

22
152



WTH

FOR REGISTRATION REGISTER OF DEEDS
REBECCA P. SMITH
NEW HANOVER COUNTY, NC
2006 DEC 19 02:37:04 PM
BK:5119 PG:2419-2441 FEE:\$77.00

INSTRUMENT # 2006069485

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR WESTHAVEN

THIS DECLARATION, made on the date hereinafter set forth by Hardison Building, Inc. hereinafter referred to as "Declarant"

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Harnett Township, County of New Hanover, State of North Carolina, and being more particularly shown and described on that certain map recorded in Map Book 50, Page 301 in the Office of the Register of Deeds of New Hanover County, reference to said plat being hereby specifically made which is more particularly described on Exhibit A attached hereto; and

WHEREAS, WESTHAVEN is being developed by Declarant as a planned community of single family homes (hereinafter sometimes referred to the "Community"; and,

WHEREAS, Declarant proposes to sell and convey certain lots or sections within the tracts above-described to be used for residential purposes and to develop said lots, and additional property which may be acquired by Declarant, into a planned community; and

WHEREAS, Declarant desires to impose upon such lots certain mutual and beneficial restrictions, covenants and conditions and charges (hereinafter collectively referred to as "Restrictions") for the benefit and complement of all of the lots in the subdivision in order to promote the best interests and protect the investments of Declarant and each owner; and, Declarant has deemed it advisable to create an organization to own, maintain, and administer the Common Areas and to enforce covenants and restrictions exclusively applicable to the Community and to collect and disburse the assessments and charges hereinafter created.

RETURN TO *Yow Fox Manner*

NOW THEREFORE, Declarant hereby declares that all of the properties described on Exhibit A shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

See Map Book 50, Page 301.

ARTICLE I DEFINITIONS

Section 1. "Act" shall mean and refer to Chapter 47F of the North Carolina General Statutes known as the North Carolina Planned Community Act.

Section 2. "Association" shall mean and refer to WESTHAVEN AT WILMINGTON HOA, Inc., its successors and assigns.

Section 3. "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the Association elected or appointed to manage the affairs of the Association.

Section 4. "Bylaws" shall mean and refer to the Bylaws of the Association as may be amended from time to time.

Section 5. "Common Area" shall mean all real property (including the improvements thereto) owned by the Association, whether in fee or easement, for the common use and enjoyment of the Owners and specifically including, but without limitation, entrance, gate or gate houses which may be installed or built, open spaces, recreation facilities, perimeter and interior fencing which may be installed by Declarant, private streets (if any), and the areas within any storm water easements and the facilities constructed thereon and which serve more than one (1) Lot and are not maintained by any governmental authority. Common Areas shall also include water and sewer lines which serve more than one (1) Lot and are not located within a public utility easement or public street right of way.

Section 6. "Common Expenses" means and includes actual and estimated expenses of maintaining and operating the Common Elements and Areas and operating the Association for general purposes, including any reasonable reserve and specifically including expenses associated with maintenance of the storm water and sewer systems in the Development, all as may be found to be necessary and appropriate by the Board of Directors pursuant to these Protective Covenants, the By-laws and the Articles of

Incorporation of the Association.

Section 7. "Declarant" shall mean and refer to Hardison Building, Inc., a North Carolina Corporation, its successors and assigns, if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Declarant Control Period" shall mean and refer to the period of time during which the Declarant may appoint or remove members of the Board of Directors of the Association. The Declarant Control Period shall terminate upon the earlier of the following to occur:

(a) December 31, 2009; or

(b) Relinquishment or transfer of all Special Declarant Rights as provided in Section 47F-3-104 of the Act.

Section 9. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 10. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 11. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto, as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Except as may be limited by these restrictions and by the Rules and Regulations Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Association to suspend the voting rights and right to use

of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members . However, no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer is signed by the Members entitled to cast at least eighty (80%) percent of the votes of the entire membership of the Association has been recorded.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property. Notwithstanding this provision, no Owner may utilize any Common Area for recreational purposes if his rights have been delegated to a tenant or other person residing on the Lot owned by Owner.

Section 3. Conveyance of Title to the Association. Declarant covenants, for itself, its successors and assigns that it will convey to the Association, prior to the expiration of the Declarant Control Period, title to those portions of the Common Areas, if any, owned in fee by the Declarant. The Association shall be obligated to accept such conveyance fo the Common Areas in its then existing condition.

Section 4. Regulation and Maintenance of Common Area. It is the intent of Declarant that the Common Area (whether owned by the Association in fee or easement) be preserved for the perpetual benefit of the Owners of the Community. To that end, Declarant will, if necessary, prior to the conveyance of the first Lot in any phase or section of the Community to an Owner, reserve on a recorded plat or grant to the Association an easement over and across that portion of any Lot within such phase or section on which a Common Area easement lies for the purpose of enabling the Association to take action permitted by sections (b) and (c) of this Section 4.

(a) Rights and Responsibilities of the Lot Owners. Each Owner of a Lot upon which a Common Area easement lies shall pay all property taxes and other assessments levied against his Lot, including that portion of such tax or assessment as it attributable to such Common Area easement. Notwithstanding any other provision of this Declaration, no Owner or other person shall, without the prior written consent of the Association: (1) remove any trees or vegetation within any Common Area easement; (2) erect gates, fences, buildings or other structures on any Common Area easement; (3) place any garbage receptacles on or in any Common Area easement; (4) fill or excavate any Common Area easement or any part thereof; or (5) plant any vegetation or otherwise restrict or interfere with the use, maintenance, and preservation of any Common Area easement.

It is the intent of the Declarant that a Common Area easement shall be maintained in the same state as when the Lot upon which such easement lies was conveyed to the Owner. If an Owner of a Lot on which a Common Area easement lie fails to maintain the easement area as provided herein, whether by act or omission, the Association shall have the right to enter upon such Owner's Lot for the purpose of maintaining same and shall have the right to charge such Owner with the costs of such maintenance, which costs, if not paid within thirty (30) days after demand for payment is made the Association, shall be collected in the same manner and shall incur the same late charges, interest and costs of collection as set forth in this Declaration.

(b) Rights and Responsibilities of the Association. The Association shall have the right and obligation to ensure that the Common Area is preserved to the perpetual benefit of the Owners and, to that end, shall: (1) maintain the Common Area in its natural or improved state, as appropriate, and keep it free of impediments to its free use by the Owners; (2) procure and maintain adequate liability insurance covering the Association and its Members against any loss or damage suffered by any person, including the Owner of the Lot upon which any Common Area easement lies, resulting from the use of the Common Area; and (3) pay all property taxes and other assessments levied against all Common Areas owned in fee by the Association.

(c) Association's Right of Entry for Maintenance of Common Area Easements. The Association and its employees, agents, contractors and subcontractors shall have a nonexclusive right and easement at all times to enter upon any portion fo a Lot reserved or designated as a Common Area easement, and any other portion of the Lot to the extent necessary to gain access to the Common Area easement for the purposes of: (1) installing and maintaining entrance signage and other signage; (2) making such improvements to the Common Area easement as have been approved by the Association; and, (3) maintaining the Common Area easement in its natural or improved state, including without limitation removal of fallen trees and debris and, in general, keeping the easement area free from obstructions and impediments to its use. No such entry shall be deemed a trespass; and, to the extent practicable the Association shall give reasonable oral notice to the Owner or occupant of such Lot.

Section 5. Reservation of Easement. Declarant reserves an easement over and across the Common Areas so long as it owns any Lots within the Property for the purpose of constructing and improvements on the Common Areas as it deems necessary or advisable.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which 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. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. In the event such joint owners cannot agree, the Board of Directors of the Association shall designate the member entitled to vote.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs, subject to Section 3 of this Article III:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership,

(b) on December 31, 2009; or,

(c) relinquishment or transfer of all Special Declarant Rights as provided in Section 47F-3-104 of the Act.

Section 3. Notwithstanding the provisions of Article III, Section 2, there shall be no conversion of Class B membership to Class A membership under Section 2(a) unless:

(a) The criteria stated above in Section 2(a) are met, and Declarant has recorded in the Office of the Register of Deeds of New Hanover County a statement terminating its rights to annex additional properties as allowed hereinafter; or

(b) The total number of lots conveyed to third parties equals Twenty-Three (23) being the maximum number of lots which may be included within the property made subject hereto, and which may be made subject hereto in the future).

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner

of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided, and (3) supplemental assessments, as hereinafter described. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made. All assessments (hereinafter "Assessments"), 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 fell due. The personal obligation for delinquent Assessments shall not pass to his successors in title unless expressly assumed by them; however, the unpaid Assessments and charges shall continue to be a lien upon the Lot against which the assessment or charge was made.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, and of the premises of each Lot and the homes situated thereon, to the extent allowed by the provisions of these restrictive covenants. These allowed purposes include, but are not limited to, the maintenance and upkeep of all roads and roads rights-of-way, repair and maintenance of the Common Areas and improvements thereon including without limitation storm water drainage facilities and the cost of labor, equipment, materials, management and supervision thereof, payment of taxes and public assessments levied against the Common Areas, procurement and maintenance of insurance, payment of any use fees or charges imposed upon the Members of the Association for utilization of amenities or facilities located outside of the Community which are not a part of the Community, employment of attorneys, accountants and other persons or firms to represent the Association when necessary, payment of principal and interest on funds borrowed for Association purposes, and such other needs as may arise.

Section 3. Maximum Annual Assessment. Until December 31 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Six Hundred and 00/100 DOLLARS (\$600.00) per each Class A Lot. Any Lot owned by the Class B Member that contains a dwelling for which a certificate of occupancy has been issued and that is used by any person as a residence shall be assessed as a Class A Lot; otherwise the Class B Member shall not pay any Annual or Special Assessments.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than ten (10%) above the maximum assessment for the previous year without a vote of the membership.

(b) The maximum annual assessment may be increased above

ten (10%) without limitation if such increase is approved by the Class B Member and two-thirds (2/3) of the Class A members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, or for other purposes deemed appropriate by the Directors of the Association, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Rate of Assessment. Lots shall be divided into two (2) classes or categories for purposes of payment of Assessments. These categories are as follows:

(A) Lots owned by Declarant until December 31, 2009, at which time this category shall terminate. This category shall be referred to as "Declarant Category." Each Lot within the Declarant Category shall be assessed in an amount equal to twenty-five (25%) of the Assessment on each lot in the Unrestricted Category.

(B) All Lots not within the Declarant Category shall be considered within the "Unrestricted Category." Lots within the Unrestricted Category shall receive no reduction from the basic Lot Assessments.

Section 7. Date of Commencement of Annual and Supplemental Assessments: Due Dates. The annual and supplemental assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual and supplemental assessments shall be adjusted according to the number of months remaining in the calendar year. The Board of

Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. Supplemental assessments shall likewise be determined and noticed, subject to the provisions of Section 5 of this Article IV. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of Assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any Assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen (18%) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or 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 Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such Assessments as to payment which became due prior to such sale or transfer, No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. All Common Areas owned in fee by the Association, all property dedicated to and accepted by a public authority, and all property owned by a charitable or nonprofit organization shall be exempt from the assessments created herein. Notwithstanding the foregoing, no lands or improvements devoted to dwelling use shall be exempt from assessments.

Section 11. Working Capital Fund. At the time of Closing of the initial sale of each Lot a sum equal to One Hundred (\$100.00) Dollars of the annual assessment for the appropriate Class A Lot in effect at the time of such sale shall be collected from the purchaser of such Lot and transferred to the Association as part of its working capital. The purpose of the working capital fund is to ensure that the Association has sufficient cash funds available to meet unforeseen expenses and to acquire additional equipment or services deemed necessary by the Board of Directors. Amounts paid to the Association pursuant to this Section 11 shall not be considered as an advance payment of any regular assessment.

Section 12. Street Lighting. Declarant reserves the right to subject the Properties to a contract with Carolina Power & Light Company for the installation of street lighting, which may require a continuing monthly payment by each Owner to

Carolina Power & Light Company by each such Owner.

ARTICLE V

EASEMENTS

Section 1. Access and Utility Easements. Easements for the installation of maintenance of driveway, walkway, water line, gas line, telephone, cable television, electric power transmission lines, sanitary sewer, storm water drainage facilities, and for other public utility installations are reserved as shown on the recorded Plats of the Properties. The Association may reserve and grant easements over the Common Areas as provided in this Declaration. Within any such easement herein provided, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation or maintenance of the utilities installed thereon, or which may change the direction or flow of water through drainage pipes or channels constructed in such easements.

Declarant reserves an easement and rights of ingress, egress and regress on, over and under the Properties to maintain and correct drainage or surface water run off in order to maintain reasonable standards of health, safety and appearance. Such right expressly includes the right to cut any trees, bushes or shrubbery, make gradings of the soil, or take any other similar action that it deems reasonably necessary or appropriate. After such action has been completed, Declarant shall grade and seed the affected areas and restore the affected property to its original condition to the extent practicable, but shall not be obligated or required to replace any trees, bushes or shrubbery necessarily removed. The reservation contained herein shall not be deemed to obligate the Declarant to maintain, repair, or correct deficiencies in the stormwater drainage and collection systems within the Properties once such systems have been conveyed or transferred to the Association or to any governmental or quasi-governmental agency or entity.

Section 2. Easements for Governmental Access. An easement is hereby established over the Common Areas and every Lot for the benefit of applicable governmental agencies for installing, removing, and reading water meters, maintaining and replacing water, sewer, and drainage facilities; and, for acting for other purposes consistent with the public safety and welfare including, but without limitation, law enforcement, fire protection, garbage collection, and the delivery of mail.

Section 3. Easement and Right of Entry for Repair. If any part of a dwelling is located closer than five (5) feet from its Lot Line, the Owner thereof shall have a perpetual access easement over the adjoining Lot to the extent reasonably necessary to perform repair, maintenance, or reconstruction of such dwelling. Such work shall be done expeditiously and upon completion, the Owner shall restore the adjoining Lot to as nearly the same condition as that which prevailed prior to the commencement of work.

Section 4. Easement Over Common Areas. A perpetual, nonexclusive easement over the Common Areas is hereby granted to each Lot and its Owners, family members, tenants, guests and invitees of such Owners for the purpose of providing access, ingress and egress to and from the Common Areas and for the use thereof.

Section 5. Association's Easement Upon Lots. The Association shall have a right, license and easement to go upon any Lot for the purpose of fulfilling its obligations under this Declaration, the protective covenants and restrictions, and any other rules, laws, or ordinances which the Association is permitted or obligated to enforce. Such easement shall include, but not be limited to, the right to go on any Lot to correct, repair, or alleviate any condition which in the opinion of the Board of Directors creates or may create an imminent damage to the Common Areas or improvements located thereon.

Section 6. Easement for Encroachments. In the event that any structure erected on a Lot encroaches upon any other Lot or the Common Area, and such encroachment was not caused by the purposeful act or omission of the Owner of such Lot, then an easement appurtenant to such Lot shall exist for the continuance of such encroachment upon the Common Area or other Lot for so long as such encroachment shall naturally exist. In the event that any structure erected principally on the Common Area encroaches upon any Lot, then an easement shall exist for the continuance of such encroachment of such structure onto such Lot for so long as such encroachment shall naturally exist. The foregoing shall not be construed so as to allow any extension or enlargement of any existing encroachment or to permit the rebuilding or the encroaching structure, if destroyed, in a manner so as to continue such encroachment.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE PROCEDURES

Section 1. Architectural Control Committee. All duties and responsibilities conferred upon the Board or the Architectural control Committee by this Declaration or the Bylaws of the Association shall be exercised and performed by the Declarant or its designee, so long as Declarant shall own any lot in the Properties or any additions annexed thereto by Supplemental Declaration or Amendment of Declaration. The Architectural Control Committee shall consist of at least One (1) persons who need not be Lot Owners of the Association.

Section 2. Submittal of Plans. At least thirty (30) days prior to the anticipated commencement of any landscaping or construction of any structure or improvement on any Lot, the owner of such Lot (or his duly appointed agent) shall submit to the Chairman of the Architectural Control Committee ("Committee") a survey of the Lot, which survey shall show each Lot corner. There shall further be shown on said survey the proposed location of all proposed and existing structures or improvements, including driveways, patios, decks and walkways. There shall be further

provided to the Committee sufficient building elevations and landscape plans, including a statement of exterior building materials and proposed exterior colors, to allow the Committee to appropriately and accurately evaluate what is proposed for construction on the Lot. The location of a proposed well (if any) shall also be delineated. The survey, building elevations and landscape plans, shall be of professional quality. There shall be submitted two copies of all information required to be submitted.

Section 3. Standards for Approval. Within thirty (30) days after receipt of all required information, the Committee shall notify in writing the owner of the Lot whether or not the requested improvements are approved. Unless a response is given by the Committee within said thirty (30) days, the plan shall be deemed approved. The response of the Committee may be an approval, a denial, an approval with conditions or a request for additional information. A request for additional information shall be deemed a determination that the information submitted was inadequate, and the thirty (30) day time for response shall only commence upon receipt of the requested additional information. If approval with conditions is granted, and construction then begins, the construction shall be deemed approval by the owner of the Lot of the conditions imposed. No response shall be required from the Committee unless a submission contains, on its face, the information required to be submitted as more fully set out hereinbefore.

The Committee shall approve the plans as submitted, if all required information is submitted, and the following affirmative findings are made by the Committee:

(1) that the improvements sought to be constructed will not have negative economic impact on any other property within Westhaven; and

(2) that all required specific building standards and other conditions contained within the Declaration of Covenants and other applicable legal documents have been met;

(3) that the improvements are architecturally compatible with proposed or constructed improvements on other properties within Westhaven;

(4) that the natural features of the Lot have been retained to the maximum extent feasible; and

(5) that the impervious surface limitation coverage proposed on each Lot is consistent with the requirements of the Division of Environmental Management Coastal Stormwater Regulations as more fully set out hereinafter.

It is the intent of Declarant for there to be an architectural theme or style within WESTHAVEN which theme or style is to be a traditional southern architectural style, which style may further be low country or may not be low country, as such terms and styles are traditionally understood by the architectural profession. In evaluating plans, and in determining whether the standard imposed by this section has been achieved, evaluation

as to this architectural style shall be permitted by the Committee; however, the Declarant shall be the sole arbitrator as to what is to be traditional southern style architecture. The Committee is further specifically authorized to publish particular construction standards, including features that are appropriate for inclusion in Living Units, which standards and features shall be made available to the owner of any Lot requesting the same.

Notwithstanding the procedures contained within this Article VI, review of proposed minor construction or proposed improvements to existing structures, or minor landscaping, may be delegated to a sub-committee and may be reviewed in accordance with abbreviated procedures adopted and published by the Committee from time to time.

Section 4. Contractor. Because of the desire of Declarant on behalf of all Owners to provide a uniform quality of construction, and because of the need to control lay down yards and other contractor facilities due to the limited availability of land, the Committee reserves the right of approval of the general contractor selected by Owner to construct a primary residence on any Lot. The Committee shall maintain at all times a list of approved contractors available for construction on any Lot. Such information shall be made available to the Owner of any Lot upon request. Neither Declarant, the Association nor the Committee guarantee or warrant any work performed by any contractor approved by the Committee, the Association or Declarant. Each Owner shall submit with his application for approval a statement of said Owner's selected general contractor; if the general contractor is not selected at that time, the name of the general contractor shall be submitted prior to commencement of construction.

Section 5. Right of Appeal. Any owner disagreeing with the finding of the Committee may appeal the decision to the Board of Directors of the Association by giving written notice of appeal to the President of the Association within fifteen (15) days following receipt of notice of denial (or notice of imposition of conditions unacceptable to said owner). The Board of Directors of the Association shall then review the plans, giving the Chairman of the Committee the opportunity to present to the Board of Directors of the Association specific reasons why the plans were denied, in the presence of the owner or his agent, and the owner or his agent may present information challenging the findings of the Committee. The decision of the Committee shall only be overridden by unanimous vote of the Board of Directors of the Association.

Section 6. Notices. All notices required to be given herein shall be given in writing, hand-delivered or mailed postage prepaid, return receipt requested, and the Committee shall be obligated to specify the particular grounds upon which denial of any application is founded. One set of plans, denoted as approved (or approved with specified conditions) shall be retained by the Committee and the other shall be returned to the applicant.

ARTICLE VII

RECREATION AMENITIES AREA

Section 1. Declarant in conjunction with WESTHAVEN may, but shall not be obligated to, build a recreation facilities area for the use of Lot Owners within WESTHAVEN. In the event that any such recreation facility is built, it and the portion of the property upon which it is built shall be a common area for the use and benefit of all Lot Owners within WESTHAVEN with the ownership, administration and management of the recreation facility being with WESTHAVEN Homeowners Association. If constructed, the recreation facility shall have rules and regulations as may be established by the Association with such dues and assessments to be established in amounts as determined by the Association. All Owners of Lots within WESTHAVEN shall have the right to use the recreation facilities by virtue of their ownership of such Lots subject to suspension of such right of use by the Association as provided herein in this Declaration.

ARTICLE VIII

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. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than eighty percent (80%) of the Lot Owners, and thereafter by an instrument signed by not less than sixty percent (60%) of the Lot Owners. Any amendment must be recorded. During the Declarant Control Period, the Declarant may amend this Declaration, without the consent or joinder of the Owners or the Association for the purpose of conforming this Declaration to the requirements of any governmental law or regulation or for correcting clerical or typographical errors or for clarifying or correcting inconsistencies between this Declaration, the Articles of Incorporation, and Bylaws of the Association.

Section 4. Exterior Maintenance. In the event an Owner of any Lot in the Properties shall fail to maintain the improvements situated on said Lot in a manner reasonably satisfactory to the Board of Directors, the Association, after approval by

two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements directed thereon. The cost of such exterior maintenance shall be added to and become part of the Assessment to which such Lot is subject.

Section 5. Storm water Runoff. The State of North Carolina has adopted Storm Water Runoff Regulations applicable to the Properties. In accordance with such regulations, the total amount of impervious surface, or as defined by the Storm water regulations of the State of North Carolina, is limited on every Lot. The limitations are set out on Exhibit B attached hereto in addition to the other requirements for compliance with State Storm water Management Permit Number **SW8050905**, as issued by the Division of Water Quality. Declarant, the Association and the State of North Carolina shall have specific authority to enforce the provisions of the North Carolina Storm water regulations, and each Owner shall be required to limit the amount of impervious surface on any lot owned by said Owner as set out on Exhibit B attached hereto. Further in accordance with these regulations the Declarant has engineered a storm water plan for all of WESTHAVEN which includes natural drainage patterns, swales and detention ponds for the general flow of storm water. Each lot Owner shall be required to develop and maintain his lot in such a manner that is consistent with this storm water plan.

Section 6. Government Permits. Government permits for the development shall be assumed by the Association on the following terms and conditions:

A. General. All duties, obligations, rights and privileges of the Declarant under any water, sewer, storm water and utility agreements, easements and permits for the Planned Community with municipal or governmental agencies or public or private utility companies, other than storm water permits, shall be the duties, rights, obligations, privileges and the responsibility of the Association.

B. Storm water Permit(s). The storm water permit(s) for the Development cannot under the regulations of the NC Department of Environment and Natural Resources (DEHNR) be transferred to the Association until after termination of the Declarant Control Period. The Association agrees that at anytime after the Developer is permitted under the DEHNR regulations to transfer the stormwater permit(s) to the Association, the Association's officers without any vote or approval of Lot owners, and within 10 days after being requested to do so, will sign all documents required by DEHNR for the storm water permit(s) to be transferred and assumed by the Association; provided, however, that at the time the Developer requests that the Association assume the stormwater permit(s), the Developer (i) has sold 50% of the Lots within the Development and (ii) has delivered to the Association a certificate from an engineer licensed in the State of North Carolina, dated no more than 45 days before the date of the request, that all storm water retention ponds, swales, and related facilities are constructed in accordance with the plans therefore, and are in compliance with the storm water permits issued by DEHNR. After the Developer makes a request that the permit(s) be assumed in accordance with this paragraph, any liability of

the Developer for operation or maintenance of any storm water retention ponds and related facilities, or for the costs thereof, shall cease and the Association shall thereafter indemnify and hold harmless the Developer from any such obligations and costs. If the Association fails to sign the documents required by this paragraph, the Developer shall be entitled to specific performance in the courts of the State of North Carolina requiring that the appropriate Association officers sign all documents necessary for the storm water permit(s) to be transferred to and assumed by the Association.

Section 7. Declarant's Rights. Declarant reserves the right to use, during the period of Declarant's Class B Membership rights as more fully specified hereinbefore, a portion of the Common Area or any home constructed on the Property by Declarant as a Model Home or otherwise to assist in the sale of lots and homes within the Properties.

Section 8. Signage. The Association shall have full right and authority to regulate and limit the appearance, size and number of signs on any Lot within the Properties, as long as such restrictions and limitations are uniformly applied throughout the Properties. There shall be "no rent" or "for sale" signs posted within the community provided however Declarant may post such signage on any Lot or on any model home as it deems appropriate during the period of allowed Class B Membership rights as described above.

Section 9. Housing Sizes. The primary dwelling unit constructed on Lots within WESTHAVEN must contain a minimum of enclosed, heated, first (1st) floor square footage of One Thousand (1,000) square feet.

Section 10. Fences. Fences on any Lot are subject to the complete jurisdiction of the Architectural Review Committee including location, style, materials and height. As used herein, fences shall include walls, barricades, shrubbery or other impediments to reasonable mobility and visibility. Absent an extraordinary showing of need by the owner of a Lot or Living Unit, no fence shall be allowed along any property line, no fence shall be allowed in any front yard and no fence shall be allowed in any side yard. The Committee shall only approve the construction of a fence in any location upon a determination that the fence is aesthetically pleasing and does not detract from the reasonable value of any Lot or property. The Committee shall adopt guidelines concerning permissible location of fences, and the permissible styling and construction standards of allowable fences.

Section 11. Satellite Dishes. No satellite receiving dish, radio antennae or other similar device shall be allowed on any Lot, except that satellite receiving dishes, no greater in size than twenty four (24) inches in diameter, shall be allowed, but only upon approval by the Committee as to the size and location of such satellite receiving dish, and only if it is located in a way to minimize the visibility of such satellite receiving dish from any street or adjoining property. The Committee may impose screening requirements by vegetation or otherwise as it deems appropriate.

Section 12. Parking. No vehicles shall be allowed to be parked on any Lot or any Association Property, or on any right-of-way, which is determined by the Association to be

of a type, because of size or weight, not appropriate for overnight parking within a residential subdivision. As an example, tractor/trailer trucks or heavy construction equipment shall be determined inappropriate. No boat, motor boat, camper, trailer, motor or mobile homes, or similar type vehicle, shall be permitted to remain on any lot, or in parking spaces, at any time, unless by written consent of the Association.

Section 13. Nuisances. No activity, whether active or passive, that is reasonably considered a nuisance by the Association shall be allowed within Westhaven. This prohibition includes any activities within any structure, on any Lot or on any street or Association Property. The Association is specifically authorized by Section 15 of these Protective Covenants to adopt rules regarding conduct and use of such properties; however, the Association may find any conduct or use of a Lot to be a nuisance notwithstanding the fact that such conduct is not specifically prohibited by these Protective Covenants or by an adopted rule. If any conduct is deemed by the Association to be a nuisance, and to the extent that such conduct is not specifically prohibited by the provisions of these Protective Covenants or by an adopted rule, the Association shall give written notice to the offending owner specifying the nature of the nuisance, and requesting that such nuisance be terminated. If any nuisance is not terminated within a reasonable time thereafter, the Association may pursue any legal or equitable remedy, and may collect in any such action all attorney's fees incurred.

Section 14. Yard Maintenance. Each unimproved Lot shall be maintained in a slightly condition, comparable to the condition of unimproved Lots offered for sale by Declarant. In order to ensure compliance with this requirement, the Association shall have the right and authority, which is specifically acknowledged by the Owner of each Lot, to go upon each Lot which is unimproved, and cause any or each of such unimproved Lots to be mowed, and trash and debris located thereon to be removed, if the Owner fails to do so after request by the Association. To compensate the Association for this expense, the Owner of each unimproved Lot shall pay to the Association, as Supplemental Assessment, a sum equal to the actual cost to the Association of causing this work to be accomplished, plus twenty (20%) percent. The Association shall establish regular brush removal cycles for guidance of Owners.

Section 15. Clearing. No significant clearing or landscaping of any Lot shall be undertaken more than thirty (30) days prior to the commencement of construction on said Lot of the Living Unit to be located thereon. This provision shall not preclude the removal of underbrush or damaged or diseased trees, nor shall this provision preclude the installation of a driveway or walkway.

Section 16. Driveways. Non-paved driveway accesses to improvements on Lots shall not be permitted. All crossings of drainage swells or ditches located on any street right-of-way must be by appropriately designed and engineered culvert installed by the Owner of said Lot, as approved by the Committee.

Section 17. Mailboxes. All mailboxes within Westhaven shall be of one design and

color approved by the Architectural Control Committee. The Owner of each lot shall be responsible for the maintenance, repair and/or replacement of said mailbox.

Section 18. Insurance. The Association shall procure and maintain adequate liability insurance covering the Association, in an amount not less than One Million (\$1,000,000.00) Dollars. The Association shall also procure and maintain full replacement value hazard insurance on real and personal property owned by the Association and shall procure and maintain officer's, directors, and employee's liability insurance. The premiums for any such insurance shall be a common expense and paid from the annual assessments.

Section 19. Rules and Regulations. The Board of Directors shall have the authority to adopt additional rules and regulations governing the use of the Common Areas and the Lots within the community and shall furnish a written copy of said rules and regulations to the Owners of each Lot at least fifteen (15) days before such rules and regulations become effective. Any violation of such rules shall be punishable by fine and/or suspension of voting rights as provided in this Declaration.

In addition to any other rights and remedies that the Association may have under this Declaration, the Association may impose sanctions for violations of this Declaration, the Bylaws of the Association, the rules and regulations adopted by the Association, or the Restrictive Covenants applicable to the Properties, in accordance with the procedures set forth in the Declarations or Bylaws, which sanctions may include, but are not limited to, reasonable monetary fines, which fines shall constitute a lien upon the Lot of the violator, and suspension of the right to vote; provided, however, that the Association shall not have the right to suspend the right to use the private streets providing access to an Owner's Lot. In addition, pursuant to procedures provided in the Bylaws, the Association may exercise self-help to cure violations including but not limited to the towing of Owner, guest or tenant vehicles that are in violation of parking rules.

The Association shall at all times have the right and easement to go upon any Lot for the purposes of exercising its rights hereunder. Any entry onto any Lot for purposes of exercising this power of self-help shall not be deemed a trespass. All remedies set forth in this Declaration and the Bylaws shall be cumulative of any remedies available at law or in equity. In any action to enforce its rights and remedies the party prevailing in such action shall be entitled to recover all costs, including, without limitation, attorney's fees and court costs reasonably incurred in such action.

Section 20. Subdivision of Lots. No Lot within the Community may be subdivided by sale or otherwise so as to reduce the total Lot area shown on the recorded plat of the Community, except with the consent of the Declarant, and if required, by New Hanover County.

Section 21. Declarant's Right to Change Development. With the approval of New Hanover County, Declarant shall have the right, without the consent or approval of the Owners, to create dwelling units, add Common Areas, change unit types and reallocate units

within, and withdraw real property from the development.

Section 22. Condemnation/Casualty. If all or any part of the Common Area and improvements thereon are taken by power of eminent domain or are damaged or destroyed by fire or other casualty, the proceeds of the condemnation award or any insurance policies covering such improvements shall be payable to the Association. The Board of Directors shall propose to the Members, at an annual or special meeting held within sixty (60) days after the date of the condemnation or casualty, whether or not to reconstruct the improvements unless at least sixty-seven (67%) percent of the Members vote at such meeting against reconstruction, in which event the proceeds shall be retained by the Association for operation expenses or reserves, as determined by the Board. Nothing in this section shall prevent the Board from proposing and the Members from approving the use of such proceeds for construction of different improvements from the improvements taken, damaged or destroyed.

Section 23. Evidence of Member Approval. In the event that any action requires evidence of consent of the Members or a specified percentage of the Members, such approval shall be conclusively presumed if supported by a Certification signed by the President or Secretary of the Association in substantially the following form

Certificate of WESTHAVEN HOA, Inc.

This is to certify that, upon proper notice give a [the] Special [Annual] Meeting of the Members of WESTHAVEN HOA, Inc. was held on [date and year] at [time]. The purpose [set out purpose] of the meeting as set forth in the Notice of Meeting was to [state action].

At such meeting, at which a quorum was present, in person or by proxy, a total of _____ votes were cast: _____ votes were cast in favor os such action , and _____ votes were cast against such action. Accordingly the motion to approve [describe action] was approved by at least _____% of the Members as required by the Declaration and Bylaws of the Association.

President/Secretary

Section 24. Number and Gender. Whenever the context requires, the singular shall include the plural and vice versa and one gender shall include all.

Section 25. Severability. If any provision of this Declaration is held by a Court of competent jurisdiction to be invalid or void, such provision shall be deemed severable from the remaining provisions of the Declaration and shall not be deemed to nullify, affect, or void any other provisions hereof. If any such provision is deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law. Additionally, if any items, term or provision contained in the Declaration

is in conflict with any applicable federal, state, or local law, this Declaration shall be affected only as to its application to such item, term, or provision and shall in all other respects remain in full force and effect.

Section 26. Conflicts. In the event of a conflict between this Declaration and the Articles of Incorporation of the Association the Articles of Incorporation of the Association shall control. In the event of a conflict between this Declaration and the Bylaws, this Declaration shall control. Specific provisions shall control general provisions. Notwithstanding the foregoing, a construction consistent with the Act and the North Carolina Nonprofit Corporation Act shall in all cases control over any construction inconsistent therewith.

Section 27. Rule Against Perpetuities. As provided in Section 47F-2-103 of the Act, the rules against perpetuities may not be applied to defeat any provision of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto. In the absence of the protection provided by the Act, if any provision of this Declaration violates any applicable rule against perpetuities, such provision shall be deemed amended to be and remain in effect for the maximum period of time that such provision could be in effect without violating the applicable rule against perpetuities.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has caused this instrument to be executed in it's name by it's authorized representative this 18 day of December, 2006.

DECLARANT:
HARDISON BUILDING, INC.

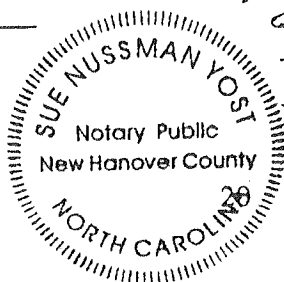
BY: [Signature] (pres)
Gerald D. Hardison, Jr.
Its: President

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

I certify that the following person(s) personally appeared before me this day each acknowledging to me that he or she voluntarily signed the foregoing document for the purposes stated therein and in the capacity indicated Gerald Dean Hardison, Jr., President of Hardison Building, Inc.

Date: 12/18/2006

[Signature]
Notary Public



My Commission expires: 09/25/2010

EXHIBIT A

BEING all of the real property shown on a plat entitled "Westhaven" prepared by Stroud Engineering and recorded in Map Book 50, Page 301 of the New Hanover County Registry and specifically including Lots 1-23, the property identified and "open space" or "recreation area" all as depicted on said map.

EXHIBIT B

STORM WATER MANAGEMENT REGULATIONS

IMPERVIOUS SURFACE COVERAGE

1. The following restrictions and covenants are intended to ensure ongoing compliance with State Storm water Management Permit Number SW8050905, as issued by the Division of Water Quality.

2. The State of North Carolina is made a beneficiary of these covenants to the extent necessary to maintain compliance with the storm water management permit.

3. These covenants herein run with the land and are binding upon all persons and parties claiming under them.

4. The covenants pertaining to storm water may not be altered or rescinded without the express written consent of the State of North Carolina, Division of Water Quality.

5. Alteration of the drainage as shown on the approved plan may not take place without the concurrence of the State of North Carolina, Division of Water Quality.

6. The Maximum Built Upon Area (BUA) per lot is 3,400 square feet. This allotted amount includes any built-upon area constructed within the lot property boundaries, and that portion of the right-of-way between the front lot line and the edge of the pavement. Built upon area includes, but is not limited to, structures, asphalt, concrete, gravel, brick, stone, slate, coquina and parking areas, but does not include raised, open wood decking, or the water surface of swimming pools.

7. Built-upon areas in excess of the permitted amount will require a permit modification.



REBECCA P. SMITH
REGISTER OF DEEDS, NEW HANOVER
216 NORTH SECOND STREET

WILMINGTON, NC 28401

Filed For Registration: 12/19/2006 02:37:04 PM
Book: RE 5119 Page: 2419-2441
Document No.: 2006069485
DECL 23 PGS \$77.00
Recorder: STORER, MARVIS ANN

State of North Carolina, County of New Hanover

YELLOW PROBATE SHEET IS A VITAL PART OF YOUR RECORDED DOCUMENT.
PLEASE RETAIN WITH ORIGINAL DOCUMENT AND SUBMIT FOR RE-RECORDING.

2006069485

2006069485