of Directors 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 a violation for non-payment of Dues and/or Fees exists and a Contract of Sale of the subject property has been executed, then the Board of Directors is empowered to seek appropriate liens immediately.

Section 4. Members Owning Multiple Lots:

Policy prior to 2/29/04 has been that memberships that own two (2) contiguous lots (i.e. adjacent lots that have a common property line) and memberships that own three (3) contiguous lots (i.e. a central lot that has a common property line with each of the two (2) adjacent lots) and that were acquired prior to 2/29/04 will be assessed membership fees, dues and other assessments equal to those assessed to memberships that own a single lot.

This policy only applies to the following contiguous properties:

Lots 8 & 9 aka Tax ID 063 and 062;
Lots 15, 16 and 17 aka Tax ID 057, 056 & 055;
Lots 28, 29 & 30 aka Tax ID 043, 042 & 041;
Lots 37 & 38 aka Tax ID 037;
Lots 39 & 40 aka Tax ID 039 & 040; and
Lots 42, 43, 44 aka Tax ID 080, 081 and 082.

This policy is not applicable to any other properties acquired after 2/28/04.

For the above identified lots, this policy shall be in force until one or both of the following events occurs, regardless of the date of purchase or the transfer of ownership: (1) part of the properties (lots) is separated, sold or transferred to another owner for any purpose; (2) a residence is built on any part of the contiguous properties for the use of anyone other than the lot owner. At that time, this policy is no longer valid and membership fees, dues and other assessments will be due on all the contiguous properties.

Any HOA member that owns more than one lot in Gold Hill Airpark will qualify for only one vote on all airpark matters despite paying more than one (1) membership assessment.

ARTICLE XII.

DISSOLUTION

Section 1. General:

The Corporation is intended to be a perpetual organization in place to take care of necessary functions for the Airpark. However, there exist remote possibilities such as condemnation of the property for highway construction, which would require the dissolution of the Corporation.

Section 2. Sale of Property:

In the event of the dissolution of the Corporation, the Board of Directors will negotiate the best possible deal with the purchaser(s) or other persons, groups, or organizations desiring to obtain the property.

Section 3. Distribution of Proceeds:

After the completion of all transactions concerning property owned by the Corporation, the Board of Directors will disburse funds as follows:

- Pay off any just debts of the Corporation.
- Make any other disbursements required by law.
- Divide any remaining funds evenly among the Memberships in good standing (fully paid-up) and that have been fully participating Memberships for the preceding three (3) years.

ARTICLE XIII.

INDEMNIFICATION

Section 1. Indemnification:

The Corporation shall indemnify every Director, Officer, and other officially designated Agent, or former Director, Officer, and other officially designated Agent, and their respective successors, personal representatives and heirs against all losses, costs, and expenses, including

counsel fees reasonably incurred by such person in connection with any action, suit, or proceeding to which such person may be made a party by reason of such person's being or having been a Director, Officer, or other officially designated Agent of the Corporation, except as to matters in which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of such person's duties as such Director, Officer or duly designated Agent. The foregoing rights shall not be exclusive of other rights to which such Director, Officer, or other officially designated Agent may be entitled. All liability, loss, damage, cost, and expense arising from or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as a common expense.

ARTICLE XIV. WASTEWATER SURFACE IRRIGATION SYSTEM

Section 1. General.

The Corporation accepts certain duties, responsibilities and conditions as issued by the State of North Carolina Environmental Management Commission, hereinafter known as the Commission, for the issuance of a permit to maintain, repair and operate the Sewer Wastewater Surface Irrigation System as a common element of the Gold Hill Airpark. This Article of the Bylaws will outline the Corporation's responsibilities to the Commission as specified in an 'Operational Agreement' executed between the Commission and the Corporation, dated May 12, 2006.

Section 2. Purpose.

The Corporation was formed for the purpose, among other things, of handling the property, affairs and business of the development of the Gold Hill Airpark (hereinafter the Development); of operating, maintaining, reconstructing, and repairing the common elements of the Airpark, including the wastewater collection system with pumps, wastewater treatment works, and/or disposal facilities (hereinafter Disposal System); and of collecting dues and assessments to provide funds for such operation, maintenance reconstruction and repair.

The Corporation desires to operate the Disposal System to provide sanitary wastewater disposal to serve the Development.

The Corporation has applied to the Commission for the issuance of a permit pursuant to G.S. 143-215.1 to maintain and operate the Disposal System. The current permit will be renewed from time to time as required.

The Commission desires to assure that the Disposal System of the Development is properly constructed, maintained and operated in accordance with the law and permit provisions in order to protect the quality of the waters of the State and the public interest therein.

Section 3. Corporation and Commission Mutual Agreement.

The Corporation shall make any additions or modifications to the Disposal System in accordance with the permit and plans and specifications hereinafter issued and approved by the Commission, and shall thereafter properly operate and maintain such systems and facilities in accordance with applicable permit provisions and law.

This Article and Section of the Corporation Bylaws hereby affirms that the Disposal System and appurtenances thereto are a part of the common elements of the Airpark and as such shall hereafter be properly maintained and operated in conformity with law and the provisions of the

permit for reconstruction, operation, repair, and maintenance of the system and facilities. Under the provisions of this Bylaw, the Corporation recognizes and identifies the entire wastewater treatment, collection and disposal system as a common element of the Development, which will receive the highest priority for expenditures by the Corporation except for Federal, State, and local taxes and insurance.

The Corporation shall provide as a part of the annual common expense budget, adequate funding to assure that the Disposal System will be maintained properly. In order to assure that there shall be funds readily available to repair, maintain, or construct the Disposal System beyond the routine operation and maintenance expenses, a separate fund will be established, other than the routine maintenance fund for the facility, and will be part of the annual budget for the Corporation.

In the event the common expense allocation and separate fund(s) are not adequate for the repair and maintenance of the Disposal System, the Corporation shall provide for special assessments to cover such necessary costs. There shall be no limit on the amount of such assessments and special assessments for this purpose can be made as necessary at any time.

If a wastewater collection, treatment and/or disposal facility provided by any city, town, village, county, water and sewer authorities, or other unit of Government shall hereinafter become available to serve the Development, the Corporation will take such action as is necessary to cause the existing and future wastewater of the Development to be accepted and discharged into said Government system, and will convey or transfer as much of the Disposal System and necessary easements as the Governmental unit may require as a condition of accepting the Development's wastewater.

Recognizing that it would be contrary to the public interest and to the public health, safety and welfare for the Corporation to enter into voluntary dissolution without having made adequate provision for the continued proper maintenance, repair and operation of its Disposal

System, the Corporation will not enter into any voluntary dissolution without first having transferred it's said system and facilities to some person, Corporation or other entity acceptable to and approved by the Commission by the issuance of a permit.

The Corporation will not transfer, convey, assign or otherwise relinquish or release it's responsibility for the operation and maintenance of it's Disposal System until a permit has been reissued to the Corporation's successor.

The agreements set forth in this Article and Section of the Corporation Bylaws are conditions of any permit issued by the Commission to the Corporation for the maintenance, repair and operation of the Disposal System.

A copy of the Corporation Bylaws reflecting this agreement shall be filed at the Register of Deeds in the County of Rowan and in the offices of the Secretary of State of North Carolina with the Articles of Incorporation of the Gold Hill Airpark Homeowners Association.

ARTICLE XV. ENFORCEMENT OF BY-LAWS COVENANTS AND RESTRICTIONS

Section 1. General.

In order to afford each property owner of the Gold Hill Airpark community a reasonable expectation of continued growth and retention of real estate value, it is necessary for the Corporation to exercise its responsibility as the Declarant of the Declaration of Covenants and Restrictions (C&R's) for the Airpark. (Book 1046, Page 633, Register of Deeds, Rowan County).

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 remedies available for the abatement of the violation. In addition, all public and private remedies allowed by law or in equity against anyone in violation of these by-laws or C&R's shall be available.

Section 3. Compliance.

Each property owner whose property is subject to the Gold Hill Airpark by-laws or C&R's shall comply with the provisions currently published and as amended from time to time. Failure to comply with the provisions of the by-laws or C&R's shall be grounds for remedial action as specified in Section 5 of the Article.

Section 4. Who May Enforce.

Any action to enforce the by-laws or C&R's may be brought by the Declarant (Corporation – Board of Directors) in the name of the Corporation on behalf of the property owners. If, after a written request from an aggrieved property owner, no action is taken to enforce the by-laws or C&R's by the Declarant, then the aggrieved property owner may bring such action allowed by law as an individual against anyone in violation of the C&R's.

Section 5. Remedies.

The Board of Directors shall notify a lot owner of a violation in writing, and give the violator a reasonable amount of time to correct the violation.

The lot owner will have 7 days from the date of the Board's notification letter to request a meeting with the Board to dispute the violation or request a longer time frame for correcting the violation.

If, after meeting with the Board the lot owner is not satisfied with the Board's decision, the lot owner shall have 30 days from the date of the meeting to call a general meeting of all HOA members to appeal the Board's decision. The lot owner 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.

A quorum of HOA members as specified in the by-laws for annual meetings is required. If a quorum is present, the BOD will conduct the meeting in the same manner as the annual meeting.

The Board shall explain to the membership the nature of the violation, the decision of the Board to issue a violation and cite the appropriate part of the By-laws or Covenants and Restrictions 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 membership will make a decision 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 the Board will adjourn the meeting of those present and no further meetings on the violation will be called.

If a quorum is not present at the meeting called by the lot owner or the lot owner's appeal is rejected by the membership at such a meeting, the lot owner shall have a 30 day compliance period starting on the date of

the meeting to correct the violation. The lot owner may request additional time for compliance which may be granted at the sole discretion of the BOD.

If the violation is not corrected by the end of the compliance period, the Board of Directors shall impose a fine of \$100 per day for every day the lot owner remains in violation. The fine must be paid by the end of each 7 day period beginning on the date of the first fine. If the fine is not paid, it will be treated as a Nonpayment of Expenses, the collection of which is covered under Article XI: Collections, Section 3. Nonpayment of Expenses.

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

The BOD 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.

These remedies will not apply to violations which occurred prior to October 18, 2014.

In addition to the remedies set forth in this Article, any violation of the by-laws or C&R's shall give the Declarant (Corporation, as determined by the Board of Directors), on behalf of the property owners, 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 property 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 6. Recovery of Costs.

If legal assistance is obtained to enforce any of the provisions of the C&R's, or in any legal proceeding (whether or not suit is brought) for damages or for enforcement of the C&R's, or the restraint of violations of the C&R's, the prevailing party 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.

CERTIFICATION:

These Bylaws are hereby certified as having been accepted as the correct version of the Gold Hill Airpark Home Owners Association Bylaws with all changes that have been duly authorized by the Membership. [Previous certification was dated October 18, 2014.]

Certified by the Board of Directors of record this date: October 18, 2014, to wit:

President: Thomas W. May, Sr.
300 Aviation Lane
Gold Hill, NC 28071 _____

Secretary: John Ciolino
285 Aviation Lane
Gold Hill, NC 28071 _____

Treasurer: Elizabeth Blake,
240 Fine Street
Gold Hill, NC 28071 _____

Director-at-Large Brian Cooker
250 Fine Street
Gold Hill, NC 28071 _____

Note: Signed original of Certification is on file in the Corporate Office.

Gold Hill Airpark Homeowners Association By-laws as amended December 13, 2014

North Carolina
Rowan County

I, H. Lee Walters, a Notary Public for Rowan County, North Carolina, do hereby certify that Thomas W. May, Sr., John Ciolino, Elizabeth Blake and Brian Cooker, personally appeared before me this day and acknowledge the due execution of the foregoing instrument.

Witness my hand and official seal, this _____ day of _____ 2014.

Notary Public

My Commission expires February 15, 2015