

302

STATE OF NORTH CAROLINA
 COUNTY OF NEW HANOVER

RECORDED AND VERIFIED
 MARY SUE OOTS *MS*
 REGISTER OF DEEDS
 NEW HANOVER CO. NC OF
WOODBIDGE AT LANDFALL, SECTION 1
 '96 APR 19 PM 4 20

These Protective Covenants, made this the 19th day of April, 1996, by Landmark Developers, Inc., a North Carolina corporation, and Landmark Homes, Inc., a North Carolina corporation, their successors and assigns, whether one or more, hereinafter referred to as "DECLARANT".

WITNESSETH:

WHEREAS, DECLARANT is the Owner of certain property in New Hanover County, North Carolina, which is more particularly described as WOODBRIDGE AT LANDFALL, as the same is more particularly described in Book 1838 at Page 1098 of the New Hanover County Registry (the "Property"); and

WHEREAS, DECLARANT desires to subject said Property to certain protective covenants, conditions, restrictions, liens and charges as hereinafter set forth for the mutual benefit of DECLARANT and succeeding property owners and desires that said protective covenants, conditions, restrictions, liens and charges run with the land and be binding upon the DECLARANT, its successors and assigns;

NOW, THEREFORE, DECLARANT hereby declares that all of the Properties described above 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 and attractiveness of the Property, and which shall run with the Property and shall be binding on all parties having any right, title, or interest in the described Property or any part thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE 1

000194

Definitions

Section 1. Association shall mean and refer to WOODBRIDGE AT LANDFALL Homeowners' Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. Board of Directors or Board means those persons elected or appointed and acting collectively as the Directors of the Association.

Section 3. Building shall mean and refer to a home and associated garage constructed or erected on a lot shown on a recorded map of the Property.

Section 4. Bylaws means the Bylaws of the Association as they now or may hereinafter exist.

Section 5. Home shall mean and refer to a detached, free-standing home or place of residence and attached or detached garage constructed upon a lot with the Property.

Section 6. Common Areas shall mean and refer to all land within the Property owned by the Association, along with facilities and improvements erected or constructed thereon, for the use and enjoyment of the Members of the Association as shown on the map of WOODBRIDGE AT LANDFALL, Section 1, recorded in Map Book 35, Page 355, of the New Hanover County Registry. In addition, all private streets, alleys, sidewalks, bridges, accent lighting, and irrigation lines and systems and the storm water system are declared to be Common Areas. Said Common Areas shall be maintained by the Association unless and until portions thereof are turned over to the Council, as hereafter defined, pursuant to the terms and conditions of the Declaration and Annexation.

Section 7. Common Expenses shall mean and include:

- a) All sums lawfully assessed by the Association against its members;
- b) Expenses of administration, permit renewals, maintenance, repair or replacement of the Common Areas, private streets, alleys, sidewalks, accent lighting, bridges, pond shorelines, irrigation lines and systems, the storm water system and Limited Common Areas;
- c) Expenses declared to be common expenses by the provisions of these Protective Covenants or the Bylaws;
- d) Liability for such other insurance premiums as the Protective Covenants or Bylaws may require the Association to purchase;

e) Expenses agreed by the Members to be common expenses of the Association including but not limited to the maintenance and landscaping of yards and other areas which may be included within a lot;

f) Any ad valorem taxes and public assessments levied against the Common Areas; and

g) Shared Common Expense assessments imposed by the Council as set forth in Paragraph 7 of the Declaration and Annexation.

Section 8. Common Profits shall mean and refer to the balance of all income, rents, profits and revenues of the Association remaining after the deduction of the common expenses or reserves therefor. Common profits shall not mean or include any sums lawfully assessed against members by the Association.

Section 9. Council shall mean The Landfall Council of Associations, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 10. Declarant shall be and refer to Landmark Developers, Inc., a North Carolina corporation and Landmark Homes, Inc., a North Carolina corporation, their successors and assigns to whom the rights of DECLARANT are expressly transferred, or if such successors or assigns should acquire more than one undeveloped lot or undeveloped acreage for the purpose of development, or acquire title to the Property under a deed in lieu of foreclosure, judicial foreclosure, or foreclosure under power of sale contained in any deed of trust or anyone otherwise denominated a "DECLARANT" thereby shall be deemed DECLARANT.

Section 11. The "Declaration and Annexation" shall mean the Declaration of Covenants, Conditions and Restrictions and Annexation to Master Cross-Access Easement and Maintenance Agreement dated December 15, 1994, and recorded in Book 1838, Page 292 of the New Hanover County Registry and the amendment thereto dated June 16, 1995, and recorded in Book 1893, Page 361 of the New Hanover County Registry and any other amendments thereto as they may be made from time to time.

Section 12. Delegation shall mean the Delegation of Powers and Authority dated March 16, 1992, and is recorded in Book 1594, Page 1476 of the New Hanover County Registry, as it may be amended from time to time.

Section 13. Limited Common Areas shall mean and include those Common Areas and facilities which are reserved for the use of a certain Lot to the exclusion of other Lots as more specifically defined herein.

Section 14. Lot shall mean and refer to those 40 plots of land, other than the Common Areas and Limited Common Areas, designated on that map recorded in Map Book 35, Page 355, of the New Hanover County Registry, and in subsequent recorded maps for real property which is made subject to these Protective Covenants and upon which a home has been or may be constructed.

Section 15. Master Easement shall mean the Master Cross-Access Easement and Maintenance Agreement dated as of October 22, 1990 and recorded in Book 1515, Page 1583 of the New Hanover County Registry, as it may be amended from time to time.

Section 16. Member shall mean and refer to every person who is an Owner of a Lot subject to these Protective Covenants.

Section 17. 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 Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 18. Person shall mean and refer to an individual, corporation, partnership, association, trustee or other legal entity.

Section 19. Property shall mean and refer to that certain real property described as WOODBRIDGE AT LANDFALL, Section 1, in that map recorded in Map Book 35, Page 355, of the New Hanover County Registry and in subsequent maps recorded for real property which is made subject to these Protective Covenants.

Section 20. Protective Covenants shall mean this instrument as it may be from time to time amended or supplemented.

Section 21. Shared Common Areas shall mean the areas, facilities and services defined as Shared Common Areas and Facilities in the Master Easement.

Section 22. Shared Common Expenses shall mean those expenses defined and identified as Shared Common Expenses in the Master Easement.

ARTICLE 2

Property Rights

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. The right to the Association to limit the number of guests of Members;
- b. The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage said Property, and the rights of such mortgagee in said properties shall be subordinate to the rights of the Lot owners hereunder.
- c. The right of the Association to suspend the voting rights and right to use the Common Areas and the facilities (except streets) by a member, or any person to whom he has delegated his voting right, during any period which any assessment against his Lot remains unpaid and for any period not to exceed sixty (60) days for any infraction of its published rules and regulations;
- d. The right of the Council to exercise the powers and authority set out in the Delegation as to lots and Common Areas.
- e. The right of the Association to formulate, publish and enforce rules and regulations for the use and enjoyment of the Common Areas and improvements thereon, which regulations may further restrict the use of the Common Areas and the right of the Association to establish penalties for any infraction thereof.
- f. Easements as provided in Article 10 herein.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the ByLaws, his right of enjoyment to the Common Areas to the Members of his family, his tenants, or contract purchasers, provided, every such delegatee shall reside on the Property.

Section 3. Maintenance of Common Areas. The DECLARANT hereby covenants for itself, its successors and assigns, that maintenance of certain of the Common Areas, shall be transferred to the Council pursuant to the terms and conditions of the Declaration and Annexation. The Association shall be responsible for the maintenance of any Common Areas not maintained by the Council and for maintenance of the Limited Common Areas, with the exception of the walkways to the dwellings.

Section 4. Parking Rights and Restrictions. Off-street parking shall be provided by the Owner of each lot for the parking of automobiles and other vehicles owned or controlled by such owner, members of the Owner's family, guests or domestic employees of the Owner and tenants. Owners (including family members and tenants) of the Lots covenant and agree not to park their automobiles, trucks, boats, trailers and other vehicles on the streets or Common Areas located on the Property. No trucks, boats, trailers or commercial vehicles shall be stored, housed or parked on the Property except within an enclosed garage. Guest Parking for any guests of any Owner(s) shall be allowed in the delineated parking space(s) located within that area designated on the recorded map(s) for each section of WOODBRIDGE AT LANDFALL as "Guest Parking/Common Area".

ARTICLE 3

DECLARANT'S Rights

Section 1. The DECLARANT hereby reserves the right to annex and subject to these restrictions any real property owned by DECLARANT which is located within a 1 mile radius of, and is adjacent to and contiguous with that property described in Map Book 35, Page 355, of the New Hanover County Registry, in order to extend the scheme of these Protective Covenants to other property to be developed and thereby bring such additional Properties within the jurisdiction of the Association. Each additional parcel or tract of land, with the improvements thereon, or to be placed thereon, which is subject to these Protective Covenants shall be designated consecutively as "Section 2", "Section 3", and such other similar designations for any additional phases added.

Section 2. The rights reserved by DECLARANT in Section 1 and all annexed Sections include the right to change, alter or designate roads, utility and drainage facilities and easements, and to change, alter or redesignate such other present and proposed amenities or facilities as may in the sole judgment of the DECLARANT, be necessary or desirable.

ARTICLE 4

Membership

Every person who is record owner of a fee or undivided fee interest in any lot which is subject by covenants of record to assessment by the Association, including contract sellers, but excluding persons who hold an interest merely as security for the performance of any obligations, shall be a member of the Association. Ownership of such interest shall be the sole qualification for such membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment. The Board of Directors may make reasonable rules regarding proof of ownership.

ARTICLE 5

Voting Rights

Section 1. Classes. The Association shall have the following two classes of voting membership:

a. Class A. Class A Members shall be all Owners with the exception of the DECLARANT. Class A members 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 the Owners thereof determine, but in no event shall more than one (1) vote be cast with respect to any Lot, and no fractional vote may be cast with respect to any Lot.

b. Class B. Class B Member(s) shall be the DECLARANT and it 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 earlier:

(1) When DECLARANT owns twenty-five percent (25%) or less of the residential lots in the Property, including any property which may be annexed to the Property, or

(2) On December 31, 2005.

ARTICLE 6

Covenants for Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The DECLARANT, for each Lot owned within the Property, 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 or other conveyance, is deemed to covenant and agree to pay to the Association:

a. General assessments or charges;

b. Special assessments for capital improvements; and

c. Individual assessments against specific Lot(s) or property, in the event an Owner fails to comply with the provisions of these Protective Covenants, the Articles, By-laws or Rules and Regulations of the Association. The Association, through its Board of Directors, may perform such required task or remedy such matter, or assess a fine for such failure to comply and may levy the cost of such fine, performance, or remedy against the Owner(s) and the Owner's Lot or property as an individual assessment; and

Such assessments shall be fixed, established and collected from time to time as hereinafter provided.

The general special and individual assessments, together with such interest thereon, costs of collection thereof, and reasonable attorneys' fees as may be established by the Association, shall be a charge on the land and shall be a continuing lien upon the Lot and improvements against which each such assessment is made. Each such assessment, together with interest, late fees, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time the assessment became due. The personal obligations for an Owner for delinquent assessments shall not pass to his successors in title unless expressly assumed by them and then only with the consent of the Association. All assessments shall be shared equally by the Owners of each Lot.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents and the Property; for enforcing these Protective Covenants and the rules of the Association; for providing the services and facilities for the purposes of or related to the maintenance, use and enjoyment of the Common Areas and facilities; for the purpose of payment of Common Expenses; and for the maintenance and upkeep of all irrigation lines and systems for the maintenance of the bridge, all ponds and bulkheads within or abutting the Common Areas; and for maintenance of private roadways, alleys and sidewalks.

Section 3. General Assessment.

a. Initial General Assessment. The initial general assessment, due and payable to the Association, shall be prorated and paid at the time of closing of the purchase of a Lot by an Owner, so that all payments thereafter shall be due on January 1 of each year or the due date(s) which may be set by the Board of Directors as is more fully set forth in Section 8 of this Article. All general assessments shall be fixed to a uniform rate for all Lots.

b. Criteria for Establishing General Assessment. In proposing the general assessment for any assessment year, the Board of Directors shall consider all current costs and expenses of the Association, any accrued debts and reserves for future needs.

c. Lots Owned by Declarant. Notwithstanding anything in this ARTICLE 5 to the contrary, all Lots owned by DECLARANT shall be exempt from assessments until such time as DECLARANT conveys said Lot to an Owner.

Section 4. Special Assessments for Capital Improvements. In addition to the general 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 or reconstruction, repairs or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, and specifically including the irrigation lines and systems within the project provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which, setting forth the purpose of the meeting, shall have been sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting.

Section 5. Working Capital Assessment. At the time title is conveyed to an Owner by DECLARANT, each Owner shall contribute to the Association as working capital an amount equal to three (3) months of the general assessment. Such funds shall be used for initial operating and capital expenses of the Association, such as prepaid insurance, supplies, and the maintenance of Common Areas and facilities, the Limited Common Area, furnishings, and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payment of regular assessments. All working capital funds shall become part of the general operating funds of the Association.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots, on a per Lot basis, and may be collected as determined by the Board of Directors.

Section 7. Quorum for any Action Authorized Under Section 4. At a meeting called, as provided in Section 4 hereof, the presence at the meeting of members or of proxies entitled to cast fifty-one (51%) percent of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirement set forth in Section 4 and the required quorum at any such 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 sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of General Assessments and Due Dates. The general assessments provided for herein shall commence on the date of conveyance of each Lot to an Owner other than DECLARANT. The first general assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the general assessment against each Lot at least thirty (30) days in advance of each general assessment period. Written notice of each general assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Board of Directors shall require the general assessments to be paid at least annually, but may require the general assessments to be paid more often. 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.

Section 9. Effect of Nonpayment of Assessments and Remedies of the Association. Any assessment, if not paid within thirty (30) days after the date such assessment is due, together with interest at the maximum rate allowed by law, costs of collection, court costs, late fees and reasonable attorney's fees, shall constitute a lien against the Lot upon which such assessments are levied. The Association may record notice of the same in the office of the Clerk of Superior Court of New Hanover County, or file a suit to collect such delinquent assessments and charges. The Association may file Notice of Lis Pendens, bring an action at law against the Owner personally obligated to pay the same and/or bring an action to foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Area or Limited Common Area or abandonment of his Lot or for any other reason.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein on any Lot shall be subordinate to the lien of any first mortgage and ad valorem taxes on such Lot. The sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to such mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become 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 11. Exempt Property. All Properties dedicated to, and accepted by, a local public authority and all Properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein, except no land or improvements devoted to home use shall be exempt from said assessments.

ARTICLE 7

Shared Common Expense Assessments

Section 1. Shared Common Expense Assessments Payable to The Landfall Council of Associations, Inc. In addition to the assessments provided in ARTICLE V above, each Lot shall be subject to and each Owner shall be responsible for paying the Shared Common Expense assessments imposed by the Council, its successors in interest and its designees as set forth in Paragraph 7 of the Declaration and Annexation. At the option of the Council, such Shared Common Expense assessments may be billed by the Council directly to the individual Lot Owners or billed through the Association. Any Shared Common Expense assessments or portion thereof which are not paid within thirty (30) days after the due date shall be the personal obligation of the Owners of that Lot, may result in a lien against such Lot and may result in the imposition of late charges and fines in amounts to be determined by the Council.

Section 2. Landfall Associates' Declaration and Annexation to Master Cross-Access Easement Maintenance Agreement. Landfall Associates subjected the Property to the terms and conditions of the Declaration and Annexation, and such terms and conditions shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof. Any conflicts or inconsistencies between this document and the Declaration and Annexation shall be resolved in favor of the Declaration and Annexation.

Maintenance and Landscaping

The maintenance of the grounds surrounding the improvements on each Lot shall be the responsibility of the Association except for the walkways and driveways to the home. This maintenance responsibility shall include maintaining the grass, shrubs, and trees in a neat and attractive manner. The expense of providing such services shall be deemed a Common Expense and shall be shared equally by all Lot owners as provided in Article 6 above. Any plant material or tree replacement required will be the responsibility of the Owner. In the event an Owner installs unusual or exotic vegetation on his lot which necessitates extraordinary maintenance and care by the Association, the Association reserves the right to impose an individual assessment upon that Owner for any costs attributable to that extraordinary maintenance and care.

Each lot owner shall be responsible for the exterior maintenance of each home and the walkways and driveway to the home and agrees to maintain the home in a good and acceptable manner. If, in the opinion of the Association, any owner shall fail to maintain any home owned by him in a manner which is reasonably neat and orderly or shall fail to keep improvements constructed thereon in a state of repair so as not to be unsightly; all in the sole opinion of the Association, the Association in its discretion, by the affirmative vote of a majority of the Members of the Board of Directors, and following ten (10) days written notice by the Owners, may enter upon and make or cause to be made repairs to such improvements and perform such maintenance on the Lot as the removal of trash, cutting of grass, pruning of shrubbery, weeding and items of erosion control. The Association shall have an easement onto and over each lot for the purpose of accomplishing the foregoing. The reasonable cost incurred by the Association in rendering all such services, plus a service charge of fifteen (15%) percent of such cost, shall be added to and become a part of the assessment to which such lot is subject.

Each Lot Owner shall be responsible for maintenance of the water and sewer lines which are Limited Common Areas as defined in Article 9 below.

ARTICLE 9

Limited Common Areas

The area located between the edge of the private streets and line of the front of the house of each Lot extended across the entire Lot shall be the Limited Common Area, including walkways and excluding sidewalks, as is more particularly shown on the map recorded or to be recorded for each section of WOODBRIDGE AT LANDFALL. These areas are more specifically shown and designated on the recorded map for each Section of WOODBRIDGE AT LANDFALL Property. In addition, the water lines for each Lot from the home to the water meter and the sewer lines from the from the home to the sewer clean out shall be Limited Common Areas. The Owners of each Lot shall have the exclusive use, possession and control of the Limited Common Area between the house and the edge of the street extending across the entire Lot, subject to the same rights and limitations applicable to each Owner and Lot as provided herein and in the Bylaws and Rules and Regulations of the Association. PROVIDED, however that the Association shall maintain the Limited Common Areas, except that the Lot Owner shall be responsible for maintenance of the water lines and sewer lines and walkways and driveways which are located in Limited Common Areas.

ARTICLE 10

Use Restrictions

Section 1. Rules and Regulations. The Board of Directors of the Association and the Council shall each have the power to formulate, amend, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the Common Area and Limited Common Area. In the case of any conflicts between the rules adopted by the Board of Directors and those adopted by the Council, the rules of the Council shall prevail.

Section 2. Use of Property. Each Lot, building, the home thereon and the Common Areas and Limited Common Areas shall be for the following uses and subject to the following restrictions, and, in addition, to those set forth in the Bylaws:

- (a) All Lots, buildings and the Common Areas and Limited Common Areas shall be used solely for single family residential purposes and for purposes incidental or accessory thereto, except that the DECLARANT or its agents may use up to two (2) homes at any given time as sales models and except that Landfall Associates or its agents may use up to three homes at any given time for overnight housing for prospective purchasers of properties within the Landfall residential development, and except as otherwise expressly provided in these Protective Covenants.
- (b) No Lot or Lots shall be subdivided.
- (c) Any home constructed on a Lot subject to these PROTECTIVE COVENANTS shall contain not less than 1800 square feet of fully enclosed and heated floor space all devoted to living purposes (exclusive of roofed or unroofed porches, breezeways, terraces, porches, steps, walks, garages and any outbuildings). In computing the number of square feet allowed as provided herein, no square footage in any part of the home that is constructed over a garage will be counted, unless it is on the same utility hookup as the main home and is an integral part of the constructed living space.
- (d) All Lots are subject to the State of North Carolina rules and regulations concerning stormwater runoff as these rules and regulations are amended from time to time. These regulations currently provide that Lot 36 will be restricted to 3200 square feet of built upon area including impervious surfaces such as foundation; structures; pavement; concrete; driveways, including that portion of the driveway located within a street-right-of-way, which runs from the property line to the road pavement; and walkways or patios of brick, stone or slate, and gravel, marl or stone covered areas, not including wood decking or the water surface of swimming pools. DECLARANT reserves the right to recalculate the maximum allowable built upon area in accordance with the storm water runoff rules and regulations of the State of North Carolina. All drainage swales or drainage patterns used to treat stormwater runoff as required by the State of North Carolina may not be filled in, piped or changed without the consent of the DECLARANT, its designee, the Association, or the State of North Carolina and shall be maintained as set forth in Article 8 herein. The State of North Carolina is hereby made a beneficiary of these PROTECTIVE COVENANTS to the extent necessary to enforce its stormwater runoff regulations as the same may be amended from time to time. This paragraph cannot be changed or deleted without the consent of the State of North Carolina.
- (e) Owners shall be responsible for any damage done to any streets, roadways, accessways, Common Areas and Limited Common Areas or property of other Owners within the Property which may be caused by any Owner, his agents, domestic employees, guests, licensees or invitees. The Association shall have the authority to assess any Owner for such damage and such charge shall be an individual assessment against the Owner and his Lot(s) and may be enforced in accordance with the provisions of Article 6 herein. Provided, however, that any damage to a Shared Common Area shall be reimbursable to the Council, and such charge shall be a lienable Shared Common Expense Assessment against the Lot of the Owner responsible therefor, and enforceable pursuant to the terms of the Master Easement.
- (f) No mobile home, trailer, tent, or temporary house, temporary garage or other temporary outbuildings shall be placed or erected on any Lot, provided, however, that the Committee or DECLARANT may grant permission for temporary structures for storage of materials during construction.
- (g) Once construction of a home or other improvements are started on any Lot, the improvements must be substantially completed in accordance with the approved plans and specifications within twelve (12) months from commencement.
- (h) Any home or improvement on any Lot that is destroyed in whole or in part by fire or other casualty shall be either rebuilt or torn down and all debris removed and the Lot restored to a slightly condition with reasonable promptness, provided, however, that in no event shall such debris remain on such Lot longer than three (3) months. A temporary privacy wall or fence must be built to screen the property from view within seven (7) days and such fence or wall must be approved in advance by the Council.
- (i) No stripped, partially wrecked, junk motor vehicle, or part thereof, or any motor vehicle not displaying a current valid inspection sticker shall be permitted to be parked or kept on any Lot.
- (j) No vehicle of any type shall be parked on any street in the Property. No truck nor other vehicle in excess of a three-quarter (3/4) load capacity, boat, vessel, motorboat, camper, trailer, motor or mobile home, or similar type vehicle or apparatus shall be parked or kept overnight or longer, on any street or on any Lot unless it is stored in an enclosed garage and in such a manner as to not be visible to the Owners of other Lots or the users of a street or Common Area. All tools or other materials stored in vehicles for overnight parking shall be kept out of sight. No customized vehicles which are unsightly in appearance as determined by the Board of Directors or the DECLARANT shall be allowed.

(k) No immoral, improper, illegal, noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereof tending to cause embarrassment, discomfort, annoyance or nuisance to the DECLARANT or any Owners. There shall not be maintained any plants or animals, or device or anything of any sort whose normal activities or existence are in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof. All laws, orders, rules, regulations, ordinances or requirements of any government agency having jurisdiction thereof, relating to any parties of the property, shall be complied with, by or at the sole expense of Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the property.

(l) No yard sales or garage sales shall be permitted upon any Lot in this Property.

(m) DECLARANT does not grant permission or recommend that any material be buried on any Lot in WOODBRIDGE AT LANDFALL, including, but not limited to any easement area, Common Area, or area where any structure shall be constructed. If any material is buried on any Lot, it is recommended that all subsequent purchasers be advised of the location and type of material(s) deposited. No hazardous, illegal or governmental regulated material(s) shall be deposited on any Lot in WOODBRIDGE AT LANDFALL.

(n) Nothing shall be kept and no activity shall be carried on in any building or home or on the Common Area or Limited Common Areas which will increase the rate of insurance, applicable to residential use, for the property or the contents thereof. No Owner shall do or keep anything, nor cause or allow anything to be done or kept, in his home or on the Common Area or Limited Common Areas which will result in the cancellation of insurance on any portion of the property, or the contents thereof, or which will be in violation of any law, ordinance, or regulation. No waste shall be committed on any portion of the Common Area or Limited Common Areas.

(o) No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area or Limited Common Areas except at the direction of and with the express written consent of the Association.

(p) The Common Area and Limited Common Areas shall be used only for the purposes for which they are intended and reasonably suited and which are incident to the use and occupancy of the homes, subject to any rules or regulations that may be adopted by the Association pursuant to its By-Laws.

(q) All equipment, bicycles, toys, grills and other similar objects must be stored when not in use so as not to be visible by the Owners of other Lots or the users of any street or recreation area.

(r) No waste shall be committed on any portion of the Common Areas or Limited Common Areas.

(s) All garbage receptacles, containers and enclosures shall be located so as not to be unsightly and said locations shall be as originally designated or constructed by DECLARANT or as approved by the Architectural Control Committee of the Council.

(t) Nothing shall be done in or to any home or garage or in, to or upon any of the Common Areas or Limited Common Areas which will impair the structural integrity of any building, home, garage or portion of the Common Areas or Limited Common Areas or which would impair or alter the exterior of any building or portion thereof, except in the manner provided in these Protective Covenants.

(u) Except as may be required by municipal ordinance, no owner shall display, or cause to allow to be displayed to public view any sign, placard, poster, billboard or identifying name or number upon any home, building or any portion of the Common Areas or Limited Common Areas.

(v) DECLARANT may use up to two (2) homes at any given time for offices and/or for sales or display purposes.

Section 3. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any home except that dogs, cats or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes and provided further that they are kept in the home of the Owner or in such other area as is approved by the Architectural Control Committee of The Landfall Council of Associations, Inc. and are not allowed to run free and are at all times properly leashed and escorted and shall not become a nuisance or bother to the Owners. No animals, livestock or poultry of any kind may be raised, bred or kept in any Common Areas or Limited Common Areas. Pets must be kept confined or restrained within the Lot. Owners must promptly remove any and all animal excrement from any and all Common Areas and Limited Common Areas and Lot(s) and keep such area(s) clean and free of pet debris. All pets must be properly tagged for identification.

Section 4. Lease of Homes. No home shall be leased for transient or hotel purposes, nor may any owner lease less than the entire unit, nor shall any such lease be for any period of less than six (6) months, except that the DECLARANT or its agents may use up to two homes at any given time as sales models and except that Landfall Associates or its agents may use up to three homes for overnight housing for prospective purchasers of properties within the Landfall residential development. Any lease must be in writing and provide that the terms of the lease and occupancy of the unit shall be subject in all respect to the provisions of the Declaration and Annexation, these Protective Covenants and Bylaws of the Association and any failure by a lessee to comply with the terms of such documents shall be a default under the lease. A copy of each lease must be furnished to the Association Board of Directors.

ARTICLE 11

Easements

Section 1. Walks, Drives, Parking Areas, Alleys and Utilities. All of the Property, including lots and Common Areas and Limited Common Areas, shall be subject to a perpetual non-exclusive easement or easements in favor of all Owners of lots for their use and the use of their immediate families, guests, invitees, tenants or lessees for all proper and normal purposes and for ingress, egress and regress in and to such easements for private streets, driveways, walkways, alleys, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, antenna lines and other public utilities as shall be established prior to subjecting the Property to these Protective Covenants by the DECLARANT or its predecessors in title. The Council and the Association shall have the power and authority to grant and to establish in, over, upon and across the Common Areas, Limited Common Areas, and over driveways located on Lots, such further easements as are requisite for the convenient use and enjoyment of the Property.

Section 2. Reservation to Declarant. Every lot shall be subject to an easement for entry and encroachment by the DECLARANT following conveyance of a lot to an owner for the purpose of correcting any problems that may arise regarding grading and drainage. The DECLARANT, upon making entry for such purpose, shall restore the affected lot or lots to as near the original condition as practicable.

Further, DECLARANT reserves the right to subject the Property to a contract with Carolina Power & Light Company for the installation of underground electric cables and/or the installation of street lighting, either or both of which may require an initial payment and/or continuing monthly payment to Carolina Power & Light Company for the Owner of each lot.

Section 3. Emergencies. Every lot and home shall be subject to an easement for entry by the Association for the purpose of correcting, repairing or alleviating any emergency condition which arises upon any lot or within any home and which endangers any building or portion of the Common Areas and Limited Common Areas. The Council shall also have an easement of entry for the purpose of correcting or alleviating any emergency condition which endangers any of the Shared Common Areas subject to the Council's jurisdiction.

Section 4. Utility Easements. An easement is hereby established over all Lots and Common Areas or Limited Common Areas for the benefit of applicable governmental agencies for the setting, removing and reading of water, gas and electric meters, maintaining and replacing water, drainage and drainage facilities, maintaining and replacing gas and electric facilities, fire fighting, law enforcement, garbage collection and the delivering of mail.

Section 5. Owner's Easement for Repair and Reconstruction. If any home is located closer than ten (10) 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 his home. Such repair, maintenance or reconstruction shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining lot as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

BOOK

PAGE

2018

0542

Section 6. DECLARANT'S Access Easement. An exclusive easement is hereby established in favor of DECLARANT over all Common Areas and Limited Common Areas for access to adjacent properties for the purposes of future development and the installation of streets and public utilities.

Section 7. Landscaping and Maintenance Easement. An easement is hereby established in favor of the DECLARANT and the Association, their agents and assigns over all lots for the purpose of providing and maintaining landscaping, for installation and maintenance of irrigation lines and facilities and for other activities reasonably relating to the maintenance of the premises, including sidewalks, bridges, alleys and shorelines of ponds.

Section 8. Appurtenant Easements. An easement is hereby established in favor of the DECLARANT and the Owner of any lot for the existence and maintenance for any appurtenance extending from a home which may encroach upon an adjoining lot, including but not limited to roofs, steps and heating and air conditioning units. That easement provided in Section 5 hereof shall be applicable to the maintenance or reconstruction of such appurtenances.

Section 9. Easements Reserved in Declaration and Annexation. The Property is and shall be subject to the easements reserved in Paragraph 9 of the Declaration and Annexation.

ARTICLE 12

Annexation of Additional Properties

Section 1. Except as provided in Sections 2 and 3, below, annexation of additional property shall require the assent of two-thirds (2/3) of the Class A Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than ten (10) days nor more than sixty (60) days in advance of the meeting.

Section 2. If the DECLARANT, its successors or assigns, shall develop all or any portion of any land which is located within a 1 mile radius of and is adjacent to or contiguous with that property described in Book 1838, Page 1098, of the New Hanover County Registry, such additional tract or tracts may be annexed to said Properties without the assent of the Class A Members, provided however, the development of the additional tract or tracts described in this section shall be in accordance with the same general scheme of development as WOODBRIDGE AT LANDFALL.

Section 3. The rights of DECLARANT reserved in Article 3 shall expire automatically on December 31, 2015, if not exercised prior thereto.

ARTICLE 13

Compliance with these Protective Covenants, the Articles and the Bylaws of the Association

In the case of failure of an Owner to comply with the terms and provisions contained in these Protective Covenants, the Articles, the Bylaws or Rules and Regulations of the Association, the following relief shall be available:

Section 1. The Council, the Association, the DECLARANT and any Owner, an aggrieved Owner within the Property on behalf of the Association or any Owner on behalf of all the Owners within the Property shall have the right to enforce by any proceeding at law or in equity, all of the conditions, covenants and restrictions of these Protective Covenants and the Articles, Bylaws and rules and regulations of the Association and any and all laws hereinafter imposed pursuant to the terms of these Protective Covenants. The prevailing party shall be entitled to collect all costs thereof, including reasonable attorney's fees.

Section 2. The Association shall have the right to remedy the violation and assess the costs of remedying same against the offending Owner as an individual assessment as provided in Article 6 herein.

Section 3. For any violation by an Owner, including, but not limited to, the nonpayment of any general, special or individual assessment, the Association shall have the right to suspend the offending Owner's voting rights and the use by such Owner, his agents, lessees, employees, licensees and invitees of the Common Areas and Limited Common Areas in the Property for any period during which a violation continues except that such penalties may not be for more than sixty (60) days for violation of any of the Association's published rules and regulations.

Section 4. The Association may establish a schedule of fines for the violation of these Protective Covenants, the Articles, Bylaws and rules and regulations. If an Owner does not pay the fine within 15 days the fine shall be an individual assessment against the property and may be enforced by the Association in accordance with Article 6 herein.

Section 5. The remedies provided by this Article are cumulative, and are in addition to any other remedies provided by law.

Section 6. The failure of the Association or any person or Owner to enforce any restriction contained in these Protective Covenants, the Articles, the Bylaws or the rules and regulations shall not be deemed a waiver of the right to do so thereafter.

ARTICLE 14

Duration, Amendment & Termination

Section 1. Lots, Persons and Entities Subject to the Protective Covenants. All present and future Owners, tenants, and occupants of Lots and their guests or invitees, licensees, domestic employees or agents, shall be subject to, and shall comply with the covenants, conditions, restrictions and affirmative obligations set forth in these Protective Covenants, and as the Protective Covenants may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Lot shall constitute an agreement that the provisions of these Protective Covenants are accepted and ratified by such Owner, tenant or occupant and that they will fully comply with the terms and conditions of said Protective Covenants. The covenants, conditions, restrictions, and affirmative obligations of these Protective Covenants shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date these Protective Covenants are recorded in the New Hanover County Registry, after which date these Protective Covenants shall be extended for successive periods of twenty (20) years, unless a majority of the then Owners agree to revoke the same, and the covenants, restrictions, conditions and affirmative obligations of this obligations shall run with and bind the land and shall bind any person having at any time any interest or estate in any Lot as though such provision were made a part of each and every deed of conveyance or lease.

Section 2. Amendment. At any time prior to the first to occur of (i) December 31, 2015 or (ii) all Lots are sold by DECLARANT, these Protective Covenants may be amended by DECLARANT in its discretion. Retention of this right by the DECLARANT is not intended to affect the general or common scheme of development for the property herein described but to correct and/or modify situations or circumstances which may arise during the course of development. Thereafter, these Protective Covenants may be amended by vote of not less than sixty percent (60%) of the Owners and an instrument must be recorded at the New Hanover County Registry for such an amendment to be effective. In no event may the Protective Covenants be amended so as to alter any obligation to pay ad valorem taxes or assessments for public improvements, as herein provided, or affect any lien for the payment thereof established herein, or so as to deprive DECLARANT, its designee or successors and assigns of any rights herein granted or reserved unto DECLARANT. In addition, the DECLARANT may amend these Protective Covenants to annex additional property and make it subject to the terms, conditions, restrictions, obligations and covenants of these Protective Covenants as provided in Article 3 and Article 12 herein. Provided, however, that any such amendment shall first be approved in writing by Landfall Associates or, if Landfall Associates is not at that time in existence as a joint venture, by the Council.

ARTICLE 15

General Provisions

Section 1. Municipal Water, Sewer Service and Utilities. Municipal sewer service shall be provided by New Hanover County or other municipal agency or department. Water service for the Property shall be provided by a municipal agency or department. No private well shall be permitted on any Lot except for irrigation purposes. A well for irrigation purposes shall only be allowed with the consent of the DECLARANT or Council.

Section 2. Waiver. No provision contained in these Protective Covenants, the Articles of Incorporation or the Bylaws of the Association shall be deemed to have been waived, abandoned, or abrogated by reason of failure to enforce them on the part of any person as to the same or similar future violations, no matter how often the failure to enforce is repeated.

Section 3. Variations. The Board of Directors or DECLARANT in its discretion may allow reasonable variations and adjustments of these Protective Covenants in order to alleviate practical difficulties and hardship in their enforcement and operation, except when approval for any such variations or adjustment by any other entity is required by the Declaration and Annexation or by a Supplemental Delegation of Powers and Authority to be executed by the Association and recorded of even date herewith. Any such variations shall not violate the spirit or the intent of this document to create a Property of Lots owned in fee by various persons with each such Owner having an easement upon areas owned by the Association.

Section 4. Conflict. In the event of any irreconcilable conflict between these Restrictions and the By-Laws of the Association, the provisions of these Restrictions shall control. In the event of any irreconcilable conflict between these Restrictions or the By-Laws of the Association and the Articles of Incorporation of the Association, the provisions of the Articles of Incorporation shall control. Provided, however, that in the event of any irreconcilable conflict between the Declaration and Annexation and (i) these Protective Covenants, (ii) the Bylaws and/or (iii) The Articles of Incorporation of the Association, the provisions of the Declaration and Annexation shall prevail.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or any court, agency or legislative order shall in no way affect any other provision, covenants, conditions or restrictions contained in these Protective Covenants.

Section 6. Captions. The captions preceding the various Articles of these Protective Covenants are for the convenience of reference only, and shall not be used as an aid in interpretation or construction of these Protective Covenants. As used herein, the singular includes the plural and where there is more than one Owner of a Lot, said Owners are jointly and severally liable for the obligations herein imposed. Throughout these Protective Covenants, references to the masculine shall be deemed to include the feminine, the feminine to include the masculine and the neuter to include the masculine and feminine.

Section 7. Assignability of Rights and Liabilities. DECLARANT shall have the right to sell, lease, transfer, assign, license and in any manner alienate or dispose of any rights, interests and liabilities retained, accruing and reserved to it by these Protective Covenants. Following any such disposition, DECLARANT in no way shall be liable or responsible to any party with regard to any such right, interest, or liability or any claim or claims arising out of same in any manner.

Section 8. Liberal Construction. The provisions of these Protective Covenants shall be construed liberally to effectuate its purpose of creating a Property of fee simple ownership of Lots and buildings governed and controlled by rules, regulations, restrictions, covenants, conditions, reservations and easements administered by an Owners' Association with each Owner entitled to and burdened with the rights and easements equivalent to those of other Owners.

IN WITNESS WHEREOF, Landmark Developers, Inc., and Landmark Homes, Inc., the DECLARANT, has caused this instrument to be executed by its proper corporate officers, all as of the day and year first above written.

(CORPORATE SEAL)

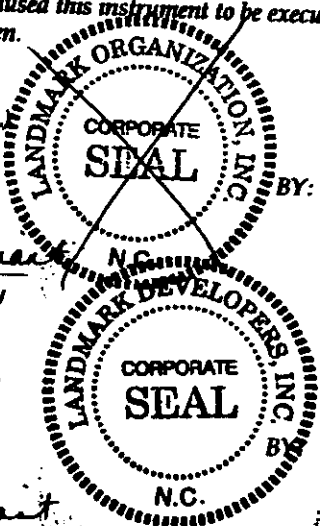
ATTEST:

J. Renee Hana
ASST. Secretary

(CORPORATE SEAL)

ATTEST:

J. Renee Hana
ASST. Secretary



LANDMARK DEVELOPERS, INC.
[Signature]
President

LANDMARK HOMES, INC.

[Signature]
President



NORTH CAROLINA
NEW HANOVER COUNTY

I, Betty S. Pope, a Notary Public of the State and County aforesaid, certify that H. Renee Hirsch personally came before me this day and acknowledged that she is Asst secretary of Landmark Developers, Inc., a North Carolina corporation with its principal office in New Hanover County, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its president, sealed with its corporate seal, and attested by himself as its Asst secretary.

WITNESS my hand and official seal this 19th day of April, 1996.



Betty S. Pope
Notary Public

My commission expires:
Nov. 8, 1996

NORTH CAROLINA
NEW HANOVER COUNTY

I, Betty S. Pope, a Notary Public of the State and County aforesaid, certify that H. Renee Hirsch personally came before me this day and acknowledged that he is Asst secretary of Landmark Homes, Inc., a North Carolina corporation with its principal office in New Hanover County, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its president, sealed with its corporate seal, and attested by himself as its Asst secretary.

WITNESS my hand and official seal this 19th day of April, 1996.



Betty S. Pope
Notary Public

My commission expires:
Nov. 8, 1996

NORTH CAROLINA
COUNTY OF NEW HANOVER

The foregoing certificate of BETTY S. POPE, a Notary Public of NEW HANOVER County, North Carolina, is certified to be correct.

This 19 day of APRIL, 1996.

MARY SUE OOTS

REGISTER OF DEEDS OF NEW HANOVER COUNTY

BY: Jacqueline Nelson
Deputy