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ASHE COUNTY  
SHIRLEY B. WALLACE  
REGISTER OF DEEDS

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END PAGE 1300  
INSTRUMENT # 01176

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR  
THE WOODLANDS (Phase I)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this 10<sup>th</sup> day of February, 2006, by Woodland Property Group, LLC, a North Carolina Limited Liability Company("the Declarant").

WITNESSETH:

WHEREAS, the Declarant is the owner of the real property ("the Property") described in Article I of this Declaration of Covenants, Conditions and Restrictions ("the Covenants") and is desirous of subjecting the Property to the protective covenants, conditions and restrictions hereinafter set forth, each of which is for the benefit of the Property and the Lots located thereon, whether now already or hereafter subdivided and platted ("the Lots"), and for the benefit of each owner of the Lots which are now already or may hereafter be subdivided and platted within the Property ("the Property Owners") and shall apply to and bind the Property Owners, their heirs, successors and assigns; and

WHEREAS, the Property is subjected to these Covenants in order to insure the best use and the most appropriate development and improvement of the Property; to protect the Property Owners against such improper use of surrounding Lots as will depreciate the value of their property; to guard against the erection thereon of poorly designed or proportioned structures, and structures built of improper or unsuitable materials; to obtain harmonious color schemes; to encourage and insure the highest and best development of the Property; to encourage and secure the building of attractive homes thereon, with appropriate locations on the Property; to prevent haphazard and inharmonious improvement of the Property; to secure and maintain an aesthetically pleasing quality of development and improvement of the Property, and thereby to enhance the values of the Property.

NOW, THEREFORE, Declarant for itself, its successors and assigns, hereby declares that the Property is and shall be held, transferred, sold, devised, assigned, conveyed, given, purchased, leased, occupied, possessed, mortgaged, encumbered and used subject to these

Covenants. These Covenants, the benefits of these Covenants and the affirmative and negative burdens of these Covenants, whether pertaining to items, benefits and obligations presently existing or to be created or executed in the future, do and shall, in equity and at law, touch and concern, benefit and run with the land and any estates in the land herein referred to as the Property and these Covenants are intended to be Covenants and servitudes burdening and benefiting all persons now or hereafter deriving a real property estate in the Property, whether by assignment, succession or inheritance or other method of conveyance.

ARTICLE I:  
PROPERTY DESCRIPTION

Section 1-1. The Property. The Property which is and shall be held, transferred, sold, conveyed and occupied subject to these Covenants for The Woodlands is a parcel of land containing 39.188 acres, and subdivided into nineteen (19) Lots, numbered 1 through 19, and 0.811 acre Common Area parcel, adjoining and south of Jake Blackburn Road (NCSR 1577) in Walnut Hill Township, Ashe County, North Carolina, as shown on plat or Job # 04110702, entitled "The Woodlands, Phase 1," dated December 1, 2005, prepared by Thomas Herman Company, PLLC, Thomas D. Herman, PLS No. L-2633, recorded in Plat Book 12, Page 283, Ashe County, North Carolina Public Registry.

ARTICLE II:  
GENERAL LAND USE RESTRICTIONS AND OBLIGATIONS

Section 2-1. Building and Use Requirements.

A. All Lots shall be used exclusively for single-family residential purposes; however, the following uses are permitted: (i) long-term and short-term residential rental (provided the tenants are fully informed of these covenants and any rules and regulations promulgated by the Declarant or the POA and (ii) home-based business (so long as deliveries to the home do not exceed two (2) UPS, Federal Express or similar deliveries per day. Trade materials or inventories may not be stored on the exterior of any dwelling or outbuilding. The following uses are prohibited: mining, drilling, trade, commerce or other activity which creates a nuisance to the neighborhood.

B. Only one (1) single-family dwelling may be constructed upon any Lot. However, there may also be constructed one (1) outbuilding, which outbuilding may be used to house cars, boats, RVs, lawn and garden equipment and similar property. Any outbuilding may not exceed 1,200 square feet in size and may not be constructed more than one year prior to construction of the main dwelling. Outbuildings must be enclosed on all four sides and must be constructed of the same materials as the main residence, except that when the main residence is log, the outbuilding on the Lot may be log-sided. Outbuildings may not, at any time, be used as temporary or permanent residences. All structures placed on any Lot, whether the main dwelling or an outbuilding, shall be subject to the architectural and site plan review provided below.

C. Other than the home constructed on Lot 12, all homes constructed within The Woodlands shall consist of a minimum of 1,200 square feet of heated and finished living space, exclusive of garages, porches, finished and unfinished basements. The home constructed on Lot 12 shall consist of a minimum of 1,800 square feet of heated and finished living space, exclusive of garage, porch, finished and unfinished basement.

D. Only log homes or conventionally framed log-sided homes shall be permitted on any Lot. All foundations must be of a continuous wall design and have no cinder block or concrete exposed.

E. The following are prohibited from any Lot in The Woodlands: tractor-trailers, house trailers, mobile homes, manufactured or prefabricated homes, modular homes, previously constructed homes, systems-built homes, buses or any type of vehicle used for storage, either temporarily or permanent; however, that this prohibition shall not apply to shelters used by the contractor during the construction of the main dwelling, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the Lot after completion of construction.

F. No inoperable motor vehicles or unsightly junk of any type shall be allowed on any Lot.

G. Private driveways shall be no more than twenty (20) feet in width.

Section 2-2. Architectural and Site Plan Review. No driveway, home, building, fence or other structure shall be constructed, erected, placed or altered on any Lot until the proposed building plans, specifications, exterior color and finish, plat plan (showing the proposed location of such building or structure, drives and parking areas), and construction schedule have been approved in writing by Declarant, its successor, assignee or designees; provided however, that any improvements and alterations completely within the interior of a building may be completed without approval. Upon written request by Property Owners for approval of plans, the Declarant shall have thirty (30) days to approve or disapprove the plans. In the event of failure to approve or disapprove within thirty(30) days, said approval will not be required, provided the design is in harmony with existing structures in The Woodlands and complies with the building requirements and land use requirements set forth in this Declaration. Refusal of approval of plans, location or specifications may be based on any grounds including purely aesthetic considerations, which, in the sole and uncontrolled discretion of the Declarant, shall be deemed sufficient. Upon the formation and activation of The Woodlands Property Owners Association, Inc. ("the POA"), or at such earlier time as Declarant may deem appropriate, the above-described approval process may be transferred to an Architectural Review Committee ("ARC"), consisting of three members appointed by the POA or by the Declarant, if the POA has not yet been activated.

Section 2-3. Fine for Failure to Comply. Any Property Owner who commences construction, erection, placement or alteration of a building without having first obtained the approvals herein required shall be subject to a fine of \$100 for each calendar day, from the date of commencement of construction until receipt of the approvals.

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Section 2-4. Siting. All homes, buildings and other structures, if any, shall be located so that, to the degree reasonably possible, desirable views and privacy will be available and maintained to the owners of other Lots within the Property. All buildings shall be located with regard to the topography of each Lot, taking into consideration the location of large trees, buildings previously built and other aesthetic and environmental considerations. Any grading or other land use which creates or causes erosion runoff into streams or other Lots shall be prohibited. Unless waived by the architectural review process as a part of the site plan approval process, no building shall be located closer than thirty (30) feet to the street right-of-way or drive easement and not closer than twenty-five (25) feet to the adjoining property line. Buildings shall be measured from their furthestmost point, including deck, eave or wall.

Section 2-5. Tree and Shrub Removal. No tree or shrub measuring four (4) inches or more in diameter at its base may be removed without the written approval of the Declarant or the ARC unless located within thirty-five (35) feet of the main dwelling or fifteen (15) feet of the outbuilding. No tree or shrub measuring four (4) inches or more in diameter at its base, within twenty-five (25) feet of the street right-of-way, drive easement or property line shall be cleared except for construction of private driveway, well or septic system without the written approval of Declarant or the ARC. Unless Declarant or the ARC gives prior written approval, no trees or shrubs shall be removed from any Lot until the owner is ready to begin construction, following submission of building plans and approval of the same. A violation of this restriction shall subject the Property Owner to a fine as provided by law.

Section 2-6. Completion of Construction. The exterior of all buildings and other structures must be completed within eighteen (18) months after the construction of a particular building or structure shall have commenced, except where such completion is impossible or would result in great hardship to the Property Owner or builder due to strikes, fires, national emergency or natural calamities. Houses and other dwelling structures may not be temporarily or permanently occupied until the exteriors thereof have been completed.

Section 2-7. Service Yards. All garbage receptacles, electric and gas meters, heat pumps and air-conditioning equipment, water pumps, fuel tanks, equipment and service yard contents on the Property must be placed or stored in safely landscaped, fenced or screened-in areas to conceal them from view of all roadways and adjacent properties or installed within the main dwelling house, within an accessory building or buried underground.

Section 2-8. Fences. All fences must be constructed of wood and be a split rail, post and rail or picket style. Fences may be lined on the inside with metal fencing.

Section 2-9. Signs and Advertising Devices. The Declarant reserves the right to erect signs within The Woodlands. Signs may be erected by individual Lot owners, but are limited to name, address and advertising the sale of The Woodlands property. Signs may be no larger than three (3) feet by three (3) feet in size and may only be placed on individual Lots. No commercial signs, directional signs, billboards, lights or other advertising devices may be placed on or at any Lot, street intersection or The Woodlands entrance.

Section 2-10. Animals. No swine, horses, poultry or livestock shall be raised or bred on any Lot. Dogs, cats or other household pets are permissible, provided they are not bred or

maintained for commercial purposes, and, further provided, they are kept under direct supervision of the owner or, when not under such controlled supervision, are restrained on the owner's premises and not allowed to roam.

Section 2-11. Unightly Conditions. Each Property Owner shall prevent and remove the accumulation of litter, trash, or rubbish and shall prevent the development of any unclean, unsightly or unkept conditions of buildings or grounds, either before, during or after construction. Lawn and garden equipment, tools and other similar types of property and equipment shall be concealed from view of all roadways. Property Owners shall conceal or attempt to conceal all RVs, boats and utility trailers from view of all roadways.

Section 2-12. Offensive Activity. No offensive or noxious activity shall be carried on upon the Property. "Offensive or noxious" activity or behavior shall include but not be limited to a public nuisance per se and shall also include any behavior which is inconsistent with both the reasonable and pleasurable use of the Property by Property Owners and their reasonable expectations of vacationing, year-round living, studying, or working free of excessively bright lights, racing or loud vehicles, significantly loud electronic music distractions, or other similar unreasonable behavior or activity curtailing or likely to curtail the reasonable pleasure and use of the Property by others who are not participating in such offensive or noxious activity.

Section 2-13. Sanitary Septic System. All homes constructed upon a Lot shall be connected to a properly designed, installed and approved sanitary septic system required by the appropriate governmental authorities.

Section 2-14. Parking on Roadways Prohibited. Parking of any type of vehicle or equipment on any roadways or drive easements within The Woodlands is prohibited. Each Property Owner shall be responsible for providing ample parking on their property.

Section 2-15. Burning Prohibited. Burning of any garbage, trash, debris or other material on any Lot is prohibited unless (i) a Burning Permit has been obtained from the appropriate governing authority, and (ii) the Declarant or POA has issued its written approval.

Section 2-16. Solar Panels. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Lot unless it is an integral and harmonious part of the architectural design of a dwelling, the plans and specifications for which have been approved by Declarant or the ARC as herein provided.

Section 2-17. Antennas and Satellite Dishes. No television or radio receiver or transmitter or other antennas or towers shall be constructed upon any Lot without written approval of Declarant or the ARC. Satellite dishes must be less than thirty-six (36) inches in diameter and concealed from view of all roadways.

Section 2-18. Hunting and Discharging of Firearms. Hunting and discharging of firearms within the The Woodlands is prohibited.

Section 2-19. Streams. Except for the installation of culverts during road and driveway construction, streams may not be dammed, redirected or in any way changed from their natural

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condition without (i) compliance with, and permitting pursuant to, all local and state laws, and (ii) prior written approval by Declarant or the ARC.

Section 2-20. Prohibition of Certain Vehicles. The use or operation of ATVs (all terrain vehicles), dirt bikes, three-wheelers, four-wheelers, go-carts and similar off road vehicles within The Woodlands is prohibited. This prohibition does not, however, apply to properly licensed and tagged motorcycles or mopeds, which may be used only for ingress and egress to and from specific Lots only.

Section 2-21. Camping. Permanent or temporary residence in any type of camping equipment is strictly forbidden.

Section 2-22. Duty to Insure - Repair or Replacement of Damaged or Destroyed Property. In the event of damage or destruction by fire or other casualty to any dwelling or outbuilding, the owner of same shall, within thirty (30) days of the receipt of the insurance proceeds paid pursuant to an insurance policy covering such building, but in no event later than six (6) months from the date of such damage or destruction, either (i) commence reconstruction of the damaged or destroyed building; or (ii) clear the Lot upon which the damaged or destroyed building is located of all debris and reseed the Lot. In the event: (i) restoration of the building is commenced but is terminated before completion of the building and such termination continues for a period of at least thirty (30) days; or (ii) the Lot is not cleared of debris within thirty (30) days after commencement of clearance of the Lot; or (iii) restoration or commencement of clearance of the Lot does not occur within said three (3) month period, Declarant shall have the right to clear the Lot of debris and reseed the Lot. The cost of such repairs shall be an expense attributable to the Lot collectible in the same manner as any assessment. In the event a Lot shall be cleared and reseeded, then it shall be the obligation of the owner of such Lot to continue to maintain the Lot.

Section 2-23. Duty of Property Owners to Inform Declarant of Current Address. Each Property Owner shall have the affirmative duty and obligation to inform Declarant or POA in writing of any change of ownership of the Property, the Property Owner's current address, and of any known failure of the Property Owner to receive any information from the Declarant or POA at the correct address of the Property Owner. No Property Owner may be excused from his obligations established in these Covenants if the Declarant or POA mailed notice of such obligation, assessment, bill, statement, or other notice to the last address of said Property Owner which is recorded on the books of Declarant or POA and for which Declarant or POA has not received the Property Owner's current address or notice of change of ownership from the Property Owner.

ARTICLE III:  
RIGHTS RESERVED BY DECLARANT,  
ITS SUCCESSORS AND ASSIGNS

Section 3-1. Other Rights and Reservations. The omission of any right or reservation in this Article shall not limit any right or reservation by Declarant which is expressly stated in or implied from any other provision in these Covenants.

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Section 3-2. No Affirmative Obligation Unless Stated. Any reservation or right of Declarant which is stated in or implied from these Covenants shall not give rise to any affirmative obligation or duty on the part of Declarant unless expressly stated in these Covenants.

Section 3-3. Utility Easements. Declarant reserves a perpetual, alienable, and releasable 10-foot wide easement over, on, across, and under each Lot for the erection, maintenance, installation, and use of wires, cables, conduits, and other suitable equipment for the conveyance and use of electricity, telephone equipment, or other public conveniences or utilities and Declarant may further cut drain ways for surface water wherever and whenever such action may appear to Declarant to be necessary in order to maintain reasonable standards of health, safety, and appearance. These easements and rights expressly include the right, where necessary, to cut any trees, bushes, or shrubbery, make any grading of the soil or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety, and appearance. All permanent utilities must be installed underground.

Section 3-4. Compliance. In the event that any Property Owner fails to comply with any of the restrictions set forth in this Article or the rules and regulations subsequently promulgated by the Declarant or the POA, the Declarant or the authorized agents of Declarant or the POA shall have the right, but not the obligation, to enter any Lot and undertake any necessary action in order to cure such Property Owner's default. All expenses and costs, including filing fees and reasonable attorney fees, incurred by the Declarant, POA or their authorized agents in curing such default shall be charged to the defaulting Property Owner and shall be payable by such Property Owner to the Declarant or the POA immediately upon demand. Neither Declarant, its authorized agents or the POA shall be liable for any damage which may result from such entry unless such damage results from the willful misconduct of Declarant, its authorized agents or the POA

Section 3-5. Subdivision of Property; Access; Right to Add Additional Property. No Lot shall be subdivided, or its boundary line changed, except with the written consent of Declarant. Declarant hereby expressly reserves to itself, its successors and assigns, the right to re-plate any Lot shown on the plat of The Woodlands prior to its sale in order to create a modified building Lot. These Covenants shall apply to any of said modified Lots resulting from said subdivision as if the resulting Lots had been originally platted in such manner. Lots on the perimeter of the development may only be accessed from designated roads within The Woodlands, except with the written consent of the Declarant. No Lot or Lots shall be used as access to other property outside The Woodlands development, except as approved by Declarant. Declarant, however, reserves the right to add additional property to The Woodlands development and use any part of The Woodlands within his ownership to access the additional property.

ARTICLE IV:  
MEMBERSHIP, NOTICE, VOTING RIGHTS AND CERTAIN OBLIGATIONS OF MEMBERS  
OF THE WOODLANDS PROPERTY OWNERS' ASSOCIATIONS, INC.

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Section 4-1. General. Every Property Owner and Declarant shall be a member of The Woodlands Property Owners' Association, Inc., a non-profit corporation to be organized and to exist under the laws of the State of North Carolina (hereinafter called the POA). The purpose of said non-profit corporation shall be to promote the welfare of the Property Owners and the Property, to enforce these covenants, to maintain commonly-used roads within The Woodlands, to fix, levy and collect payment of charges and to pay expenses in connection with the POA, and such other purposes as may be set forth in the Articles of Incorporation and By-Laws of the POA. At such time as Declarant determines, but no later than after twelve (12) Lots have been sold and conveyed, Declarant shall cause the POA to be formed and activated and shall notify all Property Owners thereof. Upon such activation and notification, the POA shall then assume management of the affairs of the Association. Each member shall be entitled to one (1) vote for each Lot owned within The Woodlands. At such time as the POA becomes active, a meeting shall be called of all Property Owners, the purpose of which shall be the adoption of By-Laws and election of the Board of Directors of the POA, all by majority vote of the Property Owners, voting either in person or by proxy. Until the POA has become active and assumes the affairs of the Association, Declarant shall manage the affairs and make all decisions.

ARTICLE V:  
ASSESSMENTS AND OTHER CHARGES

Section 5-1. Collection and Use of Assessments and Other Charges. The assessments, fees, charges and liquidated damages described in these Covenants or hereafter established by The Woodlands Property Owners' Association, Inc. ("the POA") shall be collected by Declarant until activation of the POA as herein provided, and thereafter by the POA, and used exclusively for carrying out the functions described in these Covenants and the bylaws and/or the Rules and Regulations of the POA. The POA, through its Board of Directors shall annually establish a budget and fix the amount of the assessment against each Property Owner and give notice of assessments to every Property Owner subject thereto. Declarant shall not be subject to any assessments set forth herein or hereafter established for any property or Lots owned by Declarant. Until the POA assumes responsibility for the maintenance of the road system within The Woodlands, the Declarant shall be responsible for same and shall use the assessments collected to do so.

Section 5-2. Annual Assessment. Until such time as Declarant activates the POA, each Property Owner shall pay to Declarant an annual assessment of \$200 per Lot owned for maintenance of the roads, entrance to the development, landscaping, signage, common area and other community enhancements, said assessment to be paid on or before July 1<sup>st</sup> of each year. Thereafter, the POA shall establish, levy and collect such assessments as are necessary for maintenance of the roads, entrance to the development, landscaping, signage, common area and other community enhancements

Section 5-3. Time and Method of payment of assessments. Any assessment year shall run from July 1<sup>st</sup> to June 30<sup>th</sup>. For any assessment year, each Property Owner shall annually pay in advance all annual assessments due on said property, said payments to be made on or before July 1<sup>st</sup> of each year.



Section 5-4. Effect of Non-Payment of Assessments and Other Charges. The following actions may be taken by the Declarant until activation of the POA as herein provided, and thereafter by the POA, in the event a Property Owner fails to make payment of any assessments set forth above or other charges and obligations when due:

(a) Interest on Late Payment, Attorney Fees and Costs. An interest charge at an annual percentage rate of eighteen percent (18%) will be charged on all late payment of assessments, together with such reasonable attorney's fee and costs as may be associated with collection.

(b) Personal Liability. If the assessment or charge is not paid within thirty (30) days after the past due date, the POA may bring an action at law or in equity against the Property Owner personally, and there shall be added to the amount of such assessment the cost of preparing and filing the legal documents in such action, and in the event a judgment order against the Property Owner is obtained, such judgment shall include interest on the assessment, as provided in (a) above, reasonable attorney's fees and expenses to be fixed by the court and the costs of the action.

(c) Execution on Lien. Subject to any contrary provision relating to subordination of the lien to mortgages and other encumbrances, the POA may execute its lien upon the subject property according to procedures prescribed by the laws of North Carolina.

(d) Other Rights. In addition to the above, the POA shall reserve the rights it may have under and according to applicable law to attach and execute against any personal assets of a Property Owner in order to receive assessments due.

#### ARTICLE VI:

#### DURATION, OBLIGATION AND APPURTENANCE OF RIGHTS AND OBLIGATIONS CREATED HEREIN

Section 6-1. Duration. These Covenants shall be in effect, shall run with and bind the land, and shall insure to the benefit of and be enforceable by and against Declarant, the POA, any Property Owner, their respective legal representatives, heirs, successors and assigns for a period of twenty-five (25) years from the date this Declaration is recorded. Upon the expiration of said twenty-five (25) year period, this Declaration shall be automatically renewed and extended upon the expiration of each ten (10) year renewal period for an additional ten (10) year period; provided, however, that there shall be no renewal or extension of this Declaration if, during the last year of the initial twenty-five (25) year period or during the last year of any subsequent ten (10) year renewal period, seventy-five percent (75%) of the members vote in favor of terminating this Declaration at the end of its then existing term.

Section 6-2. Protection of Mortgagees and Other Encumbrances. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision or to prevent a violation shall effect, defeat or render invalid or impair the lien of any

mortgage, deed of trust or other lien on any property if such lien or deed of trust is taken in good faith and for value and is recorded prior to the time and instrument describing such property and listing the name or names of the owners of fee simple title to the property and giving notice of a claimed violation, breach or failure to comply with the provisions of this Declaration as recorded. Any such violation, breach or failure to comply shall not affect, defeat, render invalid or impair the title or interest of the holder of any such mortgage, deed of trust or other lien or title or interest acquired by any purchaser upon foreclosure of any such mortgage, deed of trust or other lien, nor shall the former owner's violation, breach or failure to comply result in any liability, personal or otherwise, of any mortgage holder or new owner resulting from foreclosure. Any such new owner on foreclosure shall, however, take subject to this Declaration with the exception of the former owner's violations hereof or failures to comply herewith with respect to such new owner, his heirs, personal representatives, successors or assigns; provided, however, that any action of the new owner, after taking title to, or possession of, such property, which constitutes a violation shall cause such new owner to be subject to all assessments, charges, restraints, restrictions, burdens and obligations under these Covenants.

Section 6-3. Owner's Rights and Obligations Appurtenant. All rights, easements, restrictions and obligations of a Property Owner under this Declaration, and all rights of a Property Owner with respect to memberships in the POA under this Declaration, are hereby declared to be and shall be appurtenant to the title held by the Property Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from the title held by the Property Owner. Every transfer, conveyance, grant, devise, bequest, encumbrance or other disposition of the title held by a Property Owner shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance, transfer or disposition of such rights and obligations.

ARTICLE VII:  
EFFECT OF COVENANTS AND ENFORCEMENT

Section 7-1. Effect of Provisions of These Covenants. Each Property Owner, his heirs, successors and assigns, and all others who take an interest in land or realty within the Property do promise, covenant and undertake to comply with each provision of these Covenants, which provisions:

(a) shall be considered incorporated in each deed or other instrument by which any right, title or interest in any real property within the Property is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;

(b) shall, by virtue of acceptance of any right, title or interest in any real property within the Property by a Property Owner (i) be deemed accepted, ratified, adopted and declared as a personal covenant of the Property Owner; and (ii) be deemed a personal covenant to, with and for the benefit of Declarant, the POA and any other Property Owner;

(c) shall be deemed a real covenant by Declarant for itself, its successors and assigns and also an equitable servitude, running in each case, as both burdens and benefits

with and upon the title to each Lot within the Property and, as a real covenant and also as an equitable servitude, shall be deemed a covenant and servitude for the benefit of any real property now or hereafter owned by Declarant within the Property and for the benefit of any and all other real property within the Property; and

(d) shall be deemed a covenant, obligation and restriction secured by a lien binding, burdening and encumbering the title to each Lot within the Property which lien, with respect to any respective Lot within the Property, shall be deemed a lien in favor of the Declarant and the POA, jointly and severally.

Section 7-2. Who May Enforce. The benefits and burdens of these covenants run with the land and Declarant, its successors and assigns, the POA, its successors and assigns, or any Property Owner, his heirs, representatives, administrators, successors and assigns with respect to the Property, shall have the right to proceed against a party to compel compliance with the terms hereof or to prevent the violation or breach in any event.

Section 7-3. Enforcement Remedies. In the event that any residential dwelling or other structure is erected, constructed, reconstructed, altered, repaired, converted or maintained or any land use is in violation of these covenants, Declarant, the POA or any Property Owner may institute appropriate legal proceedings or actions, at law or in equity; (a) to prevent such unlawful erection, construction, reconstruction, alteration, repair, conversion, maintenance or use; (b) to restrain, correct or abate such violation or breach of these Covenants; (c) to prevent the occupancy of said residential dwelling, structure or land; (d) to prevent any act, conduct, business or use which is in breach of these Covenants; or (e) to compel any affirmative act which, pursuant to these Covenants "shall" be performed. Violators shall be personally obligated for reimbursement in full for all direct and indirect costs or damages resulting from the violation or breach, including but not limited to legal fees and expenses incurred in maintaining compliance with this Declaration, and such obligation shall also constitute a lien upon the property of the violating Property Owner.

#### ARTICLE VIII: MISCELLANEOUS

Section 8-1. Severability. Should any Covenant or Restriction herein contained, or any Article, Section, paragraph, sentence, clause, phrase or term in this Declaration be declared to be void, invalid, illegal or unenforceable for any reason by the adjudication of the highest court or other tribunal which considers such matter and has jurisdiction over the parties hereto and the subject matter hereof, such judgment shall in no way affect the other provisions hereof which are hereby declared to be severable.

Section 8-2. Interpretation. In all cases, the provisions of this Declaration shall be given that reasonable interpretation or construction which will best effect consummation of the general plan of land use restrictions and affirmative obligations of the Property, which will carry out the intent of the Declarant as expressed in the recitals of these Covenants, and which will preserve the Property as a situs for a high amenity, attractive, well maintained, privately-

governed residential resort community. Contrary to the restrictive common law rule of construction, these Covenants shall by this Covenant be interpreted broadly to touch and concern the Property with recognition of modern, economic land use planning and real estate finance and development principles, theories and practices. It is Declarant's intent that all Property Owners who take subject to these Covenants shall, by accepting their deeds or other conveyance, covenant and agree, and are thereby estopped to deny, that any function of Declarant or the POA, and any other covenant, condition, restriction or obligation within these Covenants is intended to promote the use and enjoyment of the Property, is intended to foster the creation, preservation or enhancement of economic or intangible values associated with the Property, and does touch and concern, benefit and burden and run with the Property.

The provisions of these Covenants shall be given full force and effect notwithstanding the existence of any subsequently adopted zoning ordinance which allows a less restricted use of the Property.

Section 8-3. Gender, Tense and Number. When necessary for property construction, the masculine form of any word used in this Declaration shall include the feminine or neuter gender, and the singular, the plural and vice versa, and words used in the present tense shall include the future tense.

Section 8-4. No Waiver. Failure to enforce any provision of this Declaration shall not operate as a waiver of any such provision or of any other provision of this Declaration.

Section 8-5. Captions. The captions and headings in this instrument are for convenience only and shall not be considered in construing any provisions of this Declaration.

Section 8-6. No Implied Liabilities or Duties. Any rules or regulations established pursuant to these Covenants shall not expressly or impliedly create any duty of care to any Property Owner.

Section 8-7. Notice to Declarant. Any notice to the Declarant shall be directed to the following address:

Woodland Property Group, LLC  
c/o Edward C. Reed II, Member-Manager  
P.O. Box 151  
Todd, NC 28684

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions has been executed by Edward C. Reed, II, duly authorized Member and Manager of Woodland Property Group, LLC, the day and year first above written.

Woodland Property Group, LLC, a North Carolina Limited Liability Company

By: Edward C. Reed II  
Edward C. Reed II, Member-Manager

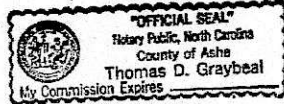
STATE OF NORTH CAROLINA

COUNTY OF ASHE

I certify that Edward C. Reed II personally appeared before me this day and acknowledged to me that he voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.

WITNESS my hand and official seal this 10<sup>th</sup> day of February, 2006.

(Notarial Seal)



Thomas D. Graybeal  
Notary Public Signature Above

Thomas D Graybeal  
Notary's Printed or Typed Name above

My commission expires: 11-20-07

FILED  
ASHE COUNTY  
SHIRLEY B. WALLACE  
REGISTER OF DEEDS

FILED Jul 03, 2008  
AT 03:04:39 pm  
BOOK 00384  
START PAGE 1849  
END PAGE 1850  
INSTRUMENT # 04359

**SUPPLEMENTARY DECLARATION OF RESTRICTIONS**

STATE OF NORTH CAROLINA  
COUNTY OF ASHE

THE WOODLANDS DEVELOPMENT

THIS SUPPLEMENTARY DECLARATION OF RESTRICTIONS (the "Supplementary Declaration") made this 27<sup>th</sup> day of June, 2008, by Woodland Property Group, LLC, (hereinafter referred to as "Declarant").

**BACKGROUND STATEMENT**

WHEREAS, Declarant is the owner and developer of The Woodlands Development in Walnut Hill Township, Ashe County, North Carolina as more particularly described at Plat Book 6 at Page 283 of the Ashe County Public Registry; and

WHEREAS, Declarant has heretofore caused to be recorded certain Declaration of Covenants, Conditions and Restriction for The Woodlands (Phase I) in Book 342 at Page 1288 of the Ashe County Public Registry; and

WHEREAS, Declarant has caused to be recorded a plat for The Woodlands (Phase II) at Plat Book 7 at Page 275 of the Ashe County Public Registry; and

WHEREAS, Declarant is desirous of subjecting Lots 20 through 31, inclusive, of The Woodlands (Phase II) to the Declaration of Covenants, Conditions and Restrictions for The

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Prepared by: di Santi Watson Capua & Wilson  
P O Box 193, 642 West King Street  
Boone, North Carolina 28607

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Woodlands as recorded at Book 342 at Page 1288 of the Ashe County Public Registry.

NOW, THEREFORE, Declarant, for itself, its successors and assigns and for its future grantees, their heirs, successors and assigns, does hereby declare that Lots 20 through 31, inclusive, of The Woodlands (Phase II) as shown at Plat Book 7 at Page 275 of the Ashe County Public Registry shall be held, transferred, sold and conveyed subject to the Declaration of Covenants, Conditions and Restrictions for The Woodlands as recorded at Book 342 at Page 1288 of the Ashe County Public Registry, said restrictions being incorporated herein by reference as if the same were set out in their entirety.

IN WITNESS WHEREOF, Declarant has caused this Supplementary Declaration of Restrictions to be signed by its manager, the day and year stated herein.

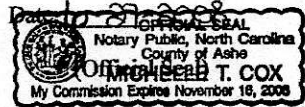
DECLARANT:

Woodland Property Group, LLC,  
a North Carolina Limited Liability Company

By: Edward C. Reed, II  
Edward C. Reed, II, Manager

Ashe County, North Carolina

I certify that the following person, Edward C. Reed, II, Manager of Woodland Property Group, LLC, personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Edward C. Reed, II.



Michelle T. Cox  
Print Name: Michelle T. Cox  
My Commission expires: November 16, 2008

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Prepared by: **di Santi Watson Capua & Wilson**  
P O Box 193, 642 West King Street  
Boone, North Carolina 28607