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JESSIE CROSSWHITE  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
LAKE NORMAN AIRPARK SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 11th day of June, 1990, by THOMAS S. WILSON (Single), of Iredell County, North Carolina, hereinafter referred to as "Declarant".

STATEMENT OF PURPOSE

Declarant is the owner of certain property in Iredell County, North Carolina, which is more particularly described on a map recorded in Plat Book 21, at Pages 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100 in the Iredell County Public Registry; reference to which is hereby made. Declarant desires to create thereon an exclusive residential community of single-family residences to be named LAKE NORMAN AIRPARK SUBDIVISION.

Declarant desires to insure the attractiveness of LAKE NORMAN AIRPARK SUBDIVISION and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within LAKE NORMAN AIRPARK SUBDIVISION, and to provide for the maintenance and upkeep of all common areas in said subdivision. To this end the Declarant desires to subject the real property described herein to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the common areas in LAKE NORMAN AIRPARK SUBDIVISION, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in said subdivision, to insure the residents' enjoyment of the specific rights, privileges and easements in the common areas, and to provide for the maintenance and upkeep of the common areas.

To that end the Declarant has or will cause to be incorporated under North Carolina law, LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC., as a not-for-profit corporation for the purpose of exercising and performing the aforesaid functions.

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions and Restrictions, does hereby declare that all of the property described herein is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, conditions, restrictions, easements, charges and liens set forth in this Declaration which shall run with the real property and be binding on all parties owning any right, title or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I  
DEFINITIONS

Section 1. "Association" shall mean and refer to LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC., a North Carolina not-for-profit corporation, its successors and assigns.

Section 2. "Common Areas" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners. The Common Areas to be owned by the Association are all of the areas labelled as such on the recorded plat map for said Subdivision, including, but not limited to airplane taxi-ways, pedestrian easements, the entrance to the Development, and all roads and streets shown on the Map (except for public roads and streets maintained by the State of North Carolina). In addition, the Declarant reserves the right to dedicate any and all other property within the Development as a Common Area, so long as the Declarant retains any ownership interest in said property. The listing and description of the components of the Common Areas are illustrative of Declarant's present plans only and are not a guaranty by Declarant or the Association that all or any part of such components will be constructed or installed by the Declarant or the Association at any future time.

Section 3. "Declarants" shall mean and refer to Thomas S. Wilson, his successors and assigns.

Section 4. "Development" shall mean and refer to LAKE NORMAN AIRPARK SUBDIVISION, a single-family residential development proposed to be developed on the Properties by the Declarant.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, appearing on the Map with the exception of the Common Areas and public roads and streets.

Section 6. "Map" shall mean and refer to the maps of the Property as recorded in Plat Book 21, at Page 844<sup>844A</sup> in the Iredell County Public Registry, and the maps of any additions to the Properties which may be recorded by the Declarant in said Registry hereafter.

Section 7. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 8. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot including the Declarant if they own any Lots and including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. "Property" or "Properties" shall mean and refer to the property described in Article II, Section 1 hereof.

**ARTICLE II**  
**PROPERTY SUBJECT TO THIS DECLARATION**  
**AND WITHIN THE JURISDICTION OF**  
**LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC.**

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, and within the jurisdiction of the Association is all that certain 50-acre parcel (more or less) located in Davidson Township, Iredell County, North Carolina, (excluding however the Lake Norman Airport) and such other tracts contiguous to said 50-acre parcel, which Declarant desires to subject to this Declaration.

**ARTICLE III**  
**PROPERTY RIGHTS**

Section 1. Ownership of Common Areas. Upon conveyance of 75% of the Lots by Declarant to other Owners, if not already done, Declarant shall convey the Common Areas to the Association. Notwithstanding the recordation of any Map or any other action by Declarant or the Association, all Common Areas (including privately-owned streets and roads) shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public subject to the provisions of Article VIII hereof.

Section 2. Owners' Rights to Use and Enjoy Common Areas. Each Owner shall have the right to use and enjoy the Common Areas which shall be appurtenant to and shall pass with the title to his or her Lot, subject to the following:

- (a) the right of the Association to promulgate and enforce reasonable regulations governing the use of the Common Areas to insure the safety and rights of all Owners;
- (b) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas;
- (c) the right of the Association to suspend the voting rights in the Association and right to use the Common Areas by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and
- (d) the right of the Declarant or the Association to grant utility, drainage, and other easements of the type and for the purposes set forth in Article IX across the Common Areas.

Section 3. Owners' Easements for Ingress and Egress. Every Lot shall be conveyed with a perpetual, non-exclusive right to use any roadway which may be constructed by the Declarant and conveyed to the Association as part of the Common Areas for the purpose of providing access to and from each Lot.

Section 4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws of the Association (a copy of which is attached as Exhibit A), his right of enjoyment to the Common Areas and facilities to the members of his family, his guests, his tenants, or contract purchasers who reside on his Lot.

#### ARTICLE IV MEMBERSHIP, VOTING RIGHTS AND CONTROL OF THE ASSOCIATION

Section 1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. Classes of Lots. The voting rights of the Membership shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights:

- (a) Class A Lots. Class A Lots shall be all lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.
- (b) Class B Lots. Class B Lots shall be all Lots owned by the Declarant which have not been conveyed to purchasers who are not affiliated with the Declarant. The Declarant shall be entitled to three (3) votes for each Class B Lot owned.

Section 3. Amendment. Notwithstanding the provisions of Section 2 above, so long as the Declarant owns any Lot, the Bylaws of the Association may not be amended without its written consent.

Section 4. The Association shall be governed by a Board of Directors in accordance with the Bylaws. Notwithstanding the provisions of Section 2 above,

the Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events occurs:

- (1) Declarant no longer owns any Lots, or
- (2) Declarant surrenders the authority to appoint and remove members of the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant.

**ARTICLE V**  
**COVENANT FOR MAINTENANCE ASSESSMENTS**

**Section 1. Creation of the Lien and Personal Obligation for Assessments.** The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges and special assessments for capital improvements, established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs, and reasonable attorney's fees, shall be a charge and a continuing lien upon the Lot against which each such assessment a charge is made. Each such assessment or charge, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment falls due. The personal obligation for delinquent assessments or charges shall not pass to an Owner's successors in title unless expressly assumed by them.

**Section 2. Purpose of Annual Assessments.** The annual assessments levied by the Association shall be used as follows:

- (a) to maintain all roads constructed within the Common Areas to the standard of maintenance which would be required by the State of North Carolina before it would accept such roads for maintenance;
- (b) to keep the Common Areas clean and free from debris and to maintain any amenities located thereon in a clean and orderly condition, and to maintain the landscaping thereon in accordance with the highest standards for private parks including any necessary removal and replacement of landscaping;
- (c) to pay all ad valorem taxes, if any, levied against the Common Areas and any properties owned by the Association;
- (d) to install and maintain any light fixtures along all roads and streets in the Development to provide street lighting therefor, as may be approved by the Association;
- (e) to erect and maintain an entrance sign at the entrance to the Development and a sign or signs on the Common Areas designated on the Maps, said signs to be of standard construction and quality;
- (f) to pay the premiums on all hazard insurance carried by the Association on the Common Areas and all public liability insurance carried by the Association pursuant to the Bylaws;
- (g) to provide such security services as may be deemed reasonably necessary for the protection of the Common Areas from theft, vandalism, fire and damage from animals;
- (h) to provide such garbage removal services as may be approved by the Association for all Lots;

- (i) to pay all legal, accounting, and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the Bylaws; and
- (j) to maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (a) through (i) above in order to fund unanticipated expenses of the Association.

Section 3. Maximum Annual Assessment. The maximum annual assessment for each lot shall be One Hundred and No/100 Dollars (\$100.00); provided however, that this maximum annual assessment may be increased if such increase is approved by a 51% vote of the Owners Association.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, and common roadways serving the Development provided that any such assessment is approved by a 51% vote of the Owners Association.

Section 5. Assessment Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots. Said annual assessments shall be fixed by the Board of Directors of the Association at an amount not in excess of the maximum as provided for in Section 3 above.

Section 6. Date of Commencement of Annual Assessments and Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance to the Association of the Common Areas. The first annual assessment shall be adjusted according to the number of days remaining in the calendar year. The due dates for said annual assessments shall be established by the Board of Directors.

Section 7. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. In addition to such interest charge, the delinquent Owner shall also pay such late charges as may be established by the Board of Directors of the Association. The Association may bring an action at law against the delinquent Owner or foreclose the lien against the Lot; and interest, late payment charges, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by not using the Common Areas or abandoning his Lot.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust on a Lot to the Declarant. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer; provided, however, that the Board of Directors may in its sole discretion, determine such unpaid assessments to be an annual or a special assessment, as applicable, collectable pro rata from all Owners including the foreclosure sale purchaser. Such pro rata portions are payable by all Owners notwithstanding the fact that such pro rata portions may cause the annual assessment to be in excess of the maximum permitted under Section 3. No sale or transfer shall relieve the purchaser of such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but the lien provided for herein shall continue to be subordinate to the lien of any mortgage or deed of trust as above provided.

ARTICLE VI  
ARCHITECTURAL CONTROL

Section 1. Architectural Committee. For purposes of this Article VI, the Declarant shall function as the Architectural Committee (the "Committee") so long as the Declarant is a Class B Member of the Association. After the termination of the Declarant's Class B Membership, the Board of Directors of the Association shall appoint the members of the Committee to carry out the functions set forth in this Article.

Section 2. Definitions. For purposes of this Article VI, the following terms shall have the following meanings unless the context clearly requires a different meaning:

- (a) "accessory building" means every detached garage, carport, airplane hangar, tool shed, storage or utility building, detached guest quarters, or other similar building constructed on a Lot or incidental thereto which is not a dwelling;
- (b) "buildings" means accessory buildings and dwellings;
- (c) "dwelling" means a building constructed for single-family residential use;
- (d) "improvements" or "structures" mean buildings, walls, fences, decks, patios, planters, terraces, swimming pools, tennis courts or anything else constructed or placed on a Lot.

Section 3. General Guidelines. The placement and construction of improvements on the Lots shall be subject to the following general requirements:

- (a) Every dwelling constructed on a Lot shall contain the minimum number of square feet of fully enclosed and heated floor space as follows:

- 2,000 square feet for one story dwellings;
- 1,500 square feet on the first level for one and one-half story, split-level, and two story dwellings

For purposes hereof, the "fully enclosed and heated floor space" of a dwelling shall exclude decks, patios, terraces, basements, attached garages and carports, accessory buildings, unheated storage areas and screened porches.

If a dwelling incorporates a basement, such basement shall not be considered a "level" or "story" and the level of the dwelling immediately above the basement shall be considered the "first level" or "first story" of such dwelling for purposes of this subsection (a) of this Section 3.

- (b) In order to assure that all structures will be located with regard to the topography of each individual Lot, taking into consideration the elevation contours of the Lot, the location of adjoining dwellings, and similar considerations, the Declarant reserves unto itself, its successors and assigns, the right to control absolutely and solely to decide the precise site and location of any structure, improvements, and utilities upon all Lots and every Lot within the Development; provided, however, that such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site, and in any event all buildings (excluding eaves, decks, patios and steps) shall be constructed beyond the minimum setback lines as shown on the recorded plats of the subdivision and as outlined below:

35 feet from the front lot line;  
35 feet from the rear lot line;  
15 feet from any side or other interior lot line; and  
25 feet from any side street right-of-way

or the minimum setback lines as promulgated by the appropriate governing authorities (e.g., Iredell County), whichever are more restrictive. For purposes of these restrictions, the front lot line of Lots 9, 12, 16, 18, 28, 31, 32 and 35 shall be the line abutting and lying adjacent to the cul-de-sac roadways shown on the recorded plat of said Subdivision.

Furthermore, Declarant reserves the right to reduce the setback requirements herein a maximum of ten percent (10%), if the nature of the dwelling or the property so requires.

- (c) All boat and trailer storage areas and facilities must be screened and hidden from view, and shall not be located any closer to the street than the front building line of the dwelling.
- (d) Unless specifically otherwise approved in writing by the Committee, all structures constructed or placed on any Lot shall be built of substantially new materials and no used structures shall be relocated or placed on any such Lot. No dwelling shall have an exterior surface composed of asbestos siding, perma-stone, exposed concrete block, cinder block, aluminum or vinyl siding, or other similar material.
- (e) All structures approved by the Committee must be completed within one (1) year after the receipt of such approval; provided, however, the Committee may waive this requirement if construction delays have been caused by strikes, war, fire, acts of God or other events which render the completion of construction within such time impossible. Furthermore, within one (1) month after the completion of the dwelling or within one (1) year after the receipt of such approval, the lot owner shall have his property sown in grass and have planted foundation plantings around the dwelling and other accessory buildings in accordance with the proposed landscaping plans previously submitted and approved.
- (f) No mobile, modular or manufactured homes of any kind, log cabins, or any homes having the same general appearance, shall be permitted on any Lot. Furthermore, no building shall be permitted on any Lot unless it is erected on a solid foundation of brick or masonry from the ground level to the first floor level.
- (g) Driveways and walkways shall be constructed of concrete, asphalt, brick, or other suitable hard-top surface approved by the Declarant. If any driveway is to cross a drainage ditch, the Owner will be required to install, at his own expense, all necessary culverts and coverings prior to the commencement of any other construction on the Lot. The installation of the culvert and any covering must be approved by the Committee.

Section 4. Approval of Plans, Specifications, and Construction. In addition to the requirements imposed by all applicable governmental agencies (including the Environmental Health Department) governing the issuance of building permits and certificates of occupancy, no structure shall be erected on any Lot without the approval of the Committee as provided in this Section.

- (a) Prior to commencing any construction or reconstruction on a Lot, the Owner thereof shall submit to the Committee two sets of all

building plans and specifications (the "Plans") covering such construction. The Plans shall contain the following: (i) foundation plans, (ii) front, rear and side elevation drawings (iii) roof plan, (iv) plot plan showing location and orientation of all structures proposed to be built on the Lot, (v) floor plans showing the square footage of the proposed structures on a floor-by-floor basis, (vi) the location and composition of any driveway; and where the driveway is to cross a drainage ditch adjacent to any roadway, the installation of the culvert and covering to be used under the proposed driveway, (vii) the location of the well, septic tank, septic drainfields, and repair area for the same, and (viii) proposed landscaping plans.

- (b) At the submission of the Plans, the Owner shall also submit samples of all proposed building materials as may be requested by the Committee.
- (c) The Committee shall have the absolute and exclusive right to refuse to approve the proposed Plans. In passing upon such Plans and samples, the Committee may take into consideration the suitability and desirability of the proposed construction and the proposed materials to the Lot involved, and the harmony of the external design with the natural features and the existing structures of the surrounding neighborhood and the appearance of such proposed improvements as viewed from neighboring lots. Refusal to approve the proposed Plans may be based by the Committee on any grounds, including purely aesthetic considerations. The Committee shall either approve or reject said Plans within a period of thirty (30) working days from their receipt.
- (d) No alterations to the approved Plans may be made without the written consent of the Committee. Upon completion of approved construction, the Committee shall inspect the construction to insure that the approved Plans and samples were complied with by the Owner. No structure may be occupied or used until the issuance by the Committee of a letter of compliance; said letter is to be issued without fee.

**ARTICLE VII  
USE RESTRICTIONS**

**Section 1. Land Use.** All Lots shall be used for residential purposes only and common recreational purposes auxiliary thereto and for no other purpose. In particular, no Lot shall be used as a right-of-way, street or road, or access to any property not included within the Properties of this Development without the written consent of the Declarant. Only one family may occupy a Lot as a principal residence at any one time. No structure, except as herein provided shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single family dwelling and such accessory buildings as shall be used in connection with the dwelling or residence. Such accessory buildings may not be constructed prior to the completion of the dwelling; and furthermore, unless waived by the Declarant or the Committee, shall comply with all other restrictions contained herein for the main dwelling, including, but not limited to, exterior requirements, setback lines and permanent foundations. A guest suite or a like facility without a kitchen may be included as part of the main dwelling or accessory building, but such suite may not be rented or leased except as part of the entire premises including the main dwelling. Furthermore, no airplane hangar, or any portion thereof, shall be used as a residence in any manner whatsoever.

**Section 2. Nuisance.** No noxious or offensive activity shall be conducted upon any Lot or in any dwelling nor shall anything be done thereon or therein which may be or may become an annoyance or nuisance to the neighborhood.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any dwelling except that dogs, cats or other common household pets may be kept or maintained provided they are not kept or maintained for commercial purposes.

Section 4. Temporary Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot unless and until permission for the same has been granted by the Committee.

Section 5. Use of Common Areas. The Common Areas shall not be used in any manner except as shall be approved or specifically permitted by the Association; provided, however, that so long as Declarant owns any Class B lots, Declarant shall have the exclusive right to use parts of Common Areas for sales purposes, including, without limitation, promotional activities; installation of utilities (including wells, septic systems and repair areas); installation of drainage pipes, ditches, etc.; and such other uses as the Declarant may deem reasonable or necessary. Furthermore, the Declarant reserves the right to dedicate the 3.2 acre lake access area to the use and enjoyment of lot owners in other subdivisions owned or developed by him.

Section 6. Access to Lots. The Association, its agents or employees shall have access to each Lot from time to time during reasonable working hours, upon oral or written notice to the Owner, as may be necessary for the maintenance, repair or replacement of any portion of the Common Areas, or facilities situate upon such Lot which serve another Owner's Lot. The Association or its agent shall also have access to each Lot at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Areas or another Lot.

Section 7. Signs. No signs or other advertising devices shall be displayed upon any Lot or on the Common Areas, or in the facilities thereon, without prior written permission of the Association. Declarant and Lot owners, however, may post temporary "For Sale" or "For Rent" signs on the Properties. Furthermore, signs used by a builder during construction or informational signs by the Declarant shall be allowed.

Section 8. Fuel Tanks and Garbage Containers. Bulk storage of aircraft fuel on residential lots shall not be permitted without the written consent of the Declarant. All outdoor receptacles for ashes, trash, rubbish or garbage shall either be installed in the ground or screened or placed so as not to be visible from any street, other Lot, or Common Areas.

Section 9. Maintenance. All Owners shall keep their Lots, whether occupied or unoccupied, free of all tall grass, dead, diseased or decaying trees, weeds, trash, rubbish, and debris and keep all Lots in a neat and attractive condition. All improvements erected on lots shall be maintained in a clean, neat, and orderly condition and in a good state of maintenance and repair.

Section 10. Access. There shall be no overland vehicular access to any Lot except from designated roads and taxi-ways lying within the Common Areas or as shown on the Map.

Section 11. Vehicles and Parking. Each Owner shall provide space for parking at least two (2) automobiles on his Lot, either under a carport or within an enclosed garage, prior to the occupancy of any dwelling constructed on such Lot in accordance with reasonable standards established by the Committee. No vehicle shall be parked on any street. No boat, motor home, travel trailer, other recreational vehicle or truck may be stored overnight on any Lot unless the same be within an enclosed garage or behind the dwelling, and generally out of sight from the front of the dwelling. Furthermore, no wrecked or junked motor vehicles or vehicles without a current license plate and registration shall be placed upon the premises; and no commercial vehicles (other than pickup trucks and passenger vans) shall be parked overnight in the subdivision without the prior written consent of the Declarant or the Association.

**Section 12. Antennas.** No radio or television aerial or antenna or any other external electronic equipment or devices may be installed or maintained on any exterior of any structure erected on a Lot unless the location, size and design has been approved by the Committee. In any event, satellite "dishes," antennas and other similar facilities must be screened from view from the streets.

**Section 13. Fences and Hedges.** The erection or installation of fences and hedges may be undertaken only with the written approval of the Committee. All fencing shall be located behind the front building line of the main dwelling; shall be composed of materials other than chain links; and in no event shall exceed six (6) feet in height. Decorative fences (meaning wooden fencing, split-rail fencing or wooden fencing which has holes in the posts with wood rails running from post to post) and hedges, no more than 36 inches in height, may be permitted in the front or side yards.

**Section 14. Reconstruction.** Any building on any Lot which is destroyed in whole or in part by fire, windstorm, flood or other Act of God must be rebuilt, or all debris from such building removed and the Lot restored to the condition it was in prior to commencement of construction of such building with reasonable promptness; provided, however, that any such reconstruction must be commenced within six (6) months from the date of such destruction or if no reconstruction is to occur, then all such debris must be removed and the Lot restored to its prior condition within six (6) months of such destruction.

**Section 15. Subdivision.** No Lot shall be subdivided or its boundary lines changed without the written consent of the Declarant. However, the Declarant hereby expressly reserves unto itself, its successors and assigns, the right to replat any two (2) or more Lots shown on the Map of the development provided that no Lot originally shown on any Map is reduced to less than eighty percent (80%) of its original size in acres.

**Section 16. Hazardous Activities.** Nothing shall be done or kept on any Lot or in the Common Areas which will increase the rate of insurance on the Common Areas or any other Lot without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept on his Lot or in the Common Areas which would result in the cancellation of insurance on any part of the Common Areas, or which would be in violation of any law.

**Section 17. Declarant's Right of Entry.** In order to implement effective insect and woods fire control, the Declarant reserves for itself and its agents the right to enter upon any Lot on which a residence has not been constructed and upon which no landscaping plan has been implemented (with prior written approval of the Declarant for such plan), such entry to be made (at the expense of the Owner of the Lot) by personnel with tractors or other suitable devices for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Declarant detracts from the overall beauty, setting and safety of LAKE NORMAN AIRPARK. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Declarant and its agents may likewise enter upon such land to remove any trash which has collected on such Lot without such entrance and removal being deemed a trespass. The provisions in this paragraph shall not be construed as an obligation on the part of the Declarant to mow, clear, cut or prune any lot nor to provide garbage or trash removal services.

**Section 18. Regulations.** Reasonable regulations governing the use of the Common Areas and external appearance of all structures erected on the Lots may be made and amended from time to time by the Board of Directors of the Association; provided, however, that all such regulations and amendments thereto shall be approved by a majority vote of the Owners Association before the same shall become effective. Copies of such regulations and amendments thereto shall be furnished to each Member of the Association upon request.

**Section 19. Compliance.** In the event that the Owner of any Lot fails to comply with any of the restrictions set forth in this Article or the rules and regulations subsequently promulgated by the Board of Directors, the Association

shall have the right, but not the obligation, to enter any Lot and undertake any necessary action in order to cure such Owner's default. All expenses and costs incurred by the Association in curing such default shall be charged to the defaulting Owner and shall be payable by such Owner to the Association immediately upon demand. Furthermore, said default shall constitute a personal obligation of the Owner of the Lot, and also a continuing lien upon the Lot.

**ARTICLE VIII**  
**SPECIAL RESTRICTIONS AFFECTING COMMON AREAS**

**Section 1. Purpose.** It shall be the intent and purpose of these restrictions to maintain and enhance the Common Areas, to afford and enhance recreation opportunities, and to implement the LAKE NORMAN AIRPARK master plan of development.

**Section 2. Declarant's Right to Protect Land.** The Declarant shall have the right to protect the Common Areas from erosion by planting trees, plants and shrubs where and to the extent necessary. The right is likewise reserved to the Declarant to take necessary steps to provide and insure adequate drainage ways in the Common Areas.

**Section 3. Declarant's Right of Entry.** The Declarant reserves unto itself, its successors and assigns, the right to go on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water or other public conveniences or utilities in the Common Areas. These reservations and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Declarant further reserves the right to locate wells, pumping stations and tanks within the Common Areas. Such rights may be exercised by any licensee of the Declarant, but this reservation shall not be considered an obligation of the Declarant to provide or maintain any such utility or service.

**Section 4. Prohibition Against Dumping.** No dumping of trash, garbage, sewage, sawdust shall occur and no unsightly or offensive material shall be placed upon the Common Areas, except as is temporary and incidental to the bona fide improvement of the area in a manner consistent with its classification as Common Areas.

**Section 5. No Public Rights.** The establishment of the Common Areas does in no way grant to the public or to the owners of any surrounding or adjacent land, the right to enter such Common Areas without the express permission of the Declarant.

**Section 6. Rights Reserved by Declarant.** The Declarant expressly reserves unto itself, its successors and assigns, every reasonable use and enjoyment of said Common Areas, in a manner not inconsistent with the provisions of this Declaration.

**Section 7. Limitation of Declarant's Obligations.** It is expressly understood and agreed that the establishment of the Common Areas or the declaration of these Special Restrictions does in no way place a burden of affirmative action on the Declarant to make any of the improvements noted herein, or extend to the grantee any service of any kind. The Declarant warrants, however, that the airport in existence on the property as of this date will continue to be operated as such until such time as the Lot owners unanimously consent to its dissolution or its operation is interrupted or terminated by local, state or federal authorities.

**Section 8. Declarant's Actions Permissive.** Where the Declarant is permitted by these covenants to correct, repair, clean, preserve, clear out or

do any action on the restricted property, entering the property and taking such action shall not be deemed a breach of these covenants.

Section 9. Dedication of Public Roads. Declarant reserves the right, at any time, to offer for dedication any or all of the roads designated on the Map as "public" to the Town of Mooresville or the North Carolina Division of Highways for acceptance of said road or roads into the State Highway System.

ARTICLE IX  
RIGHT OF FIRST REFUSAL

Section 1. Applicability. Except for sales and conveyances by the Declarant, no unimproved Lot may be sold by any Owner except in compliance with the provisions of this Article.

Section 2. Right of First Refusal. In the event any Owner receives a bona fide written offer from a third party to purchase his unimproved Lot, such Owner shall immediately notify the Declarant of such offer and shall forward a copy of said written offer, together with the name and address of the offeror, to the Declarant. Upon receipt of said notice, Declarant shall have fifteen (15) days to notify such Owner that it desires to purchase his Lot on the same terms and conditions as set forth in the offer. If Declarant notifies such Owner of its desire to purchase the Lot, then Owner shall convey the Lot to the Declarant according to the provisions of Section 3 below. In the event that the Declarant elects not to purchase the Lot or fails to notify the Owner of their decision within such fifteen (15) day period, then the Owner may sell the Lot to the third party offeror on terms and conditions no less favorable to the Owner than those set forth in the original offer; provided, however, that if such sale and conveyance does not take place to the original third party offeror within one hundred twenty (120) days after Declarant's failure to exercise its right of first refusal, then the Lot shall again become subject to the terms and conditions of this Article IX. Any conveyance by an Owner to a third party offeror shall be subject to the terms and conditions of this Declaration.

Section 3. Transfer to Declarant. In the event that Declarant exercises its right of first refusal pursuant to Section 2 hereof, the closing of the conveyance of such Lot shall occur as provided in the third party offer. At the closing, Declarant shall make such payments in cash, by a promissory note, or otherwise to the Owner as described in the third party offer. Owner shall deliver to the Declarant a general warranty deed conveying the Lot free and clear of all exceptions except as may be set forth in the written offer and subject to this Declaration. In the event the closing occurs after the death of an Owner, Declarant may, in its discretion, require the personal representative of the Owner to post such bonds or other assurances as the Declarant may deem reasonable in order to protect the Declarant from any loss which might be caused by the failure to pay any federal or state inheritance tax or the failure to pay the claims of any creditors who may have a lien on the Lot superior to Declarant's rights as a purchaser of said Lot.

Section 4. Death of an Owner. The personal representative, heirs, successors and assigns of any Owner who dies while owning any Lot shall become an Owner subject to the terms and conditions of this Declaration and any subsequent sale, transfer, and conveyance of such Lot shall be governed by the provisions of this Article IX.

ARTICLE X  
EASEMENTS

Section 1. Easements Reserved by Declarant. Declarant reserves easements for the installation and maintenance of the driveways, walkways, parking areas, telephone and electric power lines, cable television line, water and sewer lines, drainage ditches and for other utility installations over the Properties and the Common Areas. Each Owner, by his acceptance of a deed to a Lot, and

the Association by its acceptance of a deed to the Common Areas, acknowledge such reservations and the rights of Declarant to transfer such easements to the Association or to such utility companies as Declarant may choose. The easements reserved by the Declarant include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or take any similar action reasonably necessary to provide economical utility installation and to maintain the overall appearance of the Development.

Within any such easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of utilities, or which may change the direction of flow or drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Easements Conveyed to Lot Owners. Owners of lots 1-11, 13-15, 17, and 19-35, inclusive, shall be and are herewith granted and conveyed a right of ingress and egress by way of a permanent easement from their Lot onto the Lake Norman Airport runways and taxi-ways, said easement to be for the use of the aircraft operated by the Lot owners and their authorized guests. This easement is solely limited to aircraft traffic, to the exclusion of all other traffic—whether vehicular or pedestrian. Lots 12, 16 and 18 are herewith conveyed and granted a perpetual easement of ingress and egress over a walkway, ten (10) feet in width, which shall be limited to pedestrian and non-vehicular traffic of the Lot owners and their authorized guests only.

#### ARTICLE XI GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land until January 1, 2015, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration (except as set forth to the contrary in Article IV, Section 3) may be amended by an instrument signed by the Owners of not less than eighty percent (80%) of the Lots.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed, the day and year first above written.

*Thomas S. Wilson*  
THOMAS S. WILSON

(SEAL)

STATE OF NORTH CAROLINA

COUNTY OF ~~REBEL~~ MECKLENBURG

I, T. Michael Godley, a Notary Public in and for the State and County aforesaid, do hereby certify that THOMAS S. WILSON (Single), personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this 14<sup>th</sup> day of June, 1990.

*T. Michael Godley*  
Notary Public

My Commission Expires:

11/14/93



CONSENT OF MORTGAGEE

NCNB National Bank of North Carolina, being the Beneficiary under that certain first Deed of Trust dated February 23, 1990, from Declarant to Jay Kevin White, Trustee, conveying the property described in said Deed of Trust, recorded in Mortgage Book 691, at Page 783; and under that second Deed of Trust dated May 9, 1990, from Declarant to Jay Kevin White, Trustee, recorded in Mortgage Book 697, at Page 697, both in the Iredell County Public Registry, does hereby consent to the recordation of this Declaration of Covenants, Conditions and Restrictions and the imposition of the provisions hereof on said real property described and shown on the map recorded in Plat Book 21, at Pages 84, 84A, in said Registry, and said Beneficiary does hereby consent and agree that from and after this date, the provisions of this Declaration, including all exhibits hereto, shall be superior to the lien of said Deed of Trust on said real property. The execution of this Consent of Mortgagee by the Beneficiary shall not be deemed or construed to have the effect of creating between said Beneficiary and Declarant the relationship of partnership or of joint venture, nor shall said consent be deemed to impose upon said Beneficiary any of the liabilities, duties or obligations of the Declarant under the foregoing Declaration. Said Beneficiary executes this Consent of Mortgagee solely for the purposes set forth herein. The said Trustee also joins in and executes this Consent as Trustee of said Deed of Trust for the said purposes hereinabove set forth.

IN WITNESS WHEREOF, the undersigned have caused this Consent of Mortgagee to be duly executed and sealed this 11th day of June, 19 90.

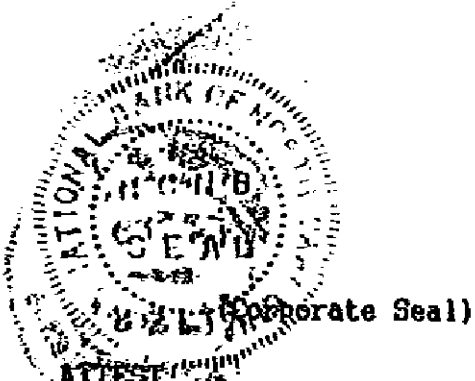
TRUSTEE:

Jay Kevin White, (SEAL)  
Trustee

BENEFICIARY:

NCNB NATIONAL BANK OF NORTH CAROLINA

By: [Signature] Vice President



Attest: [Signature] Assistant Secretary

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, T. Michael Godley, a Notary Public in and for the State and County aforesaid, do hereby certify that Jay Kevin White Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this 12th day of June, 1990.

*T. Michael Godley*  
Notary Public



(Notary Seal)

My Commission Expires:

11/14/93

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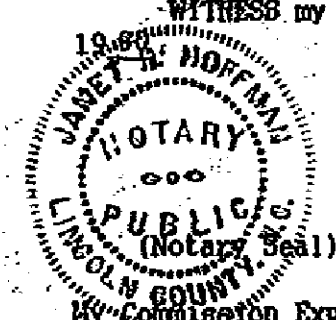
STATE OF NORTH CAROLINA

COUNTY OF Lincoln

I, a Notary Public of the County and State aforesaid, certify that Martha Y. Leonhardt personally came before me this day and acknowledged that she is Ass't Secretary of NCNB NATIONAL BANK OF NORTH CAROLINA, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by her as its Assistant Secretary.

WITNESS my hand and notarial seal, this 11th day of June, 1990.

*Janet B. Hoffmann*  
Notary Public



My Commission Expires:

1-22-95

STATE OF NORTH CAROLINA

BOOK 0805 PAGE 685

COUNTY OF IREDELL

The foregoing certificate(s) of A Michael Bradley a N.P.  
of Mecklenburg Co N.C. and Janet A. Hoffman a  
Policy Underwriter of Lincoln, Co. N.C.  
is (are) certified to be correct. This instrument was presented  
for registration this day and hour and duly recorded in the Office of the  
Register of Deeds of Iredell County, North Carolina, in Book 805, at Page  
669.

This 14 day of June, 1970, at 4:39 o'clock  
P.M.

Jessie A. Cresswhite  
REGISTER OF DEEDS

By Lillie F. Lewis  
Asst/Deputy Register of Deeds

BYLAWS  
OF  
LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC.

ARTICLE I  
Name and Location

The name of the corporation is LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC., hereinafter referred to as "the Association". The principal office of the Association shall be located at 207 South Broad Street, Mooresville, North Carolina 28115, or at such other place as the Board of Directors may deem convenient or the affairs of the Association may require, provided that meetings of members and directors may be held at such place and location in the State of North Carolina as may be agreed upon by the majority of the Board of Directors.

ARTICLE II  
Definitions

The following words when used in these Bylaws (unless the context shall prohibit) shall have the following meaning:

1. "Association" shall mean and refer to LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC., a not-for-profit corporation organized and existing under the laws of the State of North Carolina, its successors and assigns.

2. "Common Area(s)" shall mean and refer to any and all real property owned by the Association, or such other property to which the Association may hold legal title whether in fee or for a term of years, for the non-exclusive use, benefit and enjoyment of the Association subject to the provisions of the Declaration. Common Areas with respect to the Properties made subject to the Declaration, whether at the time of filing of the Declaration or subsequently by supplementary Declaration(s), shall be as defined and bounded by properly referenced and recorded plat(s) designated thereon as "Common Areas", "Common Open Space", or "Amenity (or Amenities) Area."

3. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties and which is recorded in the Office of the Register of Deeds for Iredell County, North Carolina, together with any supplements thereto.

4. "Declarants" shall mean and refer to Thomas S. Wilson, his successors and assigns.

5. "Lot" shall mean and refer to any lot of land or part thereof to be used for single-family residential purposes and so designated on any subdivision plat or survey of LAKE NORMAN AIRPARK Subdivision, or any portion thereof, which shall appear of public record.

6. "Member" shall mean and refer to any person or other entity who holds membership in the Association.

7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee interest in any Lot which is a part of LAKE NORMAN AIRPARK Subdivision, excluding, however, those parties having such interest merely as a security interest for the performance of an obligation.

8. "Person" shall mean and refer to a natural person, as well as a corporation, partnership, firm, association, trust or other legal entity. The use of the masculine pronoun shall include the neuter and feminine, and the use of the singular shall include the plural where the context so requires.

9. "Properties" or "Property" shall mean and refer to any and all of that certain real property now or which may hereafter be brought within that certain residential subdivision in Iredell County, North Carolina, which subdivision is and shall be commonly known as "LAKE NORMAN AIRPARK."

10. "LAKE NORMAN AIRPARK" shall mean and refer to that certain residential subdivision known as LAKE NORMAN AIRPARK which is being developed on real property in Iredell County, North Carolina, and as shown with such additions thereto as may from time to time be designated by Declarants, whether or not such additions are contiguous with or adjoin the boundary lines of LAKE NORMAN AIRPARK.

### ARTICLE III Membership

Section 1. Every person or entity who is the Owner of record of a fee interest in any Lot or who is purchasing one or more Lots under a contract or purchase agreement within the Properties shall be a Member of the Association, subject to and bound by the Association's Articles of Incorporation, Bylaws, rules and regulations. The foregoing is not intended to include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation. Ownership of such Lot shall be the sole qualification for membership. When any Lot is owned of record in joint tenancy or tenancy in common or by some other legal entity, or when two or more persons or other legal entity is purchasing one or more Lots under a contract or agreement of purchase, the membership as to such Lot(s) shall be joint and the right of such membership pertaining to voting powers arising therefrom shall be exercised only as stipulated in Article V hereinbelow.

Section 2. During any period in which a Member shall be in default in the payment of any annual, special or other periodic assessment levied by the Association, the voting rights and right to use of the Common Areas or any other facilities which the Association may provide may be suspended by the Board of Directors until such assessment is paid. In the event of violation by a Member of any rules or regulations established by the Board of Directors, such Member's voting and use rights may be suspended by the Board after a hearing at which the general requirements of due process shall be observed. Such hearing shall be held by the Board (or a committee thereof) after giving such Member ten (10) days prior written notice specifying each alleged violation and setting the time, place and date of the hearing. Determination of violation shall be made by a majority vote of the Board or the Committee thereof.

Section 3. No membership or initiation fee shall be charged, nor shall Members be required to pay at any time any amount to carry on the business of the Association except to pay when due the charges, assessments and special assessments levied upon each Member's Lot as specified in the Declaration, these Bylaws, or as the Members of the Association may from time to time hereafter adopt.

### ARTICLE IV Meetings of Members

Section 1. The first annual meeting of the Members shall be held on or before ninety (90) days from December 31, 1990, or on such date and at such place and time as the Board of Directors shall provide in its notice to Members, and each subsequent annual meeting of the Members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. If the annual meeting shall not be held on the day designated by these Bylaws, a substitute annual meeting may be called in accordance with the provisions of Section 2 of this Article. A meeting so called shall be designated and treated for all purposes as the annual meeting.

Section 2. Special meetings of the Members may be called at any time by the President or by a majority of the Board of Directors, or upon written request of the Members who are entitled to vote one-third (1/3) of the votes of each class of membership of the association.

Section 3. Written notice of meetings stating the time and place of the meeting, and in case of a special meeting, the purpose or purposes for which

the meeting is called, shall be delivered not less than ten (10) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the person authorized to call the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U. S. Mails addressed to the Member at his address as it appears on the records of the Association with the postage thereon prepaid.

Section 4. The presence in person or by proxy at the meeting of Members entitled to vote by those entitled to at least one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. A majority of the votes entitled to be cast by the Members present in person or represented by Proxy at such meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the Members. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented; provided, however, that when a meeting is adjourned for more than 45 days from the date set forth in the original notice of meeting, notice of adjourned meeting shall be given as in the case of an original meeting.

Section 5. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot within the Properties.

#### ARTICLE V Voting and Voting Rights

Section 1. The voting rights of the membership shall be appurtenant to the ownership of the Lot and shall otherwise be as set forth in the Declaration.

A. Each Lot designated as a Lot on which a single-family detached home is or may be constructed shall entitle the Owner(s) of said Lot to One (1) vote, except as to Class B Lots, as defined in the Declaration for which the Declarants shall be entitled to three (3) votes for each such Class B Lot.

When two or more persons hold an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised by one of such persons as proxy and nominee for all persons holding an interest in a Lot and in no event (except with respect to Class B Lots) shall more than one (1) vote be cast with respect to any Lot.

B. Any Member who is delinquent in the payment of any charges duly levied by the Association against a Lot owned by such Member shall not be entitled to vote until payment of all such charges, together with such reasonable penalties as the Board of Directors of the Association may impose, has been made.

C. Members shall vote in person or by proxy executed in writing by the Member. No proxy shall be valid after eleven (11) months from the date of its execution or upon conveyance by the Member of his Lot. A corporate Member's vote shall be cast by the President of the Member corporation or by any other officer or proxy appointed by the President or designated by the Board of Directors of such corporation.

D. Voting on all matters (except the election of directors, which shall be by written ballot) shall be by voice vote or by show of hands unless a majority of the Members present at the meeting shall, prior to voting on any matter, demand a ballot vote on that particular matter. Where directors or officers are to be elected by the Members, the solicitation of proxies for such elections may be conducted by mail.

ARTICLE VI  
Common Area Property Rights

Section 1. Every Owner (by virtue of membership in the Association) shall have a non-exclusive right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title for every Lot subject to the provisions of the Declaration, the Charter and Bylaws of the Association, and the following:

A. The right of the Association to limit the use of the Common Areas to Owners, their families and guests.

B. The right of the Association to suspend the voting and enjoyment rights of any Owner for any period during which any assessment against his Lot remains unpaid, or for any infraction of the Association's published rules and regulations.

C. The rights of the Declarants or the Association to dedicate or transfer all or any part of the Common Areas to a public agency, authority, utility or other third party for such purposes.

Section 2. The right and easement of enjoyment granted to every Owner in Section One of this Article may be exercised by members of the Owner's family and an Owner may delegate his rights of enjoyment in the Common Areas to his tenants or contract purchasers who occupy the residence of the Owner within the Properties.

ARTICLE VII  
Maintenance Charges

Section 1. Pursuant to the Declaration, each Member is deemed to covenant to pay to the Association: (1) annual assessments or other periodic charges, and (2) special assessments as approved by the Members. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall, to the extent permitted by law, be a continuing lien upon the Lot against which each such assessment is made to secure the payment of said assessments due and to become due. Each such assessment, together with such interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot as the time when the assessments fell due and shall not pass to his successors in title unless expressly assumed by them, which assumption shall not, however, relieve Owner of his personal obligation in event of non-payment.

Section 2. The assessments levied by the Association shall be used to provide funds for such purposes as are for the benefit of the Association and the Owners of Lots within the area overseen and administered by the Association which purposes may include maintenance, landscaping and beautification of the Common Areas. Funds may also be used to provide other services to promote the health, safety and welfare of the residents of the community and in particular for the acquisition, improvement and maintenance of properties, services and facilities related to the use and enjoyment of the Common Areas, including but not limited to the costs of repair, replacement and additions thereto; the cost of labor, equipment, materials, management and supervision thereof; the payment of taxes assessed against the Common Areas; the procurement and maintenance of insurance; the employment of attorneys, accountants and other professionals to represent the Association when necessary or useful; the employment of security personnel to provide any service which is not readily available from any governmental authority; and such other needs as may arise.

Section 3. The maximum annual assessment shall be limited as provided in the Declaration.

Section 4. In addition to the annual assessments authorized above, the Association may levy at any time a special assessment as provided in the Declaration.

Section 5. The annual and special assessments, the date of commencement of annual assessment, and other matters relating to assessments are set forth in the Declaration.

ARTICLE VIII  
Board of Directors

Section 1. The business and affairs of this Association shall be managed by a Board of Directors which shall consist of not less than two (2) in number. At the inception of the Association, the Board shall consist of two (2) Members named in the Articles of Incorporation, and thereafter the number of directors shall be fixed by the Board.

Section 2. The first Board of Directors named in the Charter of the Association shall serve for three (3) years. Only, thereafter, directors shall be elected by ballot at the annual meeting of the Members. Each director shall hold office until his death, resignation, removal, disqualification, or his successor is elected or appointed and qualified. Any vacancy may be filled at any time by a majority of the remaining directors, though less than a quorum, but a vacancy created by an increase in the authorized number of directors shall be filled only by election at an annual meeting or at a special meeting of Members called for that purpose.

Section 3. The directors shall act only as a board and the individual directors shall have no power as such. A majority of the directors in office shall constitute a quorum for the transaction of business, but a majority of those present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice until a quorum be at hand. The act of a majority of directors present at any time at which there is a quorum shall be the act of the Board of Directors.

Section 4. The Board of Directors may, by resolution adopted by a majority thereof, designate one or more committees, each committee to include not less than two (2) directors as members thereof, which committees to the extent provided in said resolution, may have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the affairs of the Association.

Section 5. The Board of Directors shall meet for the transaction of business at such time and place as may be designated from time to time by resolution of the Board. Regular meetings of the Board may be held without notice. Special meetings of the Board of Directors may be called by the President or any two (2) members of the Board for any time and place, provided reasonable notice of such meetings shall be given to each member of the Board before the time appointed for such meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting and objects thereat to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. The Board of Directors may from time to time determine the order of business at its meetings. At all meetings of the Board, the President, or in his absence, the Chairman chosen by the directors present, shall preside.

Section 7. The Board of Directors, after the close of the fiscal year, shall submit to the Members of the Association, a report as to the condition of the Association and its property and shall submit also an account of the financial transactions of the past year.

Section 8. Subsequent to the time when directors are elected by Members, any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 9. No director shall receive compensation for any service he may render to the Association, provided, however, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 10. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE IX  
Powers and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have the power to:

A. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

B. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors.

C. Enter into agreements with third parties to facilitate efficient operation of the Common Areas. It shall be the primary purpose of such agreements to provide for the administration, maintenance and repair, and operation of the Common Areas.

D. Employ a manager, an independent contractor or such other employees as the Board deems necessary, and to prescribe their duties, to carry out and accomplish the purposes of the Association.

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

A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members of the Association.

B. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

C. Send written notice of each assessment to every Member at least thirty (30) days in advance of each annual or special assessment due date.

D. Issue, or cause an appropriate officer to issue, upon demand by any person, a receipt setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board for the issuance of these certificates and such certificates, if issued, shall be conclusive evidence of payment of any assessment therein stated to have been paid.

E. Cause the Common Areas to be maintained.

ARTICLE X  
Officers and Their Duties

Section 1. The officers of this Association shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as the Board may from time to time deem necessary. Any two or more offices may be held by the same person, except the offices of President and Secretary and the offices of President and Vice President.

Section 2. The officers of the Association for the first three (3) years need not be Members thereof. The officers of the Association shall be elected or appointed annually by the Board of Directors, and each shall hold office for one (1) year unless he shall sooner die, resign, or be removed, or otherwise disqualified to serve. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 3. Any officer may be removed from office by the Board with or without cause. An officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignations shall take effect on the date of receipt of such notice or any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. A vacancy in any office may be filled in the manner prescribed for regular election or appointment. The officer elected or appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5. The duties of the officers are as follows:

President

A. The President shall be the chief executive officer of the corporation and shall perform such other duties as from time to time may be assigned to him by the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, promissory notes, easements, maintenance agreements, deeds and other such similar documents; and shall, in general, perform all duties incident to the office of President.

Vice President

B. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

C. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties required by the Board.

Treasurer

D. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting of the Association books to be made at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each of the Members.

ARTICLE XI

Indemnification of Officers and Directors

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

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer may otherwise be entitled under any law, bylaw, agreement, vote of the Association Members or otherwise. In the event of death of the officer or director, the provisions hereof shall extend to their legal heirs, representatives, successors and assigns. The

foregoing rights shall be available whether or not such person or persons were in fact directors or officers at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters which antedate the adoption of these Bylaws.

The invalidity or unenforceability of any provision of this Bylaw shall not affect the validity or enforceability of any other provision hereof.

**ARTICLE XII**  
**Corporate Seal**

A corporate seal shall have engraved thereon the following:

LAKE NORMAN AIRPARK OWNERS' ASSOCIATION, INC.  
A Non-profit Corporation  
S E A L  
1990  
North Carolina

It shall remain in the custody of the Secretary and shall be by him affixed to all documents requiring the corporate seal for complete execution. An impression of the corporate seal is directed to be affixed to these Bylaws.

**ARTICLE XIII**  
**Books and Records**

The books, records and papers of the Association shall at all times be subject to inspection by any Member during reasonable business hours. The Declaration, the Articles of Incorporation, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable costs.

**ARTICLE XIV**  
**Fiscal Year**

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**ARTICLE XV**  
**Notice**

Any notice required to be given by these Bylaws may be waived by the person entitled thereto before or after the time stated therein. Unless otherwise provided, whenever a notice shall be required by these Bylaws, such notice shall be given in writing, and addressed to the person entitled thereto at his address as the same appears on the books of the Association, the time when such notice is mailed being deemed the time of the giving of such notice.

**ARTICLE XVI**  
**Amendments**

These Bylaws may be amended at a regular or special meeting of the members of the Board of Directors, by a vote of a majority of a quorum of members or directors present in person or by proxy. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XVII**  
**Committees**

An Architectural Committee, first appointed by the Declarants to undertake the responsibilities set forth in the Declaration concerning the approval of

plans, site approval and other matters set forth in the Declaration, shall be appointed in the manner provided in the Declaration. At any meeting of Members, other committees may be established for purposes consistent with the Declaration and these Bylaws.

ARTICLE XVIII  
Assets: Purpose

No part of the income of the Association shall inure to the benefit of any officer, director or Member of the Association; and upon the dissolution of the Association, the assets thereof shall, after all its liabilities and obligations have been discharged or adequate provisions made therefor, be distributed or conveyed to any association or associations organized for purposes similar to that of the Association, or to a government entity for maintenance.

Filed for registration June 14 1990 at 4:39 P.M.

Jessie S. Crosswhite, Register of Deeds BY: Lillie J. News Deputy