

Wood Valley Homeowners' Association

P.O. Box 90543

Raleigh, NC 27675-0543

Email: wvhoa.president@woodvalley.org



Fall, 2003

Dear Neighbor:

By now you are aware of the pending referendum that, if successful, will unify Wood Valley under a single set of land use covenants and designate the Wood Valley Homeowners Association ("HOA") as the entity charged with administering them.

Enclosed is the information you need to participate in this referendum:

- The new covenant document entitled "Amended and Restated Declaration of Protective Covenants for Sections 1 – 8, Inclusive, Wood Valley Subdivision." Beginning with Article I, these are the proposed covenants for the entire neighborhood. Residents of sections 1 – 8 will vote by signing an "INDIVIDUAL SIGNATURE PAGE FOR AMENDMENT" at the end of this document;
- **If you live in sections 9 and above**, you also have a separate 4-page document entitled "Amended and Restated Declaration of Protective Covenants for Section ____." This is your amendment document and references the section 1 – 8 covenants (beginning with Article I) as being adopted by your section. You will sign the "INDIVIDUAL SIGNATURE PAGE FOR AMENDMENT" at the end of this document to vote for the covenants (see voting instructions at the end of the packet);
- A summary of the main differences between the proposed new covenants and those now existing;
- A set of frequently asked questions (FAQs);
- Voting instructions (how to participate in the referendum);
- An extra signature page (so you need not tear out the one at the end of your amendment document);
- An envelope addressed to the Homeowners' Association to mail in your signature page.

Should you have questions after reviewing the enclosed information, you may do one or more of the following:

- Re-read the enclosed information (especially the FAQs) with your question in mind;
- Attend another informational meeting (if possible) and ask your question (Oct 6 or Oct 8);
- Stop by one of the signup sessions at the Swim Club clubhouse (see voting instructions); or,
- Call one of the following people:

Fred Holt	841-0226
Vern Wenger	848-1226
Wayne Johnson	870-6842
Skeeter Bailey	848-7725
Tom Noyes	870-5148

Thank you for your interest and participation.

Sincerely yours,

Fred Holt

Fred Holt
President, WVHOA

Mail/Box after Recording to: Hope Derby Carmichael, P.O. Box 10669, Raleigh, NC 27605-0669
This instrument was prepared by: Hope Derby Carmichael, Jordan Price Wall Gray Jones & Carlton, PLLC

STATE OF NORTH CAROLINA

COUNTY OF WAKE

**AMENDED AND RESTATED
DECLARATION
OF
PROTECTIVE COVENANTS
FOR
SECTIONS 1 THROUGH 8, INCLUSIVE,
WOODVALLEY SUBDIVISION**

THIS AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS FOR SECTIONS 1 THROUGH 8, INCLUSIVE, WOODVALLEY SUBDIVISION, made this ____ day of _____, 2003, by the majority of the owners of the lots within Sections 1 through 8 Eight, inclusive, of the Woodvalley Subdivision (hereinafter, also, "Sections 1-8"; Woodvalley Subdivision also known commonly and sometimes, hereinafter, as "Wood Valley"),

W I T N E S S E T H:

WHEREAS, Leesville Development Corporation (hereinafter, "Initial Declarant") initially developed Woodvalley Subdivision in twelve (12) sections over time; and

[SECTION 1]

WHEREAS, Section 1 of Woodvalley Subdivision is comprised of Lots 1 through 4, inclusive; Lots 143 through 149, inclusive; and Lots 151 through 163, inclusive, as more particularly shown on a Plat recorded in Book of Maps 1976, Volume IV, Page 470, Wake County Registry (hereinafter, "Section 1"); and

[SECTION 2]

WHEREAS, Section 2 of Woodvalley Subdivision is comprised of Lots 5 through 13, inclusive; Lots 33 through 37, inclusive; and Lots 138 through 142, inclusive, as more particularly shown on a Plat recorded in Book of Maps 1977, Volume II, Page 215, Wake County Registry (hereinafter, “Section 2”); and

[SECTION 3]

WHEREAS, Section 3 of Woodvalley Subdivision is comprised of Lots 43 through 62, inclusive; Lots 80 through 82, inclusive; Lots 99 through 111, inclusive; Lots 115 through 129, inclusive; and Lot 164 and Lot 33, as more particularly shown on a Plat recorded in Book of Maps 1978, Volume I, Page 59, Wake County Registry (hereinafter, “Section 3”); and

[SECTION 3-A]

WHEREAS, Section 3-A of Woodvalley Subdivision is comprised of Lots 40, 41 and 42, as more particularly shown on a Plat recorded in Book of Maps 1981, Page 98, Wake County Registry (hereinafter, “Section 3-A”); and

[SECTION 4]

WHEREAS, Section 4 of Woodvalley Subdivision is comprised of Lots 112, 113 and 114, as more particularly shown on a Plat recorded in Book of Maps 1978, Volume VII, Page 761, Wake County Registry (hereinafter, “Section 4”); and

[SECTION 5]

WHEREAS, Section 5 of Woodvalley Subdivision is comprised of Lots 64 through 79, inclusive; Lots 83 through 98, inclusive; and Lots 165 through 181, inclusive, as more particularly shown on a Plat recorded in Book of Maps 1979, Page 605, Wake County Registry (hereinafter, “Section 5”); and

[SECTION 6]

WHEREAS, Section 6 of Woodvalley Subdivision is comprised of Lots 182 through 208, inclusive; and Lots 308 through 321, inclusive, as more particularly shown on a Plat recorded in Book of Maps 1981, Page 480, Wake County Registry (hereinafter, “Section 6”); and

[SECTION 7]

WHEREAS, Section 7 of Woodvalley Subdivision is comprised of Lots 209 through 236, inclusive; Lot 238, Lot 239 and Lot 94; and Lots 425 through 441, inclusive, as more particularly shown on a Plat recorded in Book of Maps 1982, Page 719, Wake County Registry (hereinafter, “Section 7”); and

[SECTION 8]

WHEREAS, Section 8 of Woodvalley Subdivision is comprised of Lots 240 through 263, inclusive; Lots 363 through 390, inclusive; and Lots 443 through 450, inclusive, as more particularly shown on a Plat recorded in Book of Maps 1984, Page 150, Wake County Registry (hereinafter, "Section 8"); and

[THE SEVERAL DECLARATIONS OF PROTECTIVE COVENANTS]

WHEREAS, the Initial Declarant subjected Section 1 to certain land use covenants by recording on 19 May 1977 a Withdrawal and Declaration of Covenants of Woodvalley Subdivision (hereinafter, "1977 Declaration") in Book 2504, Page 494 of the Wake County Registry, as amended by Amendment to Restrictive Covenants recorded on 14 February 1978 in Book 2590, Page 601 of the Wake County Registry (hereinafter, "1978 Amendment"; and the 1977 Declaration as amended by the 1978 Amendment hereinafter, "Original Declaration"); and

WHEREAS, said Initial Declarant subjected Section 2 to the Original Declaration by Declaration recorded in Book 2520, Page 143, Wake County Registry; and

WHEREAS, said Initial Declarant subjected Section 3 to the Original Declaration by Declaration recorded in Book 2609, Page 720, Wake County Registry, as amended by Amendment to Declaration recorded in Book 2638, Page 93, Wake County Registry; and

WHEREAS, said Initial Declarant subjected Section 3-A to the Original Declaration by Declaration recorded in Book 2935, Page 458, Wake County Registry; and

WHEREAS, said Initial Declarant subjected Section 4 and Section 5 to the Original Declaration by Declaration recorded in Book 2755, Page 430, Wake County Registry; and

WHEREAS, said Initial Declarant subjected Section 6 to the Original Declaration by Declaration recorded in Book 2931, Page 435, Wake County Registry, as amended by Amendment to Declaration recorded in Book 2965, Page 519, Wake County Registry; and

WHEREAS, said Initial Declarant subjected Section 7 to the Original Declaration by Declaration recorded in Book 3047, Page 105, Wake County Registry; and

WHEREAS, said Initial Declarant subjected Section 8 to the Original Declaration by Declaration recorded in Book 3352, Page 205, Wake County Registry; and

WHEREAS, the Initial Declarant was authorized to enforce said covenants upon the respective sections of Wood Valley; however, the Initial Declarant is now dissolved as a corporate entity; and

WHEREAS, the Original Declaration provides that such Declaration may be amended at this time by the written consent of a majority of the owners of lots located in Sections 1–8 of the Woodvalley Subdivision; and

WHEREAS, the owners of lots within Sections 1–8 of Woodvalley Subdivision desire to establish a uniform set of land use covenants for the entire subdivision, in order to preserve the property values and amenities in the community, and that the lot owners further desire to designate an entity to which will be delegated and assigned the power and authority to maintain and administer the common properties and services and enforce the covenants and restrictions governing same and platted residential lots, the collecting and disbursing of all assessments and charges necessary for such maintenance, administration and enforcement; and to that end, the owners of lots within the Woodvalley Subdivision hereby set forth this Amended and Restated Declaration of Covenants governing the various uses and establishing control over the property described herein for the enhancement of the Woodvalley Subdivision and for the mutual benefit of all persons owning property within the Subdivision;

NOW, THEREFORE, the undersigned, being the requisite number of owners of the lots in Sections 1-8, respectively, of the Woodvalley Subdivision, do hereby declare that the Original Declaration, as heretofore recorded, be restated and amended effective _____ 2003 (hereinafter, "Amended And Restated Declaration"), with the intent to establish uniform covenants and restrictions for all lots within the Woodvalley Subdivision such that all real property situated within the property described as Sections 1-8 shall be held, transferred, sold, and conveyed subject to the covenants and restrictions set forth in this Amended And Restated Declaration, and all Amendments and Supplemental Declarations thereto, as follows:

1. The covenants and restrictions set forth in the Original Declaration are *deleted in their entirety*; and the following covenants and restrictions are substituted therefore:

* * * * *

ARTICLE I
DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of the Association as filed with the Secretary of State, State of North Carolina, as the same may be from time to time amended.

Section 2. "Association" shall mean and refer to the Wood Valley Homeowners' Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 3. "Board" or "Board of Directors" shall mean those persons elected or appointed and acting collectively as the Board of Directors of the Association.

Section 4. "Bylaws" shall mean the document for governance of the Association as adopted initially by the Board and as amended by the Members.

Section 5. "Common Properties" shall mean all real property and any improvements constructed thereon, if any, owned by the Association for the common use and enjoyment of the Owners or members of the Association, as may be designated on any subdivision map of the Property or by the Association.

Section 6. "Duly Called Meeting" shall mean a meeting that provides prior knowledge of the meeting to the Board of Directors and/or members through electronic mail (email) and/or first class mail delivered to all members with an agenda, including any voting items, time, and location for the meeting postmarked and/or electronically signed a minimum of five (5) days in advance.

Section 7. "Common Expenses" shall mean and include, as applicable:

(a) Expenses of administration, maintenance, repair, or replacement of the Common Properties;

(b) Hazard, liability, or such other insurance premiums as the Declaration or the Bylaws may require the Association to purchase; or as the Association may deem appropriate to purchase;

(c) Ad valorem taxes and public assessment charges lawfully levied against Common Properties; and

(d) Any other expenses determined by the Board or approved by the members to be common expenses of the Association.

Section 8. "Initial Declarant" or "Declarant" shall mean and refer to Leesville Development Corporation, a defunct North Carolina limited liability company.

Section 9. "Lot" shall mean and refer to any plot or Tract of land shown upon any recorded subdivision map of the Property, as such map or maps may be from time to time amended or modified, for detached single-family residential use, designated for residential use and for separate ownership and occupancy, excluding any "Common Properties", as heretofore defined.

Section 10. "Member" shall mean and refer to all owners as hereafter defined.

Section 11. "Notice" required to be given herein shall be in writing and mailed by U.S. first class mail to the address of any Member on the records of the Association or shall be hand delivered to the Member.

ARTICLE II

EXISTING PROPERTIES AND THE PROVISION FOR ADDITIONAL PROPERTIES

Section 1. Existing Property. The real property that is subject to these covenants, is located in Wake County, North Carolina, and is more particularly described hereinabove. All of the real property hereinabove described shall hereinafter be referred to as "Existing Property."

Section 2. Additions to Existing Property. Additional lands may become subject to this Declaration in the following manner:

- Additions. Upon approval in writing of the association pursuant to two-thirds of the vote by the full Board of Directors at a duly called meeting, the owner of property other than the Initial Declarant who desires to add it to the covenants and to subject it to the jurisdiction of the Association, may record a Supplementary Declaration of Covenants with respect to the additional property which shall extend the operation and effect of the covenants to such additional property.

No property other than that described above shall be deemed subject to the Declaration until specifically made subject hereto.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Every record Owner of a Lot that 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. Members shall be all Owners and shall be entitled to one vote for each Lot owned. Multiple owners of one lot may only cast one vote collectively.

Section 3. The right of any member to vote may be suspended by the Board of Directors for the delinquent payment of assessments to the Association.

ARTICLE IV COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner of any lot shall, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, be deemed to covenant and agree to all the terms and provisions of these covenants and to pay to the Association: (1) Annual Assessments; (2) Special Assessments for the purposes set forth in Section 4 of this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with interest and costs, and reasonable attorney's fees for collection, shall be a charge on the land and shall be a continuing lien upon the Lot 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 Lot at the time when the assessment(s) fell due. The Association shall also have the authority, through the Board of Directors to establish, fix and levy a special assessment against any Lot to secure the liability of the Owner thereof to the Association arising from breach by such Owner of any of the provisions of this Declaration which breach shall require the expenditure of time and money or both, by the Association for repair or remedy.

Each Owner covenants for himself, his heirs, successors and assigns, to pay annual and special assessments levied by the Association on the Lot described in such conveyance to him/her within thirty (30) days of the due date as established by the Board, and further covenants

that if said assessments shall not be paid within ninety (90) days of the due date, the payment of such assessments shall be in default and the amount thereof shall become a lien upon said Owner's Lot as provided herein which lien shall continue until the underlying obligation is fully paid.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used for the recreation, health, safety, enjoyment, welfare, improvement, maintenance, and operation of the Common Properties, including, but not limited to the payment of taxes, insurance, utility bills thereon and repair, replacement, and additions thereof, and for the cost of labor, equipment, materials, management and supervision thereof. The Special Assessments shall be used for the purposes set forth in Section 4 of this Article.

Section 3. Maximum Annual Assessment. For calendar year 2003, the maximum annual assessment shall be \$39 per lot.

(a) After calendar year 2003, the maximum annual assessment may be increased each calendar year not more than ten percent (10%) above the maximum annual assessment for the previous calendar year without a majority vote of a quorum of the membership at a duly called meeting.

(b) The Board of Directors may, after consideration of current maintenance costs and future needs of the Association, fix the annual assessment for any year at a lesser amount, but such action shall not constitute a waiver by the Association of its right to revert to the full annual assessment for future years as provided hereinabove.

Section 4. Special Assessments for Improvements and Additions. In addition to the annual assessment authorized by Section 3 hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties or as the Board may propose. Such assessment shall have the assent of a majority of the vote of a quorum of the members at a duly called meeting of the Association.

Section 5. Date of Commencement of Annual Assessment. The annual assessment provided for herein shall commence on the first day of January, 2004. The pro-rating of any annual or special assessment due to change in ownership of any lot during a calendar year shall be the responsibility of the individuals involved and not the Association.

Section 6. Effect of Nonpayment of Assessments: Any dues or assessment not paid within ninety (90) days after the due date shall be delinquent, in default, and shall bear interest from the due date at up to the highest interest rate then permitted by North Carolina law. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, and foreclose the lien against the Lot. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties or abandonment of his Lot.

Notwithstanding the foregoing, the Board of Directors may waive administrative late charges and establish alternative payment schedules for assessment to an Owner if, at its sole discretion, it determines this to be in the best interest of the community as a whole.

ARTICLE V
ARCHITECTURAL CONTROL AND MAINTENANCE OF LOTS

Section 1. Composition. The Board of Directors shall appoint an Architectural Review Committee (“ARC”) composed of at least 3 and not more than 7 members to serve at the discretion of the Board for a term not to exceed four (4) years. No more than one board member can serve concurrently on the ARC; such board member shall serve as an ex-officio (non-voting) member of the ARC.

Section 2. General guidelines for the Method for Review and Approval of Specifications for Additions, Alterations or Changes to Structures or Properties.

No building, wall, fence, outside lighting, screen planting, decking system or other improvements shall be erected, placed or altered on any building site until the complete and properly detailed building plans, specifications and plot plans showing the location of such improvements or alterations on the building site, the construction material to be used, the roof (if any) and exterior color schemes have been approved in writing as to conformity and harmony of external design, and external materials with existing structures in the area and as to location with respect to topography, lakes, finished ground elevation and neighboring structures by the Architectural Review Committee (ARC). Additionally, all external remodeling, reconstruction, alteration, exterior change or additions to any structure or improvement on any lot shall be subject to and shall require the approval of the ARC before any such work is commenced.

The ARC shall also, from time to time as appropriate, propose rules or guidelines regarding anything relevant to its function, to be ratified by the Board at a duly held meeting of the members. The ARC shall meet from time to time as necessary to perform its duties hereunder, provided; however, that in its discretion, the ARC by necessity may designate a majority of its members to take any action or perform any duties for and/or on behalf of the ARC. In the absence of such designation, the vote of a majority of all of the members of the ARC, or the written consent of a majority of all of the members of the ARC taken with or without a meeting, shall constitute an act of the ARC. Any proposed plan by an owner will be deemed to be approved unless a majority of ARC members entitled to vote disapprove.

Approval or disapproval by the ARC of such plans, location or specifications may be based upon any grounds that in the sole discretion of the ARC, it shall deem sufficient. Neither the Association, Board, nor the ARC shall be responsible for any defects in the plans and specifications submitted to it or in any structure erected or improvements made on any Lot.

In the event the ARC fails to approve or disapprove such design or location within (30) thirty days after receiving said “complete and properly detailed” plans and specifications, this covenant will be deemed to have been fully complied with and the plan approved. Provided, however, that a if a design plan is submitted after the 15th of November in any given year then the ARC will have an extended review period of sixty (60) days from the date of receipt. The ARC shall acknowledge the receipt of any proposal in a timely manner, stating the date of receipt of the proposed plans for purposes of the time limits specified in this section.

The Board and the ARC, or their appointed agents, shall have the right, at their election, but shall not be so required, to enter upon any of the Lots during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications.

The ARC shall have the power to grant, and may allow, variances of, and adjustments of, the restrictions established herein in order to overcome practical difficulties and prevent unnecessary hardships in application of the restrictions contained herein; provided, however, that variances or adjustments are done in conformity with the intent and purposes hereof; and, provided also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other Lots in the immediate neighborhood. Variances and adjustments may be of the height, size, and setback requirements, pursuant to the terms herein, but shall not be limited thereto. No variance shall be permitted if it violates governmental minimum standards. Notwithstanding the foregoing, Association shall have the power to grant the above variances and adjustments. Provided, however, that if a setback variance involved a property line shared with another neighbor, such variance will not be allowed without the specific written consent of said adjacent neighbor.

In the event of the grant of any variance in the guidelines established herein, the Association on behalf of the ARC shall execute a document acceptable in substance to the Association attesting to such grant and the specific nature thereof in form suitable for recording, so that the Lot Owner may record the document in the Registry of the County in which the Lot is located. Such document shall be prepared at the cost of the Lot Owner and shall be binding upon the Association, its successors and assigns, and other Lot Owners and may be relied upon by third parties to evidence the variance approval.

Section 3. Appeals Process. In the event that the ARC denies or disapproves the submitted plan, the requester may resubmit the plan to the ARC with additions or changes, subject to the conditions specified in Section 2. If the requester does not desire to submit alternate plans for consideration, or if plans modified as above are denied again, the requester may appeal to the Board of Directors. The Board will then arrange for and participate in a meeting between the requestor and ARC at its earliest opportunity. Each side will present their case and the Board of Directors will review and issue a final and binding decision on the submitted plan. The project shall be approved on appeal unless a majority of sitting board members disapprove.

Section 4 Maintenance of Lots. The maintenance responsibility of the grounds and improvements on each Lot shall rest with each Lot owner. This maintenance responsibility shall include improvements, without limitation, grounds care such as maintaining grass in grassed areas, neat cutting of grass and maintenance of shrubs, trees and flowers, with replacement or removal of diseased or dead vegetation as necessary in the opinion of the Association to maintain the grounds surrounding the improvements on each Lot in a neat and attractive manner.

In the event an Owner fails to keep and maintain the Lot in a neat and attractive manner, then the Association may maintain, repair, replace or generally keep up the Lot if such has been approved in advance by a vote of a majority quorum of the Board of Directors and the owner has been given 30 days notice of the pending action. In the event the Association must do any maintenance, repair, replacement or upkeep on any Lot, each Lot Owner hereby gives to the

Association, and the same is hereby reserved unto the Association, its agents, servants or independent contractors, the right and easement for unobstructed access in, over and on each Lot at all reasonable times to perform such repair or replacement by the Association.

The costs incurred by the Association for maintenance of any lot, will be billed back to the owner with payment due upon receipt. Any maintenance bill not paid within sixty (60) days after the due date shall be delinquent, in default, and shall bear interest from the due date at up to the highest interest rate then permitted by North Carolina law. The Association may bring an action at law against the Owner personally obligated to pay the same plus interest, costs, late payment charges and reasonable attorneys' fees, and foreclose the lien against the Lot.

ARTICLE VI USE RESTRICTIONS

Section 1. Use of Property. No portion of the Property shall be used except for single-family residential purposes and for purposes incidental or accessory thereto.

Section 2. Quiet Enjoyment. No obnoxious or offensive activity shall be carried on upon the Property, nor shall anything be done which may be, or may become, a nuisance or annoyance to the neighborhood.

Section 3. Animals. No animals, swine, birds, goats, horses, cattle, sheep, livestock or poultry of any kind shall be raised, kept, bred, or maintained on any Lot or in any dwelling except that dogs, cats, pet birds or other household pets may be kept or maintained provided that they are not kept or maintained for breeding or commercial purposes and are controlled in accordance with applicable governmental ordinances and are not a nuisance to other Owners. Such household pets shall be kept under the control of the owner of such pets at all times. Habitually barking, howling, yelping or otherwise noisy pets shall be deemed a nuisance. An excessive number of household pets that are an annoyance to neighbors are not allowed. The location of and the materials used in the construction of any dog runs and fences are improvements that require the review and approval of the ARC as set out in Article V herein.

Section 4. Business. No industry, business, trade, occupation, or profession of any kind, whether commercial or otherwise, shall be conducted, maintained, or permitted on any Lot, that is annoying, a nuisance, or apparent to the neighborhood. Any sign, logo, or other indication of a business activity at the residence is strictly prohibited.

Section 5. Fences, Walls and Hedges. No fence, wall, hedge or other mass planting shall be erected or permitted to remain in front of a dwelling on any Lot other than a split-rail fence, except as approved by the ARC pursuant to Article V herein. Fences, walls, hedges or other mass planting planned for any area of the Lot must be first approved by the ARC pursuant to Article V herein.

Section 6. Fuel Tanks. No fuel tanks may be exposed to view.

Section 7. Subdividing. No Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Board.

Section 8. Antennae. Exterior radio and television antennae, aerials, disks and dishes for reception of commercial broadcasts that may be seen from the street shall not be permitted on any Lot without the Approval of the ARC and no other aerials, disks and dishes (for example, without limitation, amateur short wave or ship to shore) shall be permitted on any Lot without permission of the Board or the ARC as to design, appearance and location or pursuant to Regulations issued for that purpose. Provided, however, that the placement of a satellite dish one meter or less in diameter shall not be subject to the terms of this section.

Section 9. Firearms; Hunting Prohibited. There shall be no discharging of firearms, guns or pistols of any kind, caliber, type, or method of propulsion; and no hunting of any type shall be carried on or conducted on the Property. An exception is made for BB guns and pellet guns used for target practice under the direct supervision of an adult that does not create an annoyance to neighbors.

Section 10. Unsightly Growth; Refuse. Unsightly growth shall not be permitted to remain on any Lot, and no refuse pile or unsightly objects shall be allowed to be placed or to remain thereon, including vacant lots.

Section 11. Vehicle Parking. Disabled, or unlicensed vehicles shall not be visible on any lot.

ARTICLE VII BUILDING RESTRICTIONS

Section 1. Single Family Dwelling. Except as provided in this Article VII, no structure shall be erected, altered, placed or permitted to remain on any building site, other than one detached single family dwelling not to exceed three stories in height, and a private garage. It is expressly provided however, that an efficiency apartment of not more than three rooms may also be constructed on any building site provided it is accompanied by the main dwelling referred to in the preceding sentence, which apartment may be occupied by domestic servants employed at said main dwelling on the same building site or may be used as a guest house. Such apartment shall not be used otherwise, and in no event shall such apartment be rented. Such efficiency apartment may not be constructed unless said main dwelling has first been constructed or unless they are constructed at the same time.

Section 2. Square Footage; Exceptions. All dwellings constructed on lots in this subdivision (*except: Lots 56-61, Section 3; and Lots 190, 191 and 192, Section 6*) shall have an enclosed area of the main structure, exclusive of basements, open porches, and garages, of at least 1,800 square feet for a one story dwelling, provided, however, that a one story dwelling may have an enclosed area of the main structure of at least 1,700 square feet if at the time of construction of the main structure there is also constructed a garage having at least 200 square feet or a basement having at least 850 square feet, at least 2,000 square feet for a one and one-half story dwelling, at least 2,000 square feet for a two-story dwelling, at least 2,000 square feet exclusive of the third floor for a three-story dwelling, and at least 2,000 square feet of finished floor area for a split-level dwelling. *Provided, however, all dwellings constructed on Lots 56-61, Section 3, and Lots 190, 191 and 192, Section 6, shall have an enclosed area of the main*

structure, exclusive of basements, open porches, and garages, of at least 1,400 square feet for a one story dwelling, and at least 1600 square feet of finished floor area for a one and one-half story dwelling, at least 1,600 square feet for a two-story dwelling, at least 1,600 square feet exclusive of the third floor for a three-story dwelling, and at least 1,600 square feet of finished floor area for a split-level dwelling. Variances of these square footage requirements in the amount of 15% may be granted by the ARC or the Board of Directors of the Association pursuant to Article V hereof, but in no case will the size be less than that required by the governmental agency having jurisdiction over the Property.

Section 3. Setback Lines. No dwelling shall be erected on any lot nearer to the front line than 50 feet, nor nearer to the side line than 20 feet; provided however, that on corner lots the dwelling may face front lot line than 50 feet, nor nearer to the side line than 20 feet; provided however, that on corner lots the dwelling may face either street and may be located not nearer than 30 feet to one street if the same is at least 50 feet from the other street. For the purpose of this covenant, eaves and steps shall not be considered as a part of the dwelling, provided however, that this shall not be construed to permit any portion of a dwelling on a lot to encroach upon another lot. This restriction shall prevail over any lesser governmental setback standard. The Board reserves the right to waive violations not in excess of ten percent (10%) of the setback requirements, and upon execution and recordation of such waiver or waivers by the Lot Owner, such violation shall not thereafter be deemed existing. Provided, however, that if a setback variance/waiver involves a property line shared with another neighbor, such variance or waiver will not be allowed without the specific written consent of said adjacent neighbor.

Section 4. Lot Dimensions. No dwelling shall be erected or placed on any lot having a width less than 110 feet at the minimum building setback line nor shall any dwelling be erected or placed on any lot having an area of less than 40,000 square feet, except that a dwelling may be erected or placed on all lots as shown on said recorded plat, regardless of width at the minimum building setback line or are in square feet.

Section 5. Mobile Home Use Prohibited. No mobile home shall be erected or placed on any lot covered by these covenants.

Section 6. Recreational Vehicles. Travel trailers, boats, or other recreational vehicles may be parked behind the front of the dwelling on any lot covered by these covenants by the owners of such lot but such trailers or other vehicles may not be used as a residence.

Section 7. Storage Shed or Barn. A storage shed or barn (or both) may be permitted on a lot after a plot plan showing the proposed location and the plans and specifications have been approved by the ARC pursuant to Article V hereof.

Section 8. Multi-Family Use Prohibited. No multiplex residence or apartment house shall be erected or placed on, or allowed to occupy, any detached single-family residential Lots, and no dwelling once approved and constructed shall be altered or converted into a multiplex residence or apartment house.

Section 9. Remedies. If the finished dwelling, garage, accessory building or other structure does not comply with the submitted and approved plans and specifications, the Board retains the right to make the necessary changes at owner's expense, after such necessary changes

have provided to the owner in writing, to comply with the approved plans and specifications, the right to treat such charge or cost as an assessment, a notice of liens for any costs incurred, and the further right to resort to all remedies provided under the laws of North Carolina for the recovery of such costs and the expenses of collection, including without limitation, reasonable attorneys' fees.

Section 10. Trash Receptacles. Each Lot Owner shall store garbage receptacles in an area not generally visible from the road.

ARTICLE VIII INSURANCE

Section 1. Insurance to be Maintained by the Association. The following insurance coverage shall be maintained in full force and effect by the Association:

- (a) Public liability and property damage insurance in such amounts and in such forms as shall be required by the Association;
- (b) All liability insurance shall contain cross-liability endorsements to cover liability of the Owners as a group to an individual Owner;
- (c) Such other insurance coverage as it may determine to be desirable and necessary; and
- (d) Other insurance required by law.

Section 2. Premiums. Premiums for insurance policies purchased by the Association shall be paid by the Association and charged ratably to Owners as an assessment according to the applicable provisions of this Declaration.

Section 3. Insurance Beneficiaries. All such insurance policies shall be purchased by the Association for the benefit of the Association and the Owners.

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

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

Section 3. General Amendments. 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 signed by not less than a majority of the Lot Owners, and thereafter by an instrument signed by not less than a majority of the then Lot Owners.

Section 4. Governmental Authority Amendments. No amendment which would change or delete any provision herein required by any governmental authority shall become effective until submitted to and approved by that authority; provided, however, if that authority fails to approve or disapprove such amendment within thirty (30) days after the same has been submitted to it, such approval shall not be required and this covenant shall be deemed to have been fully complied with.

Section 5. Recordation. No amendment shall be effective until recorded in the Register of Deeds for the County in which the Property is situated.

* * * * *

2. The Wood Valley Homeowners Association, Inc. ("Association") is hereby empowered to enforce the land use covenants and restrictions set forth in this Amended And Restated Declaration, and all Amendments and Supplemental Declarations thereto, for all lots and owners subject hereto.

3. The covenants and restrictions set forth in this Amended And Restated Declaration, and all Amendments and Supplemental Declarations thereto, shall run with the land and shall be binding upon all persons or parties having or acquiring any right, title or interest in and to any of the lands described herein as being subject to this Amended And Restated Declaration, and all Amendments and Supplemental Declarations thereto, and all property as described herein shall be subject to the terms, restrictions and conditions of the covenants and restrictions as specified and for the periods of time indicated and all deeds for said properties shall be made subject to said Amended And Restated Declaration, and all Amendments and Supplemental Declarations thereto.

4. This Amended And Restated Declaration shall be effective upon recordation in the Office of the Wake County Registry.

5. Except as amended hereinabove, the remaining portions of the Original Declaration as originally recorded are hereby restated and re-acknowledged.

IN WITNESS WHEREOF, the undersigned, Declarants herein, being a majority of the owners of lots located in Sections 1 through 8 of the Woodvalley Subdivision, have hereunto set their respective hands and seals effective this ____ day of _____, 2003, for the purpose of enacting the foregoing Amended And Restated Declaration.

INDIVIDUAL SIGNATURE PAGE FOR AMENDMENT

IN WITNESS WHEREOF, the undersigned, Declarants herein, being a majority of the owners of lots located in Sections 1 through 8 of the Woodvalley Subdivision, have hereunto set their respective hands and seals effective this ____ day of _____, 2003, for the purpose of enacting the foregoing Amended And Restated Declaration.

(Name of Owner)

_____(SEAL)
(Signature as printed)

Address

STATE OF NORTH CAROLINA

COUNTY OF _____

I, a Notary Public of the County and State aforesaid, certify that , personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and official stamp or seal, this _ day of _____, 20__.

Notary Public

My commission expires: _____

WOOD VALLEY COVENANT REFERENDUM – SUMMARY OF MAIN DIFFERENCES BETWEEN EXISTING AND PROPOSED COVENANTS

following is an Article-by-Article summary of the main differences between the proposed Wood Valley land use covenants and those existing. (Article and section numbers refer to the new covenants.)

ENFORCEMENT OF COVENANTS

Present: The Wood Valley Homeowners' Association (HOA) has no authority to enforce the covenants, because the covenants specify Leesville Development Inc. as the declarant (entitled to enforce) and this company went out of business without specifying a replacement declarant/enforcer. Only homeowners in same section (or sections 1 – 8 combined) may enforce against another homeowner bound by same section's covenants.

New: HOA can enforce the unified covenants across the neighborhood.

ART I: DEFINITIONS

Present: No definitions

New: Defines Articles, Association, Board, By Laws, Common properties, Duly called meetings, Common expenses, Initial declarant, Lot, Member, Notice, etc.

ART. II: EXISTING PROPERTIES

Present: Section covenants allow declarants to subject additional properties to these covenants.

New: Allows other property to become part of Wood Valley with consent of the new property owners and a 2/3 vote of the full HOA Board of Directors (BOD).

ART III: MEMBERSHIP AND VOTING RIGHTS

Present: Undefined

New: Record lot owners are members. Members shall be all owners. One vote per lot; multiple owners cast it collectively.

ART IV: COVENANTS FOR ASSESSMENTS

Present: Assessments not mentioned

New:

Section 1. Owners by acceptance of deed agree to annual and special assessments. Assessments enforceable by lien, but remain a personal obligation of the owner of the lot at the time of the assessment.

Assessments payable within 30 days of due date, and become in default and constitute a lien 90 days from the due date.

Section 2. Purpose of assessments are for maintenance, etc. of the common properties (items defined).

Section 3. Fixes annual assessment for 2003 at \$39, provides for maximum 10% increase in each succeeding year unless a membership vote (of a quorum) allows higher. Board may reduce, but such reduction does not waive going back to the full allowed amount subsequently.

Section 4. Defines purpose of special assessments as defraying in whole or part the cost of construction, reconstruction, repair, or replacement of a capital improvement on a common

property or as the BOD may propose. Special assessments require a majority vote of a quorum of the membership at a duly called meeting.

Section 5. Date of next annual assessment shall begin on January 1, 2004. Individuals can prorate assessments with lot sales; HOA will not.

Section 6. Nonpayment of assessments creates a lien, bears interest. HOA can sue the owner at law and foreclose the lien against the lot. Board has flexibility to modify these damages actions as it sees fit (waive late charges, set up payment schedule, etc.).

ART V.: ARCHITECTURAL CONTROL AND MAINTENANCE OF LOTS

Present: Declarant (Leesville Development) served as the arbiter of construction, renovations, etc.

New: Defines an Architectural Review Committee appointed by the BOD.

Section 1.

Present: Because Leesville Development is defunct, there is no enforcer of the land use restrictions (other than by someone in the same section).

New: HOA Board will appoint an Architectural Review Committee (ARC) of 3 – 7 members; not more than one Board member may sit on the ARC as an “ex officio” (non-voting) member .

Section 2.

Present: Leesville Development to rule on buildings or improvements.

New: Buildings, external remodeling, and certain enumerated improvements must be reviewed and approved by the ARC. ARC can delegate certain duties to a portion of its members; however, for any plan to not be approved a majority vote of all ARC members entitled to vote is required.

Present: Leesville Development did not have architectural guidelines.

New: ARC will propose guidelines, to be ratified by the BOD.

Present: 30 days after submission, plans are approved if not disapproved by then.

New: Same, except for plans submitted after November 15th, the time frame is 60 days.

Present: No provision for variances.

New: ARC can allow variances in certain specific situations, but if involves a neighbor’s property line, not without that owners consent.

Section 3.

Present: No mention of appeals of adverse decisions.

New: If adverse decision, owner may resubmit a new plan to the ARC or may appeal to the BOD. BOD will conduct a meeting with both sides, review and issue a binding decision. The project will be approved unless a majority of BOD members disapprove.

Section 4.

Present: No Maintenance requirement

New: Owners must maintain grounds. If not, HOA via majority vote of BOD can enter and maintain after 30 days notice to the owner. Costs will be billed back to owner and become in default and interest-bearing after 60 days.

WOOD VALLEY COVENANT REFERENDUM, FREQUENTLY ASKED QUESTIONS (FAQS)

Purpose

This document is intended to summarize the reasons why the Wood Valley Homeowners' Association (WVHOA) board is pursuing the covenant referendum and to anticipate your questions regarding the project.

History

Leesville Development Corp. (LDC) developed the 12 sections officially known as the Wood Valley Subdivision (438 homes). Each section is bound by its own set of covenants that give LDC the right to enforce the covenants. However, LDC dissolved in 1997, leaving the Wood Valley Subdivision with no organization as an "authority" to administer the covenants. The WVHOA currently supports the Wood Valley subdivision along with an additional section developed by Douglass and Barham that is officially known as Heavenridge Subdivision (14 homes). The WVHOA was established in 1977 and in 1994 it was incorporated as a non-profit organization with corporate bylaws that set forth its operating procedures, but importantly it does not have legal authority to enforce the covenants for any of the 13 sections.

What are "Covenants?"

Covenants are promises between parties to do something, to refrain from doing something, or to act (or not act) in a specified way. As an example, a covenant may require that a structure on a particular piece of property be of a certain minimum size, and be used for a single-family residence only (as opposed to an apartment or duplex). When covenants "run with the land," subsequent owners of the property are bound by them even though they did not themselves make the promises or impose the restrictions. Covenants may pertain to:

- Property use, construction, maintenance, upkeep;
- The need for architectural review prior to making renovations;
- The mandatory payment of Homeowner's Association (HOA) annual assessments ("dues;") and/or,
- Penalties for non-compliance.

Do Covenants "Expire?"

Wood Valley's covenants are perpetual (in effect initially for 25 years and then automatically renew for 10 year periods) unless they are amended, replaced, combined, or dissolved by a document that is signed by a majority of the homeowners. Covenants for the various sections renew at differing times because

of when the sections were developed; however they can all be amended at the same time, such as with this referendum.

What is a Homeowners Association?

A homeowners association (HOA) is an organization comprised of neighbors concerned with managing the common areas of a subdivision. The HOA is typically responsible for enforcing any covenants, conditions and restrictions that apply to the neighborhood. Currently the WVHOA does not have the authority to enforce the covenants since it has not officially replaced the now-defunct Leesville Development Corp.

What are Bylaws?

Bylaws are rules for a corporation. They specify duties and responsibilities for the WVHOA Board of Directors (and officers) to follow, how board and membership meetings are to be conducted, who may be members, etc.

Why the Current Situation?

There are discrepancies between the covenants and the WVHOA bylaws. The bylaws say that the HOA Board of Directors will:

1. Enforce the covenants and take legal action against violators of covenants;
2. Act as the Architectural Review Committee; and,
3. Mandate the payment of HOA dues.

For the first two items above, our covenants say the Leesville Development Corp. has the authority, but this corporation no longer exists. For item 3 above, the bylaws state the dues are mandatory while the covenants do not. Where conflicts exist between covenants and bylaws, the covenants prevail since they are legally binding for homeowners.

Who is currently responsible for the enforcement of covenants in Wood Valley?

The end result of the above is that only a homeowner in a section subject to the same covenants may enforce them (as an individual, not via the HOA) against an offending neighbor. The HOA is legally powerless to act, even to help the individual homeowner.

Why is the WVHOA pursuing this initiative to change Wood Valley's covenants?

There are several goals:

- To provide homeowners with a neighborhood organization with authority to

mediate homeowner challenges of covenant violations.

- To fulfill the Architectural Review obligations specified in the covenants that protect our property values. These obligations have been unfilled since Leesville Development Corp dissolved in 1997.
- To ensure that the Wood Valley Homeowners' Association continues as the entity that maintains the common areas and helps preserve the character of our neighborhood.

The HOA conducted a neighborhood survey last summer (2002). A large majority (79%) of respondents favored proceeding with this initiative.

How are the HOA bylaws different from the covenants, and what happens to the bylaws if the new covenants are adopted?

Covenants are legal rules that regulate ways in which property must be used (or not used). Typically, as in Wood Valley, these are placed on the land by the developer. Covenants help protect buyers of lots in the subdivision from actions of other owners that would lower the neighborhood's property values.

Bylaws are the rules by which a corporation (in this case, the Wood Valley HOA) are run. They govern only the corporation, which must serve the neighborhood in conformance with the land use covenants.

The HOA's corporate bylaws should have some revisions made in order to be full in agreement with the covenants, whether or not the referendum is successful. This is mainly a "housekeeping" matter but will require a vote of the HOA membership. There is no point in doing this revision until the outcome of the referendum is known. After that, the HOA board will ask a bylaws revision committee to undertake that function.

What sort of architectural control can I expect from the Wood Valley HOA if the new covenants are adopted, and what happens if I get an adverse ruling from the ARC on a project I want to do?

The HOA board will ask neighbors to serve on the Architectural Review Committee (ARC). The ARC will propose guidelines for projects that may affect the appearance and character of the neighborhood, such as home additions or external remodeling. It will also review specific plans for conformance. Plans will be approved unless a majority of ARC members disagree.

The HOA board will be the appeal body for an adverse ARC decision. Again, the project will be approved unless a majority of board members disapprove.

The Covenant Preparation Committee and the HOA board all desired that the HOA board members remain accountable for administering the covenants and the architectural rules. For this reason, the board is the final appeal authority. The

committee (and the board) also felt the homeowner should prevail in a “tie” situation both at the ARC and the board level.

I want to remodel and redecorate my kitchen. Does this need ARC approval?

No. Internal projects that do not involve an external change (such as adding a room) do not need to be approved by the ARC because they do not affect the character of the neighborhood.

I have a home office? Can I keep it?

Yes. Home offices are not affected by the new covenants. However, advertising your business publicly in the neighborhood, such as with signs, would not be in compliance with the covenants.

What about existing non-conforming structures?

The HOA board has no plans to challenge any existing structure that may fall outside the covenants. In addition, the legal doctrine of “laches” may protect a non-conforming use. This doctrine provides that if the condition has persisted unchallenged for a significant time period, it may not be later challenged.

If neighbors are concerned about the way the HOA board members are administering the covenants and the architectural rules, do they have any recourse?

Yes. They can nominate and elect new board members at the next annual meeting in January.

Will there be a limit on how much HOA assessments (dues) can increase from year to year?

Currently the bylaws provide that the HOA board may not increase the annual assessment (“dues”) more than 10% each year. Any further increase requires a vote of the HOA membership. The same assessment increase rule would apply under the new covenants – and, unlike the provision in the bylaws, would be very difficult to change.

What are the benefits to homeowners if new covenants are adopted?

The HOA board believes that adoption will help maintain and maximize property values in Wood Valley. This is because if our covenants are consistently applied and enforced, the overall look of our beautiful neighborhood can be maintained.

The board also believes there is value in unifying the neighborhood so that all Wood Valley homeowners will have the same covenants

What is the impact for our neighborhood if our covenants are not unified?

Aging neighborhoods may depreciate faster without enforceable covenants, so the neighborhood may become less attractive to new buyers. Moreover, buyers in the price range of most Wood Valley homes tend to expect enforceable covenants that protect the value of their investment. Because the authority of the WVHOA is very limited in comparison to other HOAs in our area, this may also have a direct effect on the sale and marketability of our homes. Property values could be expected to fall in these situations.

What about the blanks in the documents?

These are for recording purposes after a successful referendum and will be filled in by our attorney. They will not change the meaning or the operational effects of anything in the documents.

What if I am not in favor of this referendum?

You need do nothing. Only votes in favor of the referendum are being collected. Success is measured by obtaining the required number of affirmative votes.

**VOTING INSTRUCTIONS:
HOW TO PARTICIPATE IN THE COVENANT REFERENDUM**

You have received a set of covenants and possibly a separate amendment document, depending on which section you live in:

- Residents of sections 1 – 8 have received the “Amended and Restated Declaration of Protective Covenants for Sections 1 – 8, Inclusive, Wood Valley Subdivision” with an attached INDIVIDUAL SIGNATURE PAGE FOR AMENDMENT. Completing and notarizing the individual signature page signifies your vote that your current covenants be replaced by the new covenant set.
- Residents of sections 9 and above also have received the section 1 – 8 covenants, along with a shorter “Amended and Restated Declaration of Protective Covenants for Section ____” specific to their section. This document references the new section 1 – 8 covenants (beginning with Article I) as those to be substituted for that section’s present covenants, and contains the INDIVIDUAL SIGNATURE PAGE FOR AMENDMENT at the end. Signing this has the same effect – it signifies your vote in favor of the referendum in your section.

You may vote for the referendum in the following ways:

1. You may sign the “INDIVIDUAL SIGNATURE PAGE FOR AMENDMENT” at the end of the appropriate amendment document depending on your section, have your signature notarized, and return it in the enclosed addressed envelope. **Please print your name on the first line and sign on the line below.** An extra signature page is at the back of your packet, should you prefer to use it rather than tear off the stapled one. If you take this extra signature page to the notary to sign, be sure to take the entire covenant document with you. *(This is likely the only situation where you will sign the individual signature page before a notary, unless you sign at an informational meeting where there may be a notary present. In the other situations below, you will probably sign a multiple signature page in front of a section leader, who will then later complete the notary process on your behalf by verifying his/her collection of your signature.)*
2. You may cast a positive vote at one of the information meetings to be held at 7 PM on September 30th, and October 6th and 8th at the Swim Club clubhouse.
3. You may stop by the clubhouse during one of the signup times when a volunteer representative will be there. Please look either in the main clubhouse or in the office (via the door to the right of the main doors) for the volunteer. These sessions will be as follows:
 - October 2nd, 5 – 7 PM
 - Before the informational meetings on October 6th and 8th, 5 – 7 PM, and during the informational meetings on these dates beginning at 7 PM
 - Saturdays, October 11th, 18th, and 25th, 9 AM – noon*(Please bring an ID with you to these signup sessions)*

Otherwise, someone may contact you. Because this will be labor-intensive, *please participate in one of the ways listed above.*

NOTE: Where a lot is owned jointly by more than one individual, only one of the owners needs to vote.