

**BY-LAWS
OF
WOODLAND HILLS
HOMEOWNERS ASSOCIATION, INC.**

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BY-LAWS OF WOODLAND HILLS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. Name and Location

The name of the corporation is Woodland Hills Homeowners Association, Inc., hereafter referred to as the "Association". The principal office of the corporation shall be located at 3623 North Elm Street, Suite 200, Greensboro, NC, 27455, but meetings of members and directors may be held at such places within the State of North Carolina, County of Forsyth, as may be designated by the Board of Directors.

ARTICLE II. Definitions

Section 1. "Association" shall mean and refer to Woodland Hills Homeowners Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 4. "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 5. "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 6. "Declarant" shall mean and refer to Sheppard, Inc.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of Register of Deeds of Forsyth County, North Carolina.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III. Meeting of Members

Section 1. Annual Meetings. A meeting of the members of the Association shall be held annually at a time and place to be determined by the Board of Directors of the Association. The meeting shall be held within 75 days of the end of the fiscal year.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-half (1/2) of all of the votes of the membership.

Section 3. 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, at least 15 days before such 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 case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of all the membership shall constitute a quorum for any action—except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. The quorum requirement at the next meeting shall be one-half of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 5. 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV. Board of Directors: Selection: Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of seven (7) directors, all of whom shall be members of the Association.

Section 2. Term of Office. Directors shall be elected for two-year terms or until their successors are elected, and their term of office shall begin at the close of the annual meeting at which they are elected, such that three (3) of the Directors and four (4) of the Directors shall be elected in alternate years. Directors are limited to a maximum of three consecutive terms.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining

members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render the Association in conjunction with his duties as Director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V. Nomination and Election of Directors

Section 1. 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 Nomination Committee shall be appointed by the Board of Directors at least thirty (30) days before each annual meeting of the members to serve until the close of that 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 only from among members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. No person may be elected to the Board of Directors who is in arrears on assessments, or who at the time is subject to a fine or suspension of community privileges or services due to a violation of the Declaration, By-Laws or Rules and Regulations of the Association. In the event there is only one nominee for an office, the officer may be elected by a voice vote.

ARTICLE VI. Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least bi-monthly, at such place and hour as may be fixed from time to time by resolution of the Board. At regular intervals, the executive board meeting shall provide lot owners an opportunity to attend a portion of an executive board meeting and to speak to the executive board about their issues or concerns. The executive board may place reasonable restrictions on the number of persons who speak on each side of an issue and may place reasonable time restrictions on persons who speak.

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 (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.

ARTICLE VII. 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. 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;
- (f) employ attorneys to represent the Association when deemed necessary; and
- (g) cause a compilation, review, or audit of the association's books and records for the current or immediately preceding year.

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

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of all the votes of the membership;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed; and

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within ninety (90) days 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 certificate shall be conclusive of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association. Procure and maintain fire and extended coverage on insurable property owned by the Association on a current replacement cost basis in an amount no less than one hundred percent (100%) of the insurable value, and to make payment of delinquent fire insurance premium and enforce repayment of same as more particularly provided in the Declaration of Covenants, Conditions and Restrictions.

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Area to be maintained.

ARTICLE VIII. 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. Term. The officers shall be elected to serve for one year or until their successors are elected, and their term of office shall begin at the close of the meeting at which they are elected.

Section 3. Special Appointments. The Board may make such special appointments as the affairs of the Association may require, each of whom hold office for such periods, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. 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 5. 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 6. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneous hold more than one of any of the other offices except in the case of special appointments made pursuant to Section 3 of this Article.

Section 7. 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 promissory notes, and shall certify that amendments to the Declaration have obtained the proper consent.

Vice President

(b) The vice-president shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; shall attest that amendments to the Declaration are properly certified by the President; and shall perform such other duties as required by the Board.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; may cause an annual audit, compilation or review of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX. 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 X. 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 XI. Assessments

As more fully provided in 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 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, 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 XII. Corporate Seal

The Association may have a seal in circular form having within its circumference the words: Woodland Hills Homeowners Association, Inc.

ARTICLE XIII. 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 the votes of the membership present in person or by proxy.

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 XIV. Miscellaneous

The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Woodland Hills Homeowners Association, Inc., have hereunto set our hands this 9th day of September, 2007.

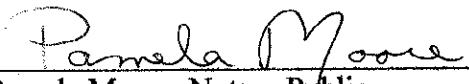
(seal)

Barbara S. Barron President
Ann K. [Signature] Vice President
[Signature] Secretary
Parula Moore-Berry Treasurer
Gay [Signature] Director
Ken [Signature] Director
[Signature] Director

STATE OF NORTH CAROLINA)
)
COUNTY OF FORSYTH)

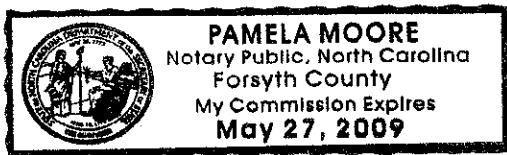
Sworn to and subscribed before me this 11th day of November, 2007 by the following individuals:

Barbara S. Barron
Ann K. Scofield
Roy D. Sears
Kevin Parkes
Douglas Kane



Pamela Moore, Notary Public

(Seal)



STATE OF NORTH CAROLINA)
)
COUNTY OF FORSYTH)

Sworn to and subscribed before me this 14th day of November, 2007 by Pamela Moore Berry.

Debra H. Wenzel
Notary Public

(Seal)

