

September 23, 2011

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Woodhaven POA, Inc.  
P.O. Box 757  
Flat Rock, NC 28731

Re: Kenneth L. and June K. Simpson

Dear Sir or Madam:

Our firm has been contacted by Mr. and Mrs. Kenneth L. Simpson, the owners of Lots 22 and 23 of Woodhaven Subdivision, regarding your August 5, 2011 letter to them requesting the payment of assessments on their two lots for the fiscal years 2008 through 2011. Your letter includes an assertion that the closing attorney will be advised of all amounts due upon a sale of these lots as an "obstacle at closing."

We believe Mr. and Mrs. Simpson contacted us due to our involvement in the case of Armstrong v. Ledges Homeowners Association, Inc. that was decided by the North Carolina Supreme Court in August of 2006. In that case, the court held that an Amendment to the Declaration by a majority of the lot owners to authorize the collection of assessments under identical circumstances was unreasonable and that by-laws providing for assessments were not valid to the extent that they exceeded what was authorized under the Declaration.

The covenants applicable to Woodhaven do not provide for a homeowners association, do not provide for the payment of assessments and do not provide any obligation by homeowners to maintain any common areas within the subdivision. As a result, there is no need for assessments and there is no authority for them to be collected by the original developer or by a homeowners association.

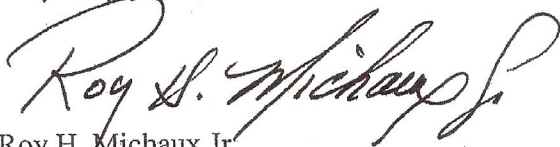
We appreciate that homeowner associations may be a convenient way to provide social activities and to facilitate communications for members and is a vehicle to provide enhancements to a subdivision. Any funding by homeowners in Woodhaven for such activities, however, should be purely voluntary and owners should be approached accordingly.

Mr. and Mrs. Simpson would like to avoid litigation regarding the Association's demand for payment of assessments and the threat of collection. We urge you to review this issue with your attorney. To facilitate this process, we enclose a copy of the opinion in Armstrong.

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Please let us know if there is any question or disagreement regarding our position.

Very truly yours,

A handwritten signature in cursive script that reads "Roy H. Michaux Jr." The signature is written in dark ink and is positioned above the typed name.

Roy H. Michaux Jr.

RHM/sbh

Encl.

cc: Mr. and Mrs. Ken Simpson