

Woodland Hills
Declaration of Covenants, Conditions & Restrictions
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Drafted by: William E. Pabil, Jr.

**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
WOODLAND HILLS, SECTION I**

THIS DECLARATION, made on the date hereinafter set forth by Sheppard, Inc., a North Carolina Corporation, with its principal place of business in Forsyth County, North Carolina, hereinafter referred to a "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Winston Township, being known as Woodland Hills, Section I, County of Forsyth, State of North Carolina, which is more particularly described as:

SEE ATTACHED EXHIBIT "A"

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in

the described properties 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 the Woodland Hills Homeowners Association, Inc., 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 that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

SEE ATTACHED EXHIBIT B

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 6. "Declarant" shall mean and refer to Sheppard, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II. Property Rights

Section 1. Owner's 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) Until the last of the 16 dwelling units to be erected on the Lots shall have been built and conveyed, Declarant shall have the right to place dwellings and their appurtenant improvements upon the properties within the Lots in the approximate locations represented by the numerals appearing on the recorded maps of Woodland Hills aforementioned. Declarant hereby expressly reserves a pre-eminent property right in all Lots as shown in the Maps of Woodland Hills for the purpose of erecting 16 dwellings units, together with their appurtenant improvements. This property right shall be extinguished when Declarant shall have conveyed 16 Lots.

(b) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area:

(c) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(d) 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 it has the assent of 2/3 of all the votes of the membership.)

(e) the right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon which regulations may further restrict the use of the Common Area.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III. Membership and Voting Rights

Section 1. 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. All members, with the exception of the Declarant, shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot for all members with the exception of the Declarant. The Declarant shall be entitled to three (3) votes for each Lot owned.

ARTICLE IV. Covenant for Maintenance Assessments

Section 1. (a) Creation of the Lien and Personal Obligation of Assessments. Each owner of any Lot save and except for the Declarant by acceptance of a deed thereof, 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 capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, 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's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

(b) Direct Assessments: Each Owner shall have the obligation to maintain and keep in good repair the improvements on his Lot, including the exterior walls of the dwelling house thereon, and any other exterior surfaces such as garden walls, carports or garages; as well as the Lot landscaping. If any Owner shall fail to properly comply with the provisions of this sub-section, and in the opinion of the Architectural Control Committee of the Association such failure impairs the aesthetic harmony of the Woodland Hills subdivision, the Association may make demand upon such Owner to comply. In the event such Owner shall, after notice has been given, fail to take necessary steps to comply, the Association may proceed to remedy such Owner's default. Any expenses incurred by the Association for such purposes, including labor, materials and professional fees shall become a lien upon the Lot of such Owner, collectible as otherwise provided for herein. Amounts incurred in the foregoing manner shall be deemed "Direct Assessments", and shall be in addition to any other assessments herein provided for and shall be due immediately upon demand.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, security, safety and welfare of the residents in the Properties and in particular for the acquisition, improvement and maintenance of properties, personnel, services and facilities devoted to this purpose and related to the security of Woodland Hills, the yard and landscaping maintenance of the Common Area or for the use and enjoyment of the Common Area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, the procurement and maintenance of insurance related to the Common Area, its facilities and use 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 Two-hundred Forty dollars (\$240.00) 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 each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

(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 above 10% by a vote of two-thirds (2/3) of the votes of the membership who are voting 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.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment, 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 Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the membership being voted in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3&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 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots save and except for Lots owned by the Declarant and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots save and except for Lots owned by the Declarant 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. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates

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. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

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 highest rate of interest permitted by law to be charged. 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, court costs and reasonable attorney's fees of such actions 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 non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect any lien provided for in this Declaration. However, the sale or transfer of any Lot pursuant of mortgage foreclosure or any proceedings in lieu thereof, shall release said Lot as security for the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Release of a Lot as security for any lien described hereunder shall not extinguish the Lot Owner's personal liability for the debt secured thereby.

ARTICLE V. 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, height, materials, and location of the same shall have been submitted in duplicate 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 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 sixty (60) 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.

Approval of such plans and specifications shall be evidenced by written endorsement on such plans and specifications, a copy of which shall be delivered to the Owner of the Lot upon which the prospective building, road, driveway, or other structure is contemplated prior to the beginning of such construction. No changes or deviations in or from such plans and specifications as approved shall be made without the prior written consent of the Board or Architectural Committee. The Architectural Committee shall not be responsible for any structural defects to such plans or specifications or in any building or structure erected according to such plans and specifications.

ARTICLE VI. Protective Covenants

Section 1. Residential Use.

(a) No Lot shall be used except for residential purposes. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family-dwelling not to exceed three stories in height.

(b) No trailer, tent, barn, tree house or other similar out-building or structure shall be placed on any Lot at any time, either temporarily or permanently.

(c) No trucks and no commercial - type vehicles shall be stored or parked on any Lot and/or Common Area except while parked in a closed garage, nor parked on any street in the subdivision except while engaged in transporting goods or persons to or from a resident in the subdivision or except while being used to furnish commercial or construction or utilities services to a residence or to a lot in the subdivision. No trailers or habitable motor vehicles of any nature shall be kept on or stored on any part of the property except within an enclosed garage. A Pleasure boat on its trailer may be parked or stored on that portion of the lot away from the street lying beyond the front building line.

(d) No evaporative cooler shall be placed or installed or maintained on the roof or the wall of any building or structure. All coolers shall be concealed.

(e) The following shall also be prohibited:

(1) Vent pipes projecting from the front of any part of the building unless approved by the Board of Directors of the Association;

(2) Exterior air conditioning equipment except when hidden by screening approved by Declarant.

(3) Exposed garbage cans or incinerators;

(4) Outside clothes lines or other exterior drying apparatus.

(5) No outside radio or television antennas shall be erected on any Lot or in any dwelling unit within the Properties unless and until permission for the same has been granted in writing by the Board of Directors of the Association.

(f) The riding of minibikes or motorcycles or other motorized vehicles on any lot and/or Common Area is expressly forbidden.

(g) No animals, livestock, poultry, or fowl shall be kept or maintained on any lot or in any dwelling. No more than two pets of the customary household variety (including birds) may be kept on any lot in the subdivision, except upon the express written permission of the Board of Directors of the Association; provided, however, that the provisions hereof shall not be deemed to permit the keeping of domestic fowl. No dogs shall be permitted in or upon the Common Area except on leash.

(h) No hunting or trapping shall be permitted in the subdivision. The discharge of any firearm including BB guns or pellet guns is expressly prohibited.

Section 2. Sales and Construction Facilities of Declarant. Notwithstanding any provision in Section 1, Declarant, its agents, employees and contractors shall be permitted to maintain during the period of construction and sale of the Lots in the Properties upon such portion of the Properties as Declarant may choose, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction, sale or rental of Lots, including but not limited to, a business office, storage area, construction yards, signs, model houses, sales office, construction office, parking area and lighting and temporary parking facilities for all prospective tenants or purchasers of Declarant.

Section 3. No other Business. No other business activity of any kind shall be conducted in any Lot or in the Properties.

Section 4. Native Growth to be Preserved. The native growth on each Lot shall not be permitted to be destroyed or removed except as approved in writing by the Board of Directors or the Homeowners Association as the case may be. In the event that such growth is removed, except as stated above, the Declarant or the Association, as the case may be, is authorized to replant some with the costs thereof to be borne by the Owner and to be enforced in the same manner and to the same extent as provided for enforcement of liens for assessments hereunder. It is specifically provided, however, that the term native growth shall include trees of a diameter of six (6) inches or more at a height two (2) feet above the base of the tree, and will not apply to vegetation or growth smaller than this.

Section 5. Validity. The invalidation of any one or more of the foregoing covenants and restrictions by judgment, court order, or otherwise, shall not in any way affect any of the other covenants and restrictions, which shall remain in full force and effect.

ARTICLE VI. Maintenance

The Association shall provide maintenance upon the Common Areas. Repair, repave and care for private streets and maintain, replace, repaint or repair all improvements on the Common Areas, (excluding private driveways or drives servicing individual dwellings which may be installed in Common Area for the benefit of individual Lot owners), trees, shrubs, grass. In the event that the need for maintenance or repair is caused through the willful or negligent act of any owner, his family, or guests, or invitees, the cost of such maintenance or repair shall be added to and become a part of the assessment to such Owner's Lot is subject.

ARTICLE VII. Easements

Section 1. Utilities. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Easement for the installation and maintenance of air

conditioning equipment and garbage cans is reserved at the rear or side of each Lot, the location of said easement being determined by the actual location of said equipment as installed by the Declarant, and said easement to be reserved and excepted from the conveyance of the Common Area to the Association and to be appurtenant to and conveyed with each Lot to the Owner thereof. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of or accessibility to utilities or air conditioning equipment or garbage cans, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Encroachments. If any such encroachment shall occur hereafter as a result of settling or shifting of any building on a Lot or for any other reason, a valid easement for the encroachment shall exist so long as the building stands. Such encroachments shall not be construed to be encumbrances affecting the marketability of title to any Lot.

ARTICLE VIII. COVENANTS OF OWNER TO KEEP UNITS INSURED AGAINST LOSS, TO REBUILD AND TO KEEP IN GOOD REPAIR

The Declarant covenants with the Association, on behalf of itself and on behalf of each subsequent Owner of a Lot within the properties, and each Owner of any Lot within the properties, by acceptance of a deed thereof, whether or not it shall be so expressed in said deed, or by exercise of any act of ownership, is deemed to covenant:

- (1) To keep each dwelling unit upon a Lot subject to assessment insured against loss by fire with what is commonly called extended coverage in an amount equal to at least ninety percent (90%) of the replacement value of such dwelling unit;
- (2) To name the Association as an insured "as its interest may appear" so that the Association shall be entitled to receive notice of cancellation of such insurance policies (subject to the rights of any First Mortgagee) which shall be issued by companies acceptable to the Association;
- (3) Subject to the provisions and covenants contained in any mortgage or mortgages, deed of trust or deeds of trust creating a lien against any Lot to apply up to the full amount of any insurance proceeds to the rebuilding, repair or removal of any dwelling unit damaged by an insured casualty.
- (4) To rebuild or restore the dwelling unit in the event of damage thereto; and
- (5) To keep the dwelling unit in good repair as provided by the By-Laws of the Association.

In the event of non-payment of any premium for insurance required under this Article VIII, the Association is authorized to pay such premium and sums so paid shall become a lien upon the insured Lot which shall be enforceable in the same manner and to the same extent as provided for enforcement of liens for assessments hereunder.

ARTICLE IX. 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 restriction, 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, 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 assented to by not less then ninety percent (90%) of all of the votes of the membership with the exception of such amendments required in order to obtain FHA and/or VA approval, if such amendments are requested by the Declarant, and in such case, the assent of only fifty percent (50x) of the votes of the entire membership shall be required and thereafter by an instrument assented to by not less than seventy-five percent (75%) of all of the votes of the membership. Any amendment must be recorded.

Section 4. Annexation.

(a) Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of all the votes of the membership.

(b) Additional land within the area described in Deed Book 1312, Page 1334 as recorded in the Office of the Register of Deeds of Forsyth County, North Carolina may be annexed by the Declarant without the consent of members within 20 years of the date of this instrument.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 2nd day of January, 1981

SHEPPARD, INC.
Declarant

EXHIBIT "A"

Lying and being in Winston Township, Forsyth County, North Carolina, and being more particularly described as follows:

BEGINNING at an iron stake, located in the northwest corner of the herein described tract, said beginning point being located the following two courses and distances from the northwest corner of the property conveyed to Ralph C. Kimel and wife, Eleanor R. Kimel by deed recorded in Deed Book 817, page 280, Forsyth County Registry, the same also being designated by an iron stake located in the eastern right of way line of Burke Mill Road: South 88° 25' 30" East 380.37 feet to an iron stake (said iron being located at the northwest corner of the Hilary H. Holt et ux parcel as described in Deed Book 720, page 10, Forsyth County Registry, and the same also being a corner on the western margin of the property known as British Woods, Section 3, as shown in Plat Book 24, page 56, Forsyth County Registry) and South 02° 44' West 663.96 feet to an iron stake, the beginning point (the same being the northwest corner of the property of Sheppard, Inc. as described in that Deed of Trust recorded in Book 1312, page 1388, Forsyth County Registry, and the same also being a southwest corner of the property of The British Woods Partnership, Ltd., formerly the property of Lambe-Young-Jones, Inc.); running thence from said beginning point with the boundary of the property of The British Woods Partnership, Ltd., South 89° 36' 35" East 463.0 feet to a point; running thence on a new line South 12° 41' 20" East 170.0 feet to a point; South 67° 27' West 55.0 feet to a point; South 18° 07' 35" East 277.46 feet to a point; thence South 56° 27' West 167.37 feet to a point; thence South 33° 33' East 240.0 feet to a point; thence South 56° 27' West 220.0 feet to a point; thence North 51° 34' 20" West 258.39 feet to a point; thence South 57° 39' 40" West 215.89 feet to an iron stake located in the eastern line of the G. H. Rierson parcel; running thence North 02° 44' East 823.50 feet to an iron stake, the point and place of BEGINNING, containing 9.00 acres more or less, all as per the survey of John Edward Beeson dated December 10, 1980. The same also being a portion of that tract conveyed to Sheppard, Inc. in Book 1312, page 1334, Forsyth County Registry and a portion of Tax Lot 3 of Forsyth County Tax Block 3926.

EXHIBIT B - Common Open Areas

TRACT I:

BEGINNING at an iron stake located in the northwest corner of the subdivision known as Woodland Hills, Section I, said iron stake being located in the eastern right of way margin of Woodland Hills Drive (the same being the northwest corner of the property of Sheppard, Inc. as described in that Deed of Trust recorded in Book 1312, page 1388, Forsyth County Registry, and the same also being a southwest corner of the property of The British Woods Partnership, Ltd., formerly the property of Lambe-Young-Jones, Inc.; running thence with the eastern right of way margin of Woodland Hills Drive on a chord with a radius of 24.0 feet as it curves to the right, South 42° 56' East 41.24 feet to a point; running thence South 89° 36' 35" East 110.0 feet to a point; running thence South 00° 23' West 40.0 feet to a point; running thence South 57° 53' West 76.91 feet to a point in Brecknock Drive ('a private road); running thence on a chord as it curves to the right South 44° 39' East 23.78 feet to a point; running thence North 59° 37' East 49.71 feet to a point; running thence North 54°.10' East 60.0 feet to a point; running thence North 85° 27' East 22.06 feet to a point; running thence North 00° 23' East .35.0 feet to a point; running thence North 89° 36' 35" East 63.0 feet to a point; running thence South 00° 23' East 30 feet to a point; running thence North 89° 36' 35" West 268 feet to a point, the point and place of Beginning.

TRACT II.

BEGINNING at an iron stake located in the southwest corner of the subdivision known as Woodland Hills, Section I, said iron stake also being located in the eastern line of the G. H. Rierson parcel; running thence North 02° 44' East 700.30 feet to a point in the right of way margin of Woodland Hills Drive; running thence on a chord as it curves to the right North 74° 02' East 23.02 feet to a point; running thence South 50° 00' East 10.26 feet to a point; running thence South 02° 44' West 369.74 feet to a point; running thence North 55° 39' East 90.81 feet to a point; running thence North 64° 25' East 240.91 feet to a point; running thence North 24° 07' West 20.0 feet to a point; running thence South 64° 25' West 240.91 feet to a point; running thence South 55° 39' West 90.81 feet to a point; thence running North 02° 44' East 369.74 to a point; running thence; . North 50° 00' West 10.26 feet to a point; running thence South 74° 02' West 23.02 feet to a point; running thence North 02° 44' East 700.30 feet to the point and place of Beginning.