



Candlewyck Homes Association
Charlotte, North Carolina
Established September 18th, 1972

Declarations of Covenants Conditions and Restrictions
Articles of Incorporation
By-Laws

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CONTENTS

DECLARATIONS OF COVENANTS AND CONDITIONS AND RESTRICTIONS PAGE 3

 INTRODUCTION..... PAGE 5

 ARTICLE I - DEFINITIONS..... PAGE 5

 ARTICLE II - PROPERTY SUBJECT TO THIS DECLARATION;
 ADDITIONS THERETO..... PAGE 7

 ARTICLE III - MEMBERSHIP AND VOTING RIGHTS..... PAGE 8

 ARTICLE IV - PROPERTY RIGHTS..... PAGE 10

 ARTICLE V - COVENANT FOR MAINTENANCE ASSESSMENTS PAGE 11

 ARTICLE VI - ARCHITECTURAL CONTROL..... PAGE 14

 ARTICLE VII - EXTERIOR MAINTENANCE PAGE 14

 ARTICLE VIII - USE RESTRICTIONS PAGE 15

 ARTICLE IX - EASEMENTS PAGE 15

 ARTICLE X - GENERAL PROVISIONS..... PAGE 16

 SCHEDULE A and SCHEDULE B PAGE 17

ARTICLES OF INCORPORATIONPAGES 18-23

BY-LAWS..... PAGE 24

 ARTICLE I - NAME AND LOCATION..... PAGE 25

 ARTICLE II - DEFINITIONS PAGE 25

 ARTICLE III - MEMBERSHIP AND VOTING RIGHTS..... PAGE 26

 ARTICLE IV - PROPERTY RIGHTS..... PAGE 27

 ARTICLE V - MEETING OF MEMBERS PAGE 28

 ARTICLE VI - BOARD OF DIRECTORS PAGE 29

 ARTICLE VII - MEETINGS OF DIRECTORS..... PAGE 31

 ARTICLE VIII - POWERS AND DUTIES OF THE BOARD
 OF DIRECTORS..... PAGE 31

 ARTICLE IX - OFFICERS AND THEIR DUTIES PAGE33

 ARTICLE X - COMMITTEES PAGE 34

 ARTICLE XI - BOOKS AND RECORDS PAGE 34

 ARTICLE XII - ASSESSMENTS..... PAGE 35

 ARTICLE XIII - CORPORATE SEAL PAGE 35

 ARTICLE XIV - AMENDMENTS..... PAGE 35

 ARTICLE XV - MISCELLANEOUS..... PAGE 35

FOLLOWING IS A COPY OF THE DOCUMENT AS
RECORDED IN REAL ESTATE BOOK 3647, PAGE 0134
IN THE MECKLENBURG PUBLIC REGISTRY

THIS DECLARATION, made on the date hereinafter set by JOHN CROSLANLD COMPANY, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described in Section 1 of Article II of this Delcaration and desires to create thereon an exclusive residential community to be named Candlewyck, with permanent parks, play areas, open spaces, walkways and other facilities for the benefit of the said community through the granting of specific rights, privileges and easements of enjoyment which may be shared and enjoyed by all residents of Candlewyck; and

WHEREAS, Declarant desires to insure the attractiveness of the individual lots and community facilities within Candlewyck and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of the said property and to provide for the maintenance of the said parks, play areas, open spaces, walkways and other community facilities; and, to this end, desires to subject the real property described in Section I of Article II together with such additions as may hereafter be made thereto (as provided in Article II) 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; and

WHEREAS, Delcarant has deemed it desirable, for the efficient preservation, protection and enhancement of the values and amenities in Candlewyck and to insure the residents enjoyment of the specific rights, privileges and easements in the community properties and facilities, to create an organization to which should be delegated and assigned the powers of owning, maintaining and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created, and

WHEREAS, Declarant has incorporated under the laws of the State of North Carolina, as a non-profit corporation, Candlewyck Homes Association, for the purpose of exercising the functions aforesaid within Candlewyck.

NOW, THEREFORE, the Delcarant declares that the real property described in Section 1 of Article II, and such additions thereto as may hereafter be made pursuant to Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements; charges and liens which shall run with the real property (except as provided in Article V, Section 9 hereafter) and be binding on all parties 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 Candlewyck Homes Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for

the performance of an obligation.

Section 3. "Properties" shall mean and refer to the "Existing property" and any additions thereto, as are or shall become subject to this Declaration and any Supplementary Declaration under the provisions of Article II hereof.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and designated as "Common Open Space" or "Common Area" on any plat of Candlewyck duly recorded in the Mecklenburg Public Registry in accordance with the provisions of this Declaration: the Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All of that land described by metes and bounds on Schedule B attached hereto.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown upon any recorded subdivision map of the Properties with the exception of (1) any Common Area or Common Open Space shown on any recorded map, (2) land reserved and designated for commercial use, and (3) land reserved and designated for the exclusive common use of the Owners of single-family attached cluster homes and townhouses for sale, or the occupants of multi-family apartment buildings or any combination of said Owners. In the event any lot is increased or decreased in size by resubdivision, the same shall nevertheless be and remain a lot for the purposes of this Declaration. Land reserved and designated for the construction of a multi-family apartment building thereon likewise shall be deemed a lot within the meaning of this Declaration, and if any subdivision or resubdivision of that area shall be effected by conveyance (including conveyance by deed of trust), recordation of plat(s) or otherwise, each lot derived from each subdivision and each resubdivision shall be a lot if the same shall be of sufficient size and otherwise qualified by this Declaration and by zoning ordinances to accommodate the construction of two or more private dwelling units thereon.

Section 6. "Declarant" shall mean and refer to John Crosland Company. The term "Declarant" shall also mean and refer to any person, firm or corporation which shall hereafter become vested, at any given time, with title to two or more undeveloped lots for the purposes of causing residence building(s) to be constructed thereon, and any such successor in title to John Crosland Company shall be a Declarant during such period of time as said party is vested with title to two or more such lots so long as improvements constructed thereon are unoccupied (whether undeveloped, or developed and un conveyed), but no longer.

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

Section 8. "Multi-family Apartment Building" shall mean a residential building constructed in the area reserved and designated for multi-family apartment buildings and designed to contain under one roof more than one private dwelling unit irrespective of

whether title to all of the units shall be vested in one owner or shall be vested in diverse owners.

Section 9. "Townhouse for Sale" shall mean a single-family residence built for sale within a building constructed in the area reserved and designated for townhouse residences, which building is designed to contain under one roof more than one private dwelling unit.

Section 10. "Single-family Attached Cluster Home" shall mean a single-family residence attached to one or more other single-family residences by a common wall or walls but standing upon a lot other than a lot derived from a multi-family apartment building area or a townhouse for sale area.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be held, transferred, sold, conveyed, and occupied subject to this Declaration, irrespective of whether there may be additions thereto as hereinafter provided, is located in Providence Township, Mecklenburg County, North Carolina, described as follows:

A tract of land containing approximately seventeen acres, bounded on the northwest by Rea Road, on the west by J. L. Sealy, and on the southeast and southwest by other property of Declarant described in Schedule A, Attached; and more particularly described as all of that certain parcel of land shown on the plat entitled "CANDLEWYCK, Stage 1", which appears of record in Map Book 17 at Page 93 in the Mecklenburg Public Registry.

This property shall be herein referred to as "Existing Property".

Section 2. Additions to Existing Property. Additions may be made in any of the following ways:

(a) Additional land within the area described in the metes and bounds description attached hereto as Schedule A and incorporated herein by reference may be annexed to the Properties by Declarant and brought within the scheme of this Declaration and within the jurisdiction of the Association, in future stages of development, without the consent of the Association or its members; provided, however, that said annexations, if any, must occur within twelve (12) years after the date of this instrument and provided further that the FHA or the VA determine that any such annexation is in accord with the general plan heretofore approved by them.

(b) Additional residential property (and common area), outside of the area described in the aforementioned SCHEDULE A may be annexed to the Properties and brought within the scheme of this Declaration and the jurisdiction of the Association with the consent of the members entitled to at least two-thirds (2/3) of the votes appurtenant to all Class A lots and at least two-thirds (2/3) of the votes appurtenant to all Class B lots, if any, as hereinafter defined in Article III, Section 2. The Association may participate in mergers or consolidations with other non-profit corporations organized for the same or similar purposes as the Association,

thereby adding to the Association, or to a surviving home association, the properties, rights and Obligations of the non-profit corporation with which it merges or consolidates. Any such merger or consolidation shall have the assent of the members as provided above in this subsection .(b), and no such merger or consolidation shall revoke, change or add to any of the provisions of this Declaration except as herein provided.

(c) The additions authorized under subsections (a) and (b) shall be made by filing of record Supplementary Declarations of Covenants, Conditions and Restrictions with respect to the additional properties which shall extend the scheme of this Declaration and the jurisdiction of the Association to such properties and thereby subject such additions to assessment for their just share of the Association's expenses. Said Supplementary Declarations may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect only the different character of the added properties and as are not inconsistent with the provisions of this Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The voting rights of the membership shall be appurtenant to the ownership of the 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 the same are hereinafter defined. The voting rights appurtenant to the Class A lots shall be as follows:

(1) Multi-Family Apartment Buildings. Each lot upon which there are constructed multi-family apartment building(s) shall entitle each owner of each lot to one-fourth (1/4) of one vote for each completed private dwelling unit within the apartment building(s) located upon said lot. To qualify as "completed" the private dwelling unit within the apartment building must be occupied, available for immediate occupancy, or temporarily unavailable for immediate occupancy on account of repairs, maintenance work or restoration. A lot reserved and designated for the development of multi-family apartment building (5) but not containing at least two completed private dwelling units shall be allotted one (1) vote. In the event Declarant owns any multi-family lot it shall be entitled at all times to vote as provided herein.

(2) Townhouses for Sale. Each lot designated as a lot on which a townhouse for sale is or may be constructed shall entitle the owner(s) of said lot to one (1) vote.

(3) Single-Family Attached Cluster Homes. Each lot designated as a lot on which a single-family attached cluster is or may be constructed shall entitle the owner(s) of said lot to one (1) vote.

(4) Single-Family Detached Homes. Each lot designated as a lot on which a single-family detached home is or may be constructed shall entitled the owner(s) of said lot to one (1) vote.

(5) When more than one person owns an interest (other than a lease-hold 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. The votes appurtenant to anyone lot shall be limited as provided in (1), (2),(3) and (4) above regardless of the number of persons owning an interest in such lot.

(6) Notwithstanding any other provisions of this Section at no time shall the total number of votes appurtenant to the multi-family' apartment lots equal or exceed the total number of votes appurtenant to the single-family lots (including single-family detached, single-family attached cluster home and townhouse lots) and if it shall appear at any time that the voting formulae above established shall result in the owners of multi-family lots being privileged to cast in the aggregate as many as. or more votes than, the aggregate of said single-family lot owners, the votes appurtenant to the single-family lots shall be totaled, and the aforesaid total, diminished by one vote, shall be apportioned among the multi-family lots, with the owners of said multi-family lots thereafter casting the votes so apportioned among them in lieu of the votes they would have been privileged to cast under the aforesaid formulae, except that at any time the ratio between multi-family and single-family home lots shall change, the computation of votes appurtenant to the multi-family lots shall be reapportioned.

(b) Class B Lots. Class B lots shall be all lots owned by Declarant (excluding multi-family apartment lot(s) described in (a) (1) of this Section) which have not been converted to Class A lots as provided in (1) or (2) below. The Declarant shall be entitled to three (3) votes for each Class B lot reserved and designated for the development of a single-family detached home, a single-family attached cluster home or a townhouse for sale. The Class B lots shall cease to exist and shall be converted to Class A lots; however, Declarant shall have the same voting rights as other owners of Class A lots.

(1) When the total number of votes appurtenant to the Class A lots (excluding any votes appurtenant to multi-family apartment lot(s) described in (a) (1) of this Section) equals the total number of votes appurtenant to the Class B lots; or

(2) Upon April, 1978, whichever occurs earlier.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Except as limited by Section 2 of this Article IV, every Owner shall have a right and easement of enjoyment in and to the Common Area established in all Stages of the development, which right and easement shall be appurtenant to and shall pass with the title to every lot, including lots in Stage 1, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and to limit the use of said recreational facilities to Owners who occupy a residence on the Properties, and to their families, tenants, contract purchasers and guests as provided in Section 3 of this Article;

(b) the right of the Association to suspend the voting rights and enjoyment rights of an Owner for any period during which any assessment against his lot remains unpaid, and for a period not exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless the members entitled to at least three-fourths (3/4) of the votes appurtenant to all Class A lots and at least three-fourths (3/4) of the votes appurtenant to all Class B lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document, provided that this subsection shall not preclude the Board of Directors of the Association from granting easements for the installation and maintenance of sewerage, utilities and drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements, in the opinion of said Board, are requisite for the convenient use and enjoyment of the Properties.

Section 2. Limitation of Privileges - Multi-Family Apartment Lot Owners. Owners of multi-family apartment lots shall not be privileged to use any swimming pools, tennis courts, club houses or other similar amenities situated upon any common area; but baseball and football fields and other open recreational areas and facilities not requiring extensive maintenance and not of the type located on or to be located in the multi-family building areas are not "similar amenities" and are not subject to the prohibition.

Section 3. Delegation of use.

(a) Family. The right and easement of enjoyment granted to every owner in Sections 1 and 2 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the properties as their principal residence in Mecklenburg County, North Carolina.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Sections 1 and 2 of this Article may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Mecklenburg County, North Carolina.

(c) Guest. Subject to the provisions of Section 2, hereof recreational facilities common areas situated upon the Properties may be utilized by guests of Owners, tenants or contract purchasers subject to rules and regulations of the Association, as may be established by the Board of Directors, governing said use.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each Owner of any lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association. (1) annual assessments or charges and (2) special assessments for the capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal or corporate obligation of the person (s) firm(s) or corporation(s) owning such property at the time when the assessment fell due, but such obligations shall not be imposed upon such Owner(s), successors, in title unless expressly assumed by them.

Section 2. Purposes of Assessments. The assessments levied, by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Properties and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, including but not limited to, the cost of repair, replacement and additions thereto, the cost of labor, equipment, materials, management and supervision thereof, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be One Hundred Eighty and no/10 (\$180.00) Dollars per lot.

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased, effective January 1 of each year, without a vote of the membership but subject to the limitation that the percentage of any such increase shall not exceed the percentage increase, if any, in the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment may be increased without limitation if such increase is approved by no less than two-thirds (2/3) of the votes appurtenant to each class of lots (Class A and Class B), cast in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(d) Any annual assessment established by the Board of Directors shall continue thereafter from year to year as the annual assessment until Changed by said Board.

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, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property, related thereto, provided that any such assessment shall have the same assent of the members as provided in Section 3(b) of this Article.

Section 5. Assessment Rate. The annual and special assessment for the lots within the Properties shall be fixed at the following rates:

(a) Single-Family Detached Homes. Each lot designated as a lot on which a single-family detached home is or may be constructed shall be assessed at a rate of One Hundred (100%) Per Cent of any annual or special assessment fixed or levied pursuant to Section 3 or Section 4 of this Article (said annual or special assessment being referred to in this Section as "the assessment").

(b) Single-Family Attached Cluster Homes. Each lot designated as a lot on which a single-family attached cluster home is or may be constructed shall be assessed at a rate of One Hundred (100%) per cent of "the assessment".

(c) Townhouse for Sale. Each lot designated as a lot on which a townhouse for sale is or may be constructed shall be assessed at a rate of One Hundred (100%) Per Cent of the assessment.

(d) Multi-Family Apartment Building. Each lot used for the development thereon of multi-family apartment building(s) shall, upon the completion of two or more private dwelling units in said building(s) be assessed for each completed private dwelling unit, and each such unit shall be assessed at a rate of Twenty-five (25%) Per Cent of "the assessment". To qualify as "completed", the private dwelling unit within the multi-family apartment building must be occupied, available for immediate occupancy, or temporarily unavailable for immediate occupancy on account of repairs, maintenance work or restoration. Prior to the completion upon a lot of two (2) private dwelling units within a multi-family apartment building, said lot shall be assessed at a rate of One Hundred (100%) Per Cent of "the assessment".

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) per cent of all the votes appurtenant to each Class A lots and Class B lots shall constitute a quorum. If the

required quorum is not present, another meeting may be called subject to the same notice requirement, and if the same is called for a date not later than sixty (60) days after the date of the first meeting, the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Date Certificate of Payment. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days before January 1 of each year, the Board of Directors shall fix the amount of the annual assessment against each lot and at least fifteen (15) days before January 1 of each year shall send written notice of each assessment to every Owner subject thereto. The due dates for the payment of annual and special assessments shall be established by the Board of Directors. The association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessment: 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 six (6%) per cent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action or foreclosures shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages: The liens provided for herein shall be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust. Sale or transfer of any lot shall not affect any assessment lien. However, the sale or transfer of any lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust or deeds of trust.

Section 10. Exempt Property: All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the state of North Carolina "shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

ARCHITECTURAL CONTROL

No building, fence wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications Showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural control committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Association shall have the right to charge a reasonable fee for receiving each application in an amount not to exceed \$25.00. It is provided, however, that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

ARTICLE VII

EXTERIOR MAINTENANCE

In the event an Owner of any lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject notwithstanding the provisions of Section 5, Article V, of this Declaration.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Land Use: All lots shall be used for residential purposes only.

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 household pets may be kept or maintained provided they are not kept or maintained for commercial purposes.

Section 4. Clothes Drying: No drying or airing of any clothing or bedding shall be permitted outdoors on any lot or on any other unenclosed area within the Properties other than between the hours of 8 A. M. and 5 P. M. on Monday through Friday and 8 A. M. and 1 P. M. on Saturdays (except when any such day shall fall upon a holiday) and clothes hanging devices such as lines, reels, poles, frames, etc., shall be stored out of sight other than during the times aforementioned.

ARTICLE IX

EASEMENTS

Easements for installation and maintenance of driveway, walkway, parking area, water line, gas line, telephone, electric power line, sanitary sewer and storm drainage facilities and for other utility installations are reserved as shown on the recorded plat. Further, easements 10 feet in width for such purposes are reserved along the rear lot lines of all lots shown on the recorded plat and easements five (5) feet in width for such purposes are reserved along all side lot lines of all lots shown on the recorded plat, except that no such easements are reserved along rear or side lot boundaries of multi-family apartment lots or townhouse for sale lots or along side lot boundaries of single-family detached cluster home lots unless the same are shown on the recorded plat. In the event it is determined that other and further easements are required over any lot or lots in locations not shown on the recorded plat and not along rear or side lot lines, such easements may be established after the conveyance of a lot or lots to be affected thereby, the written assent of the Owner or Owners of such lot or lots and of the trustees and mortgagees in deeds of trust constituting a lien thereon shall be required. The association may reserve and grant easements for the installation and maintenance of sewerage, utility and drainage facilities over the Common Area as provided in Article IV, Section 1 (c). Within any such easements above provided for, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewerage disposal facilities and 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.

ARTICLE X

GENERAL PROVISIONS

Section 1. Conversion of Apartments: The conversion of multi-family apartment building rental units under a single ownership to diversely owned condominiums or townhouses for sale, and vice versa, shall not affect the nature of the buildings, the rights and privileges appurtenant to the units, the assessments imposed thereon or any other attributes of or charges upon said units, or of or upon the ownership thereof.

Section 2. 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 3. Severability: Invalidation of anyone of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 4. Amendment: The covenants and restrictions of this Declaration shall run and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by the Owners of not less than ninety (90%) percent of the lots, and thereafter by an instrument signed by the Owners of not less than seventy-five (75%) percent of the lots. Any amendment must be properly recorded. For the purposes of this section, additions to existing property as provided for the Article II, Section 2 hereof shall not constitute an "Amendment".

Section 5. FHA/VA Approval: As long as any Class B lot exists. as provided in Article III hereof, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration; Annexation of additional properties, dedication of Common Area, and amendment of this Declaration of Covenants, Conditions and Restrictions.

SCHEDULE A

Beginning at an old iron located in the northwesterly most corner of the property of Mrs. E.B. Springs (now or formerly) as the same is described in deed recorded in Deed Book 920 at page 246 in the Mecklenburg Public Registry; thence North 25 degrees 13 minutes 20 seconds West 860.97 feet to an old iron, said old iron being located in the southwesterly corner of that property described in deed recorded in Deed Book 2561 at page 67 in the Mecklenburg Public Registry; thence North 19 degrees 04 minutes East 989.30 feet to a cedar; thence North 39 degrees 08 minutes 30 seconds East 360.0 feet to an old iron; thence North 05 degrees 24 minutes East 24.66 feet to a point in the southeasterly right-of-way line of Rea Road; thence with said right-of-way line North 49 degrees 31 minutes 30 seconds East 987.82 feet to an iron in said right-of-way; thence leaving said right-of-way South 45 degrees 44 minutes East 119.7 feet to an old iron; thence South 54 degrees 54 minutes East 1771.18 feet to a concrete monument; thence North 21 degrees 27 minutes West 654.92 feet to an old iron; thence South 88 degrees 09 minutes East 334.63 feet to a point in the center line of Providence Road; thence with the center line of said Providence Road South 08 degrees 13 minutes 10 seconds East 301.04 feet to a point in said center line; thence continuing with the center line of said road with the arc of a circular curve to the right having a radius of 2765.65 feet an arc distance of 794.98 feet to a point in the center of said road; thence continuing with said center line South 8 degrees 15 minutes West 1440.28 feet to a point in said center line; thence North 84 degrees 28 minutes 50 seconds West 599.98 feet to an old iron; thence North 84 degrees 30 minutes 40 seconds West 2493.76 feet to the point or place of beginning.

SCHEDULE B

Beginning at a point said beginning point being the south-westerly corner of Lot 1 in Block 4 of Candlewyck subdivision as the same is shown on map recorded in Map Book 17 at page 93 in the Mecklenburg Public Registry; thence South 65 degrees 35 minutes East 380 feet to a point; thence South 12 degrees 42 minutes 20 seconds East 389.65 feet to a point in the northerly margin of Candlewyck Lane; thence with the northerly margin of said Lane North 84 degrees 30 minutes 40 seconds West 396.93 feet to a point; thence continuing with the margin of said Lane with the arc of a circular curve to the right having a radius of 180.99 feet an arc distance of 344.09 feet to a point in the westerly margin of said Lane; thence continuing with said margin North 24 degrees 25 minutes East 268.26 feet to the point or place of beginning.

ARTICLES OF INCORPORATION
OF
CANDLEWYCK HOMEOWNERS ASSOCIATION
SEPTEMBER 18th., 1972

ARTICLES OF INCORPORATION
OF
CANDLEWYCK HOMES ASSOCIATION

In compliance with the requirements of Chapter 55A of the North Carolina General Statutes, the undersigned, a natural person of full age, has this day executed these Articles of Incorporation for the purpose of forming a non-profit corporation and hereby certifies:

ARTICLE I

NAME

The name of the corporation is CANDLEWYCK HOMES ASSOCIATION, hereafter called the "Association".

ARTICLE II

REGISTERED OFFICE AND INITIAL AGENT

The registered office of the Association is located at 145 Scaleybark Road, Charlotte, Mecklenburg County, North Carolina. The location of the registered office may be changed by a majority vote of the Board of Directors. The name of the initial registered agent at the above address is Walter O. Hendrix.

ARTICLE III

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate a pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of the residence Lots and Common Area within that certain tract of property described as:

Being all of the certain parcel of land lying and being in Providence Township, Mecklenburg County, North Carolina, and being more particularly described in the metes and bounds description attached hereto as Schedule A and incorporated herein by reference.

and to promote the health, safety and welfare of the residents within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association, and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions recorded in or to be recorded in the Mecklenburg Public Registry, and as set forth in any Supplementary Declaration filed pursuant to Article II, Section 2 of said Declaration, applicable to the above described property, as the same

may be amended from time to time, said Declaration and any such Supplementary Declaration (hereinafter jointly and individually referred to as "Declaration") being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of members entitled to at least two-thirds (2/3) of the votes appurtenant to each Class A Lots and Class B Lots, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the property rights of the members of the Association as provided in Article IV of the Declaration;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by members entitled to at least three-fourths (3/4) of the votes appurtenant to each Class A Lots and Class B Lots, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional residential property and Common Area, provided that any such merger, consolidation or annexation shall have the consent of the members as provided in paragraph (d) above;

(g) annex additional residential property and Common Area pursuant to the provisions of Article II, Section 2, of the Declaration; and

(h) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of North Carolina by law may now or hereafter have or exercise.

ARTICLE IV

FINANCE

This corporation is a non-stock corporation and no part of the profit (if any) of the corporation shall inure to the pecuniary benefit of its members or to any other person.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

The voting rights of the membership shall be as provided by the Declaration.

ARTICLE VI

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of nine (9) Directors, who need not be members of the Association. The number of Directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors are:

<u>Name</u>	<u>Address</u>
John Crosland, Jr	145 Scaleybark Road Charlotte, North Carolina
Ronald D. Kennerly	145 Scaleybark Road Charlotte, North Carolina
T. Herman Alley, Jr.	145 Scaleybark Road Charlotte, North Carolina
J. Frank Newton	145 Scaleybark Road Charlotte, North Carolina
Walter O. Hendrix	145 Scaleybark Road Charlotte, North Carolina
Ronald S. Long	145 Scaleybark Road Charlotte, North Carolina
Robert E. Perry, Jr.	200 Attorneys Building Charlotte, North Carolina
Hamlin L. Wade	200 Attorneys Building Charlotte, North Carolina
Bernice D. Farmer III	200 Attorneys Building Charlotte, North Carolina

At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years; and at each annual meeting thereafter the members shall elect three directors for a term of three years.

ARTICLE VII

DISSOLUTION

The Association may be dissolved only upon the signed written assent of members entitled to not less than three-fourths (3/4) of the votes appurtenant to each Class A and Class B Lots. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE VIII

DURATION

The period of existence of this corporation is unlimited.

ARTICLE IX

AMENDMENTS

Amendment of these Articles shall require the assent of the members entitled to at least three-fourths (3/4) of the entire vote of the membership.

ARTICLE X

FHA/VA APPROVAL

As long as any Class B Lot exists, as provided in Article III of the Declaration, the following actions will require the prior approval of the Federal Housing Administration of the Veterans Administration: annexation of additional properties, mergers and consolidations, mortgaging of Common Area, dedication of Common Area, dissolution and amendment of these Articles.

ARTICLE XI

INCORPORATOR

The name and address of the incorporator is as follows:

Robert E. Perry, Jr. 200 Attorneys Building, Charlotte North Carolina

IN WITNESS WHEREOF, I, the undersigned incorporator have hereunto set my hand and seal, this 13th day of September, 1972.

Robert E. Perry, Jr.

SCHEDULE A

Beginning at an old iron located in the northwesterly most corner of the property of Mrs. E.B. Springs (now or formerly) as the same is described in deed recorded in Deed Book 920 at page 246 in the Mecklenburg Public Registry; thence North 25 degrees 13 minutes 20 seconds West 860.97 feet to an old iron, said old iron being located in the southwesterly corner of that property described in deed recorded in Deed Book 2561 at page 67 in the Mecklenburg Public Registry; thence North 19 degrees 04 minutes East 989.30 feet to a cedar; thence North 39 degrees 08 minutes 30 seconds East 360.0 feet to an old iron; thence North 05 degrees 24 minutes East 24.66 feet to a point in the southeasterly right-of-way line of Rea Road; thence with said right-of-way line North 49 degrees 31 minutes 30 seconds East 987.82 feet to an iron in said right-of-way; thence leaving said right-of-way South 45 degrees 44 minutes East 119.7 feet to an old iron; thence South 54 degrees 54 minutes East 1771.18 feet to a concrete monument; thence North 21 degrees 27 minutes West 654.92 feet to an old iron; thence South 88 degrees 09 minutes East 334.63 feet to a point in the center line of Providence Road; thence with the center line of said Providence Road South 08 degrees 13 minutes 10 seconds East 301.04 feet to a point in said center line; thence continuing with the center line of said road with the arc of a circular curve to the right having a radius of 2765.65 feet an arc distance of 794.98 feet to a point in the center of said road; thence continuing with said center line South 8 degrees 15 minutes West 1440.28 feet to a point in said center line; thence North 84 degrees 28 minutes 50 seconds West 599.98 feet to an old iron; thence North 84 degrees 30 minutes 40 seconds West 2493.76 feet to the point or place of beginning.

BY-LAWS OF CANDLEWYCK
HOMEOWNERS ASSOCIATION

BY-LAWS OF
CANDLEWYCK HOMES ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Candlewyck Homes Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 145 Scaleybark Road, Charlotte, North Carolina, but with meetings of members and directors may be held at such places within Mecklenburg County, North Carolina, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Candlewyck Homes Association, its successors and assigns.

Section 2. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions, applicable to the Properties, recorded or to be recorded in the Office of the Register of Deeds of Mecklenburg County.

Section 3. "Properties" shall mean and refer to that certain real property described in Article II, Section I, of the Declaration of Covenants, Conditions, and Restrictions, and any additions thereto, as are or may hereinafter become subject to the Declaration and any Supplementary Declarations pursuant to Article II of said Declarations.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plot of land, with delineated boundary lines, shown upon any recorded subdivision map of the Properties with the exception of (1) any Common Area or Common Open Space shown on any recorded map, (2) land reserved and designated for commercial use, and (3) land reserved and designated for the exclusive common use of the Owners of single-family attached cluster homes and townhouses for sale, or the occupants of multi-family apartment buildings or any combination of said Owners. In the event any lot is increased or decreased in size by resubdivision, the same shall nevertheless be and remain a lot for the purposes of this Declaration. Land reserved and designated for the construction of a multi-family apartment building thereon likewise shall be deemed a lot within the meaning of this Declaration, and if any subdivision or resubdivision of that area shall be effected by conveyance (including conveyance by deed of trust), recordation of plat(s) or otherwise, each lot derived from each subdivision and each resubdivision shall be a lot if the same

shall be of sufficient size and otherwise qualified by this Declaration and by zoning ordinances to accommodate the construction of two or more private dwelling units thereon.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to John Crosland Company. The term "Declarant" shall also mean and refer to any person, firm or corporation which shall hereafter become vested, at any given time, with title to two or more undeveloped lots for the purposes of causing residence building(s) to be constructed thereon, and any such successor in title to John Crosland Company shall be a Declarant during such period of time as said party is vested with title to two or more such lots so long as improvements constructed thereon are unoccupied (whether undeveloped, or developed and unconveyed), but no longer.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. 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 the same are hereinafter defined.

The voting rights appurtenant to the Class A Lots shall be as follows:

- (1) Multi-Family Apartment Buildings. Each lot upon which there are constructed multi-family apartment buildings) shall entitle each owner to each lot to one-fourth (1/4) of one vote for each completed private dwelling unit within the apartment building(s) located upon said lot. To qualify as "completed" the private dwelling unit within the apartment building must be occupied, available for immediate occupancy or temporarily unavailable for immediate occupancy on account of repairs, maintenance work or restoration. A lot reserved and designated for the development of multi-family apartment building(s) but not containing at least two completed private dwelling units shall allotted on (1) vote. In the event Declarant owns any multi-family lot it shall be entitled at all times to vote as provided herein.
- (2) Single-Family Attached Townhouses. Each lot designated as a lot on which a single-family attached townhouse for sale is or may be

constructed shall entitle the owner(s) of said lot to three-fourth (3/4) of one vote.

- (3) Single-Family Attached Cluster Homes. Each lot designated as a lot on which a single-family attached cluster is or may be constructed shall entitles the owner(s) of said lot to one (1) vote.
 - (4) Single-Family Detached Homes. Each lot designated as a lot on which a single-family detached home is or may be constructed shall entitled the owner(s) of said lot to one (1) vote.
 - (5) When more than one person owns an interest (other than a lease-hold 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. The votes appurtenant to anyone lot shall be limited as provided in (1), (2), and (3) above regardless of the number of persons owning an interest in such.
 - (6) Notwithstanding any other provisions of this Section at no time shall the total number of votes appurtenant to the multi-family' apartment lots equal or exceed the total number of votes appurtenant to the single-family lots.
- (b) Class B Lots. Class B lots shall be all lots owned by Declarant (excluding multi-family apartment lot(s) described in (a) (1) of this section) which have not been converted to Class A lots as provided in (1) or (2) below. The Declarant shall be entitled to three (3) votes for each Class B lot reserved and designated for the development of a single-family detached home, a single-family attached cluster home or a townhouse for sale. The Class B lots shall cease to exist and shall be converted to Class A lots; however, Declarant shall have the same voting rights as other owners of Class A lots.
- (1) When the total number of votes appurtenant to the Class A lots (excluding any votes appurtenant to multi-family apartment lot(s) described in (a) (1) of this Section) equals the total number of votes appurtenant to the Class B lots; or
 - (2) Upon the date provided for in the Declaration of Supplementary Declaration, as appropriate, for the conversion of Class B Lots to Class A Lots; Whichever occurs earlier.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owner' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

- (a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and to limit the use of said recreational facilities to Owners who occupy a residence on the Properties as their principal residence in Mecklenburg

County, North Carolina, and to their families, tenants, contract purchasers and guests as provided in Section 2 of this Article;

- (b) The right of the Association to suspend the voting rights and enjoyment rights of 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:
- (c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless members entitled to not less than three-fourths (3/4) of the votes appurtenant to each Class A Lots and Class B Lots agree to such dedication or transfer and signify their agreement by a signed and recorded written document.

Section 2. Delegation of Use.

- (a) Family. The right and easement of enjoyment granted to every owner in Section 1 of this Article may be exercised by members of the Owner's family who occupy the residence of the Owner within the Properties as their principal residence in Mecklenburg County, North Carolina.
- (b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence in Mecklenburg County, North Carolina.
- (c) Guests. Recreational facilities situated upon the Properties may be utilized by guests of Owners, tenants or contract purchasers subject to rules and regulations of the Association as may be established by the Board of Directors, governing said use.

ARTICLE V

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 p. m. 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.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President, Secretary or Board of Directors, or upon written request of the members entitled to a one-fourth (1/4) of the votes appurtenant to Class A Lots.

Section 3. Place of Meetings. All meetings of the members shall be held at such a place within Mecklenburg County, North Carolina, as shall be determined by the Board of Directors of the Association.

Section 4. Notice of Meetings. Written notice of each meeting of the members shall be

given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than 15 days nor more than 50 days before the date of the meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of special meeting, the purpose of the meeting. Waiver by a member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or in proxies entitled to cast, one-tenth of the votes appurtenant to each Class A and Class B Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is aforesaid shall be present or be represented.

Section 6. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

Section 7. Informal Action by Members. Any action which may be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth action so taken shall be signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the Association to be kept in the Association minute book.

ARTICLE VI

BOARD OF DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by a Board of Directors.

Section 2. Number, Term and Qualification. The number of directors of the Association shall be nine. At the first annual meeting and members shall elect three directors to serve for a term of one year, three directors to serve for a term of two years and three directors to serve for a term of three years. At each annual meeting thereafter the members shall elect three directors to serve for a term of three years. Each director shall hold office until his death, resignation, retirement, removal, disqualification, or his successor is elected and qualified. Directors need not be members of the Association.

Section 3. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the

Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 4. Election. Except as provided in Section 6, of this Article, the directors shall be elected at the annual meeting of the members, by secret written ballot. As such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled under the provisions of Article III of these By-Laws. The persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 5. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association.

Section 6. Vacancies. A vacancy occurring in the Board of Directors may be filled by the selection by the remaining directors of a successor who shall serve for the unexpired term of his predecessor. The members may elect a director at any time to fill any vacancy not filled by the directors.

Section 7. Compensation. No director shall receive compensation for any service he may render to the Association in the capacity of director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Informal Action by Directors. Action taken by a majority of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors and filed with the minutes of the proceedings of the Board, whether done before or after the action so taken.

Section 5. Chairman. A Chairman of the Board of Directors shall be elected by the directors and shall preside over all Board meetings until the President of the Association is elected. Thereafter the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors to serve until a new President is elected.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association pursuant to the provisions of the Declaration. Such rights may also be suspended after notice and hearing for a period not to exceed 60 days for infraction of published rules and regulations;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) declare the office of a member of the Board of Directors to be vacant in

the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and
- (f) employ attorneys to represent the Association when deemed necessary;
- (g) grant easements for the installation and maintenance of sewerage, utilities or drainage facilities upon, over, under and across the Common Area without the assent of the membership when such easements are requisite for the convenient use and enjoyment of the Properties; and
- (h) appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient.

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 members entitled to at least one-fourth (1/4) of the votes appurtenant to Class A Lots.
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) as more fully provided in the Declaration, to:
 - 1. fix the amount of the annual assessment against each Lot at least thirty (30) days before January of each year.
 - 2. send written notice of each assessment to every Owner subject thereto at least fifteen (15) days and before January 1 of each year:
 - 3. foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificates shall be conclusive evidence of such payment;
- (e) procure and maintain adequate liability insurance covering the Association and adequate hazard insurance on the real and personal property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area and all facilities erected thereon to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or be otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

- (a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all check and promissory notes.

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.

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 audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Control Committee as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws 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 cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in Article V of the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) per cent per annum, and the Association may bring an action at Law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Candlewyck Home. Association, Charlotte, North Carolina.

ARTICLE XIV

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there are Class B Lots.

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

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.