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Prepared by Tyson, Matheson & Cumbie, PLLC

NORTH CAROLINA

CUMBERLAND COUNTY

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS LANCASTER AT WESTIN

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, is made the 6th day of November, 1997 by Westin, L.L.C., a North Carolina Limited Liability Company, and Floyd Construction Company, Inc., a North Carolina Corporation, jointly hereinafter referred to as "Declarant". Michael L. Harrell, and wife, Lorraine M. Harrell join in the declaration as Owners of a Lot, as these terms are defined below.

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in Seventy-First Township, Cumberland County, North Carolina, which is more particularly described as follows:

> Lancaster at Westin, Subdivision, Book of Plats 95, Page 84, Cumberland County, North Carolina, Registry.

Declarant desires to create hereon an exclusive residential community to be named Lancaster at Westin.

Declarant desires to insure the attractiveness of Lancaster at Westin and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect and enhance the values and amenities of all properties within Lancaster at Westin and to provide for the maintenance and upkeep of all Common Areas in Lancaster at Westin. To this end declarant desires to subject the real property described herein, together with such additions as may hereafter be made thereto, to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

Declarant further desires to create an organization to which will be delegated and assigned the powers of owning, maintaining and administering the Common Areas in Lancaster at Westin, administering and enforcing the covenants and restrictions contained herein, and collecting and disbursing the assessments and charges hereinafter created in order to efficiently preserve, protect and enhance the values and amenities in Lancaster at Westin to insure the residents' enjoyment of the specific rights, privileges and easements in the Common Area, and to provide for the maintenance and upkeep of the Common Area.

To that end the Declarant has or will cause to be incorporated under North Carolina law, Lancaster at Westin Homeowners' Association, Inc. as a non-profit corporation for the purpose of exercising and performing the aforesaid functions.

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 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.

ARTICLE I

DEFINITIONS

Section 1. ASSOCIATION shall mean and refer to Lancaster at Westin Homeowners Association, Inc., a North Carolina non-profit corporation, its successors and assigns.

Section 2. COMMON AREA shall mean all real property (including the improvements thereon) to be owned by the Association for the common use and enjoyment of the Owners. The Common Area eventually to be owned by the Association is all of the area exclusive of areas(s) not labeled as "Lots" on the maps, and includes the private street shown thereon.

Section 3. DECLARANT shall mean and refer to Westin, L.L.C., its successors and assigns, and refer to Floyd Construction Company, Inc., its successors and assigns.

Section 4. DECLARATION shall mean this instrument as it may be from time to time amended or supplemented.

Section 5. DEVELOPMENT shall mean and refer to Lancaster at Westin, a residential development proposed to be developed on the properties by Declarant.

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Section 6. ELIGIBLE MORTGAGE HOLDER OR ELIGIBLE HOLDERS is defined as a holder of a first mortgage or lien on a unit who has requested notice of certain matters from the Association.

Section 7. LOT shall mean and refer to any plot of land, with delineated boundary lines, appearing on the maps and designated by a Lot number and intended for sale to the public.

Section 8. MAPS shall mean and refer to the maps of the Existing Property as recorded in Plat Book 95 at Page 84 in the Cumberland County Registry and the maps of any additions to the Existing Properties which may be recorded by Declarant in the Cumberland County Registry. Any reference to a map or subdivision section number shall be equally valid if referred to in Roman, Arabic numerals or the number as spelled out.

Section 9. MEMBER shall mean and refer to every person or entity who holds Membership in the Association.

Section 10. MORTGAGEE shall mean a beneficiary under a mortgage or deed of trust.

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

PROPERTIES SUBJECT TO THIS DECLARATION

Section 1. PROPERTIES AFFECTED. The property which shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located Cumberland County, North Carolina, as more particularly described on Exhibit A attached hereto and incorporated herein by reference. The Declarant hereby subjects the property, more particularly described on Exhibit A attached hereto and incorporated herein by reference, to this Declaration and the jurisdiction of the Lancaster at Westin Homeowners' Association, Inc. as herein defined.

Section 2. ADDITIONAL PROPERTIES. The Declarant hereby reserves the right to subject other real property to this Declaration in order to extend the scheme of this Declaration to other property to be developed and thereby to bring such additional properties within the jurisdiction of the Association by filing of record a Supplemental Declaration of Covenants, Conditions and Restrictions. Each additional parcel or tract of land, with the improvements thereon or to be placed thereon, which is subjected to this Declaration may be designated consecutively as "Phase Two" and "Phase Three", and such similar designation for each phase.

ARTICLE III

PROPERTY RIGHTS

Section 1. OWNERSHIP OF COMMON AREAS. At the time of the conveyance of the first Lot of Lancaster at Westin by Declarant to an Owner, Declarant shall convey the Common Areas of Lancaster at Westin to the Association. Notwithstanding the recordation of any Map or any other action by Declaration or the Association, all Common Areas (including the Common Area private streets and roads, if any) shall remain private property and shall not be considered as dedicated to the use and enjoyment of the general public.

Any part of the area(s) shown as "Future Development" may be conveyed to the Association as Common Area, at the option of the Declarant.

Section 2. OWNER'S EASEMENTS OF ENJOYMENT. The title to the Common Area shall be preserved to the perpetual benefit of the Owner's Association. 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 dedicate or transfer all or 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. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded. If ingress or egress to any lot is through the Common Area, any conveyance or encumbrance of such area shall be subject to the lot owner's easement;

b) The right of the Association to impose regulations for the use and enjoyment of the Common Area and improvements thereon, which regulations may further restrict the use of the Common Area.

Section 3. 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.

ARTICLE IV.

COMMON AREAS AND COMMON EASEMENTS

Section 1. EASEMENTS RESERVED BY DECLARANT. Declarant reserves easements for the installation and maintenance of landscaping, driveways, walkways, parking areas, waterlines, cable television lines, sanitary sewer and storm drainage facilities, pumping and lift stations, drainage ditches and for other utility installation over the Properties of this Declaration. Each Owner, by his acceptance of a deed to a Lot, and the Association by its acceptance of a deed to the Common Areas, acknowledges such reservation and the right of Declarant to transfer such easements to the Association or to such utility companies as Declarant may choose. The easements reserved by the Declarant include the right to cut any trees, bushes or shrubbery, make any gradings or the soil or installations, and to maintain the overall appearance of the Development.

a) Declarant reserves a twenty-five (25) foot Street Landscape & No Access Easement on the side of Lot 1 and Lot 115, and the back of Lots 16, 17, and 18 as shown on the recorded plat, Book 95, Page 84. This easement shall include the establishment and maintenance of a brick privacy wall. Each Owner, by his acceptance of a deed to the above mentioned Lots, acknowledges such reservation and the rights of the Declarant.

b) Declarant reserves a landscape easement on the back of lots 18, 29, 30, and 31, as shown on the recorded plat, Book 95, Page 84, to protect and maintain the general scheme of the subdivision. This easement shall include within its scope the erection and maintenance of structures such as fences or walls, see Article VII, Section 5(h).

c) Declarant further reserves the right to locate wells, pumping stations, lift stations and tanks within any Common Areas or any residential Lot designated for such use on any Map or upon any Lot adjacent to such designated Lot with the permission of the Owner of such adjacent Lot.

d) Within any such easement, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation of sewage disposal facilities and utilities, or which may change the direction or flow of water through drainage channels in the easements. In addition, the Declarant and the Association shall have the continuing right and easement which may be partly or wholly conveyed to the City of Fayetteville, to maintain all sewer and water lines to the Common Areas.

Section 2. ASSOCIATION ACCESS TO COMMON AREAS AND EASEMENTS. The Association, acting through its officers, agents, servants, and/or employees shall have the right of unobstructed access at all reasonable times to all properties as may be reasonably necessary to perform the maintenance to the Common Area and Easements.

Section 3. Each lot and all Common Areas and Easements are hereby subjected to an easement for the repair, maintenance, inspection, removal, relocation or other service of or to all utility, drainage, irrigation, landscaping or other Common Areas and facilities, whether or not the cause of any or all of those activities originates on the unit on which the work must be performed.

Section 4. PEDESTRIAN ACCESS. Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the Common Areas, Lots and facilities.

Section 5. EMERGENCY ACCESS. An easement is hereby granted to all police, fire protections, ambulance and all similar persons, companies or agencies performing emergency services to enter upon the lots and Common Area in the performance of their duties.

Section 6. PARTIES BOUND. All easements and rights described herein are easements appurtenant, running with the land, and shall inure to the benefit of and be binding on the undersigned, its successors and assigns, and any owner, purchaser, mortgagee and other person having an interest in said land, or any part or portion thereof, regardless of whether or not reference to said easement is made in the respective deeds of conveyance, or in any mortgage or trust deed or other evidence of obligation, to the easements and rights described in this Declaration.

Section 7. USE OF COMMON AREAS. The Common Area shall not be used in any manner except as shall be approved or specifically permitted by the Association. The Association shall, in its sole discretion, retain the right to establish rules and regulations for the use and enjoyment of all such property.

ARTICLE V

MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP. Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2. The Association shall have two classes of voting Membership.

a) 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 among themselves determine, but in no event shall more than one (1) vote be cast with respect to the lot.

b) CLASS "B". Class B Members 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 earlier:

i) when the total votes outstanding in Class A Membership equals the total votes outstanding in the Class B Membership, or

ii) on November 1, 2010.

Section 3. A Board of Directors shall govern the Association in accordance with the by-laws. Notwithstanding Section 2 above, the Declarant shall have the right to appoint or remove any member or Members of the Board of Directors or any officer or officers of the Association until such time as the first of the following occurs:

a) Declarant no longer owns any Lots, or

b) Declarant surrenders the authority to appoint and remove the Board of Directors and officers of the Association by an express amendment to this Declaration executed and recorded by the Declarant.

ARTICLE VI

COVENANTS FOR MAINTENANCE ASSESSMENTS

Section 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner of a Lot, except the Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, hereby covenants and agrees to pay to the Association:

a) Annual assessments or charges, and

b) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided.

The annual and special assessment, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such late assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment 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.

c) The lien of any assessment is subordinate to the lien of any first mortgage. Mortgagees are not required to collect assessments. Failure to pay assessments does not constitute a default under a first or insured mortgage.

Section 2. PURPOSE OF ASSESSMENT. The annual assessments levied by the Association shall be used as follows:

a) To maintain all private roads constructed within the Common Areas to the standard of maintenance which would be required by the State of North Carolina before it would accept such roads for maintenance; provided that this provision does not require that the width of the road rights of way be the width required as set forth before such roads would be accepted by the State of North Carolina for maintenance;

b) To maintain the median, sidewalks and landscaping surrounding the sidewalks along the portion of Cliffdale Road leading from U.S. Highway 401 to the entrance of Lancaster at Westin until such time as any future development assumes its pro rata share of the cost;

c) To maintain all pedestrian trails, and footbridges in the Common Areas and easements in an easily passable condition, free from fallen trees, undergrowth and other obstructions; and to keep all dead, diseased or decaying trees, shrubs, and bushes removed from such areas and to replace such items with new trees, shrubs and bushes;

d) To provide security for the premises;

e) To maintain all spillways, dams and drainage ways in the Common Areas in order to prevent flooding;

f) To keep all drainage easements free of pollution and natural debris;

g) To keep all amenities in the Common Areas clean and free from debris and to maintain all amenities in an orderly condition, and to maintain the landscaping therein in accordance with the highest standards for a private residential community including any necessary removal and replacement of landscaping;

h) To pay all ad valorem taxes levied against the Common Areas and any property owned by the Association;

i) To pay the premiums of all hazard insurance, if any, carried by the Association on the Common Areas and all public liability insurance, if any, carried by the Association pursuant to the by-laws;

j) to pay all legal, accounting and other professional fees incurred by the Association in carrying out its duties as set forth herein or in the by-laws;

k) To accumulate and subsequently maintain a contingency reserve equal to 10% of the sum of the amounts described in subsections (b) through (h) above in order to fund unanticipated expenses of the Association;

Section 3. MAXIMUM ANNUAL ASSESSMENT.

a) Until January 1 of the year immediately following the conveyance of the first lot to an Owner, the maximum annual assessment shall be $500.00 per lot for all Lot Owners.

b) From and after January 1 of the year immediately following the conveyance of the Common Area to the Association, the maximum annual assessment may be increased each year not more than ten (10%) percent above the maximum assessment for the previous year by a majority (51%) vote of each class of the Membership who are voting in person or proxy at a meeting duly called for such purpose.

c) From and after January 1 of the year immediately following the conveyance of the Common Area to the Association, the maximum annual assessment may be increased more than ten (10%) percent each year above the maximum assessment for the previous year by a two-thirds (2/3) vote of each class of the Membership who are voting in person or proxy at a meeting duly called for such purpose.

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

Section 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to the year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of public and private capital improvements upon the Common Area, and including fixtures and private property related thereto, 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.

Section 5. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments shall, except as hereinafter otherwise specifically provided, be fixed at a uniform rate for all Lots within each class and shall be collected on an annual basis; provided, however, that the assessments for Lots owned by Declarant which are not occupied as a residence may be a lesser amount as fixed by the Board of Directors of the Association, but shall not be less than

a) twenty-five (25%) per cent of the assessments for Class A Lots, or

b) the amount required to balance the Association's budget,

whichever is greater; this is binding upon Declarant, its successors and/or assigns.

Section 6. 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 arid 4 shall be sent to all Members not less than (10) days nor more than fifty (50) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast fifty (50%) percent of all the votes of each class of Membership shall constitute a quorum. 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 sixty (60) days following the preceding meeting. Notwithstanding the above, the vote required in Sections 3 and 4 shall control where appropriate.

Section 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS AND DUE DATES. The annual assessments 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 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 annual assessment against each Lot at least (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 and the Board of Directors shall have the authority to require the assessments to be paid monthly, semi-annually or annually. 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 AND REMEDIES OF THE ASSOCIATION. Any assessment levied against a lot remaining unpaid for a period of thirty (30) days or longer shall constitute a lien on that lot when filed of record in the Office of the Clerk of Superior Court in the manner provided therefor by Article of Chapter 44 of the General Statutes. The Association's lien may be foreclosed in like manner as a mortgage on real estate under power of sale under Article 24 of Chapter 45 of the General Statutes. Any such unpaid assessments shall bear interest from the due date at the rate of twelve(12%) per cent annum. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 9. EFFECT OF DEFAULT IN PAYMENT OF AD VALOREM TAXES OR ASSESSMENTS FOR PUBLIC IMROVEMENTS BY ASSOCIATION. Upon default of the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments in a amount determined by dividing the total taxes and/or assessments due the governmental authority by the total number of certificates in the Association. If such sum is not paid by the Owner within thirty (30) days following the receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the lot of the owner.

Section 10. WORKING CAPITAL ASSESSMENT. At the time title is conveyed to an owner, each Owner shall contribute to the Association, as a working capital reserve, an amount equal to one (1) months estimated Common Area assessment. Such funds shall be used solely for initial operating and capital expenses of the Association, such as pre-paid insurance, supplies and maintenance of the Common Areas and facilities, and equipment, etc. Amounts paid into the working capital fund are not to be considered as advance payments of regular assessments. Any working capital funds remaining at the end of the first full operating year shall be transferred to and become part of the general funds of the Association, in the discretion of the Board of Directors.

Section 11. RIGHTS OF ELIGIBLE MORTGAGE HOLDERS. To the extent permitted by law, an eligible mortgage holder upon written request to the Association, identifying the name and address of the holder, will be entitled to timely written notice of:

a) Any condemnation, loss or casualty loss which affects a material portion of the project or any lots on which there is a mortgage held by such eligible mortgage holder.

b) Any delinquency in payment of assessments or charges owed by an owner of the lot subject to a first mortgage held, by such Eligible holder, which remains uncured for a period of sixty (60) days.

c) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.

d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage holders.

e) In addition to the foregoing rights, the Eligible Mortgage Holders shall be afforded the following rights subject to the extent permitted by law and as allowed by the North Carolina General Statues as they now exist or as may be amended from time to time:

i) Any election to terminate legal status of the project (other than through condemnation by a unit of Government) after substantial destruction or a substantial taking in condemnation of the Common Area must require the approval of at least fifty-one (51%) percent of the votes of the unit estates subject to Eligible Mortgage holders.

ii) Unless otherwise provided in the Declaration or by-laws, no reallocation of interest in the Common Areas resulting from a partial condemnation or partial destruction of the Common Area may be effected without the prior approval of Eligible Holders holding mortgages on all remaining unit estates whether existing.

iii) Notwithstanding thee above, an election by the Association to dedicate all or part of the Common Area to a governmental authority shall not require the consent of Eligible Mortgage holders.

Section 12. EXEMPT PROPERTY. All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VII

DESIGN AND ARCHITECTUAL CONTROL

Section 1. ARCHITECTURAL COMMITTEE. For purposes of this Article VII, the Declarant shall function as the Architectural Committee, (the "Committee") so long as Declarant is a Class B Member of the Association. After the termination of the Declarant's Class B Membership, the Board of Directors of the Association shall appoint the Members of the Committee to carry out the functions set forth in this Article.

Section 2. DEFINITIONS. For purposes of this Article VII, the following terms shall have the following meanings unless the context clearly requires a different meaning:

a) "Accessory building" means every detached garage, barn, carport, tool shed, storage or utility building, guest quarters, detached servants' quarters or other similar building constructed on a Lot which is not a dwelling;

b) "Buildings" mean accessory buildings and dwellings;

c) "Dwelling" means a building constructed for residential use but excluding servants' quarters and guest quarters; and

d) "Improvements" or "structures" mean buildings and all walls, fences, bulkheads, decks, patios, planters, terraces, mail receptacles, swimming pools, tennis courts or anything else constructed or placed on a Lot.

Section 3. GENERAL OUTLINES.

a) Reservations. The Declarant reserves the right to change, alter or redesignate roads, utility and drainage facilities, plus such other present and proposed amenities or facilities as may in the sole judgment of the Declarant be necessary or desirable.

b) Variances.

i) So long as the Declarant owns at least one Lot, the Declarant shall be empowered to adjust the conditions and restrictions stated herein, provided, however, that such is done in conformity to the intent and purposes hereof, and provided, also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood. The Declarant may make variances and adjustments of height, size and setback requirements on any Lot owned by the Declarant, at the Declarant's sole discretion, without the approval of the Committee.

ii) The Committee shall be empowered to allow Owner's to make adjustments of the conditions and restrictions stated herein in order to overcome radical difficulties and prevent unnecessary hardships in the application of the regulations contained herein, provided, however, that such is done in conformity to the intent and purposes hereof, and provided, also, that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood. Variances and adjustments of height, size and setback requirements may be granted hereunder.

c) Development Concept. It is the express intention of the Declarant to maintain in this residential community a uniform plan of development that will blend with and not detract from the natural environment with respect to design, type and general appearance of the structures to be erected on the Lots.

d) Approval of Plans. The proposed dwelling and building plans and specifications, exterior colors and finishes; and construction schedule must be approved by the Committee. One (1) copy of all plans and related data shall be furnished to the Committee for its records. Until all of the above-listed prerequisite plans are approved, no improvements or structures shall be erected, placed or altered on any residential lot. The material used, as well as the design, shall be subject to the prior written approval of the Committee.

Upon the written request of a Lot owner for approval of plans, the Committee shall have ten (10) days within which to approve or disapprove plans. In the event of failure to approve or disapprove within ten (10) days, such approval will not be required provided the design of proposed building is in harmony with the existing structures in this area. If the Committee approves the construction of such improvements, it shall issue a letter evidencing such approval.

Disapproval of any such plans or specifications may be based by the Committee upon grounds, including purely aesthetic and environmental considerations, that in the sole and absolute discretion of the Committee shall seem sufficient.

Without the prior written consent of the Committee, no changes or deviations in or from such plans or specifications as approved shall be made. No alterations in the exterior appearance of any building or structure, or in the grade, elevation or physical characteristics of any lot shall be made without like approval by the Committee.

e) Approval of Builder. The proposed builder shall be submitted to the Committee with the proposed dwelling and building plans for approval by the Committee. Each Owner shall choose only a professional builder of sufficient experience to construct the proposed dwelling. The Committee shall approve or disapprove the builder according to the same procedures set forth in subparagraph d) of this section above.

f) Subdividing. No Lot shall be subdivided, or its boundary lines changed except with the prior written consent of the Committee. However, the Declarant hereby expressly reserves to itself, its successors or assigns, the right to replat any two (2) or more lots shown on the plat of any subdivision in order to create a modified building lot or lots; and to take such steps as are reasonably necessary to make such replatted lot suitable and fit as a building site, said steps to include but not be limited to the relocation of easements, walkways and rights of way to conform to the new boundaries of the said replatted lots.

Section 4. SITE IMPROVEMENTS.

a) Building Setback Guidelines and Requirements. The front and side and rear building setbacks shall be indicated on the recorded plat for that section. Any out-building must have its location, material and construction approved by the Declarant. In all instances, any out-building shall be located in the rear of the main residence.

b) Use of Fill and Changes in Elevation. No changes in the elevation of the land shall be made on any lot, nor any fill placed within the common easement areas or within the regulatory setback lines.

c) Adequate Drainage Requirement. It shall be the obligation of the Lot Owner to provide adequate drainage of his or her Lot to the end that the property or properties adjacent to said lot shall not be subjected other than the natural flow of drainage presently existing.

d) Off Street Parking. Each Lot Owner shall provide space on his lot for off street guest parking for not less than two passenger automobiles prior to the occupancy of any single family dwelling constructed on said lot. Said parking areas and driveways thereto shall be in accordance with reasonable standards and shall be constructed of concrete, asphalt, crushed stone, or any other material approved by the Committee in writing as provided for in Section 3(d) above. All driveways shall be required to have a driveway apron constructed of concrete extending from the rear side of curbing through the rear side of the sidewalk section.

e) Underground Electric Requirements. All electric transmission or service lines within the perimeter bounds of any lot or common easement shall be installed beneath the surface of the ground.

f) Driveway, Street Light and Mailbox Locations.

i) The Declarant shall have sole discretion in the precise site, design and materials of any driveway, street light and mailbox (including newspaper receptacles) placed upon any right of way.

ii) Upon the Declarant no longer owning any Lot in Lancaster at Westin, the Committee must approve or may designate in its sole discretion the precise site, design and materials of any driveway, street light and mailbox (including newspaper receptacles) placed upon any right of way; provided, however, that the Owner shall be given the opportunity to recommend a specific site for such improvements.

Section 5. STRUCTURAL IMPROVEMENTS.

a) Residential Use. No structure, except as hereinafter provided, shall be erected, altered, placed or permitted to remain on any residential lot other than a detached single family dwelling. However, a garage with vehicular entry to the side only or small accessory building (which may include a poolhouse, servants' quarters, or guest facilities) is permitted provided the use of such dwelling or accessory building does not overcrowd the site, and provided, further, that such dwellings or buildings are not used for the activities normally conducted as a business. Such accessory buildings may not be constructed prior to the construction of the main building. no building or other structure, or part thereof, at any time situated on such residential lots shall be used as a professional office, charitable or religious institution, business or manufacturing purpose, or for any use whatsoever other than residential and dwelling purposes as aforesaid; and no duplex residence or apartment house shall be erected or placed on or allowed to occupy such residential lots and no building shall be altered or converted into a duplex residence or apartment unit thereon.

b) Building Materials. All structures constructed or placed on any lot shall be built of substantially new materials. Any structure erected on the lots shall be of wood, stone, brick, veneer, tiles or concrete and stucco. Any accessory buildings or structures shall be constructed of the same material as the main dwelling.

c) Square Footage of Enclosed Dwelling Area. Every dwelling constructed on a Lot shall contain at least the minimum required square footage of fully enclosed and heated floor area, which shall be 1800 square feet for all lots, exclusive of patios, attached garages, terraces, decks, roofed and unroofed porches and accessory buildings.

d) Sidewalks. No Owner shall complete the construction of any single family dwelling on any lot without first having constructed a sidewalk parallel to the street on which said single family residence fronts, or if it is a corner lot including the side street, which shall be not less than four (4) feet wide, which sidewalk shall be not less than three (3) feet from the street curbing back towards the interior of said lot; that any sidewalk proposed to be constructed by an Owner shall have the written approval of the Declarant.

Each Owner shall maintain the sidewalk fronting the Owner's dwelling in a reasonably safe condition and shall maintain the area between the sidewalk and the back of the curb.

e) Screening of Refuse Receptacles. Each Lot Owner shall provide receptacles for ashes, trash, rubbish or garbage on his lot in a screened area not generally visible from the road, other lots, or from common easement areas, in accordance with state and municipal regulations.

f) Fuel Tanks and Similar Storage Receptacles. All fuel tanks and similar storage receptacles may be installed only within an accessory building or within a screened area (so as not to be generally visible from the road, adjoining lots, or common areas) or buried underground; provided, however, that nothing contained herein shall prevent the Committee from erecting, placing or permitting the placing of tanks, or other apparatus, on the property for uses related to the provision of utility or other service.

g) Clotheslines or Drying Yards. Clotheslines or drying yards shall be located as not to be visible from the street or common easement areas serving the premises.

h) Fences and Walls. Each Owner of Lots 18, 29, 30, and 31, as shown on the recorded plat, Book 95, Page 84, shall erect and maintain, at the Owner's expense, a six-foot privacy fence along the rear property line within the landscape easement reserved by Declarant in Article IV, Section 1.

Any fence, bulkhead or wall for any purpose, erected or located on any Lot, easement or common area shall be no closer to the front Lot line than the rear of the residence and only after the plans and specifications showing the nature, shape, height, materials and location for said fence or wall shall have been approved by the Committee in accordance with Section 3(d) herein.

ARTICLE VIII

HABITABILITY PROVISIONS

Section 1. MAINTENANCE STANDARDS.

a) Preservation of Well-Kept Building and Grounds. Each Lot Owner shall prevent the development of any unclean, unsightly or unkept conditions of any buildings or grounds on his lot which would tend to substantially decrease the beauty of any of the property or diminish or destroy the enjoyment of other lots by the owners thereof. If the Lot Owner fails to maintain the lot on which the Owner's dwelling is located in a manner consistent with surrounding properties, the Homeowners' Association shall have the right to enter upon the Owner's lot and maintain the it at the Lot Owner's expense.

b) Pre-Construction Maintenance of Lots. Prior to commencement of the erection of any residence on each Lot, the Owner of such Lot shall remove any debris, to comply with Section 1(a) hereof (Lots conveyed to Owners by one other than Declarant shall be free of all debris).

c) Reconstruction. Any building on any Lot which is destroyed in whole or in part by fire, windstorm, flood or other act of God must with reasonable promptness be rebuilt or all debris from such destruction removed and the Lot restored to the condition it was in prior to commencement of construction of such building. Any such reconstruction must be commenced within six (6) months from the date of such destruction. All debris must be removed and the Lot restored to its prior vacant, unimproved condition within three (3) months of such destruction.

Section 2. CONTROL OF PROPERTY USES.

a) Land Use. All Lots shall be used for residential purposes only and common recreational purposes auxiliary thereto and for no other purpose. Only one family may occupy a Lot as a principal residence at any one time. Declarant may maintain a sales office, models and construction office on any Lot until all Lots have been sold.

b) Noxious Or Offensive Activities. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort or annoyance to the neighborhood. No plants, animals, devices or thing of any sort shall be maintained whose normal activities or existence is 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 owner thereof.

c) Activities Creating A Nuisance. No Lot Owner will do or permit done any act upon his property or the common easement areas which is, may be, or may become a nuisance to any other property owner or resident. Each Lot Owner shall avoid placing debris in the catch basins which may cause blockage, and if a catch basin is blocked, a Lot Owner shall either remove the debris or give notice to the Homeowners' Association of the condition. There shall be no discharging of firearms, guns or pistols, of any kind.

d) Animals, Birds And Fowl. No animals, birds or fowl shall be kept or maintained on any part of the property except dogs, cats and pet birds (as well as any naturally existing wildlife), which may be kept thereon in reasonable numbers as pets for the pleasure and use of the occupants but not for any commercial use or purpose. However, no dangerous dogs, including, but not limited to, pit bulls, rottweilers, dobermans, chows and german shepherds, shall be permitted on the premises. All pets must be kept under control at all times, and must not become a nuisance by barking or other acts.

e) Excavation Of Soils And Minerals. No mineral exploration, quarrying or mining shall be permitted upon or in any lot.

f) Parking Of Non-Private Vehicles, Trailers And Boats. No commercial vehicles, personal vehicles with commercial messages, school buses or non-private vehicles shall be parked on the streets except for the duration of the services being rendered in the area. No trailers (including boat trailer or campers) or habitable motor vehicles of any nature shall be kept on or stored on any part of the property except in an enclosed area, or screened from the view of other lots or common areas. No commercial trucks or non-private vehicles of any nature shall be parked overnight on any parcel except in a properly screened area, or unless specifically approved by the Association. No boats or canoes on or off trailers may be parked on any part of the property unless properly screened or specifically approved by the Association. These prohibitions also apply to the common easement area.

g) Mobile Homes And Temporary Structures. No mobile home or other structure of a temporary character shall be placed or stored upon any Lot or common easement area at any time, provided, however, that this prohibition shall not apply to shelters on the building Lot used by the contractor during the construction of the main dwelling house when permission has bee granted by the Committee, such temporary shelters to be removed from the lot after completion of construction.

h) Exterior Antennae And Aerials. No satellite dish antennas, radio tower or antenna of any nature shall be placed or allowed to remain on said property except for a satellite dish measuring no more then 24 inches in diameter, attached to the rear or the dwelling, so long as said dish is not visible from the road.

i) Signs. No permanent sign of any character shall be displayed upon any part of the property except a sign bearing the name of the Owner and/or property name and address without permission of the Committee. Said signs shall not exceed the dimensions of 8 inches by 20 inches, unless approved by the Committee. Provided, however, Declarant or the Association may erect information signs.

All temporary signs such as builders signs, realty signs, etc., should be placed in the center of the road frontage of the lot, outside the street right of way. Under no circumstance may signs be nail to trees. All signs must be clean, neat and maintained in good repair.

j) Leasing. All dwellings may be leased only in accordance with rules and regulations promulgated by the Association.

k) Interval Ownership. No Owner may lease, deed, sell, convey or otherwise transfer his Lot under any time-sharing or interval ownership arrangement.

l) Hazardous Activities. Nothing shall be done or kept on any Lot or in the Common area which shall increase the rate of insurance on the Common area or any other Lot without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept on his Lot or in the Common Area which would result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law.

ARTICLE X

CONSTRUCTION GUIDELINES

Section 1. PERIOD OF CONSTRUCTION. Each Owner shall submit building plans and specifications to the Committee for approval no later than six (6) months after the closing on the Lot purchased. The exterior of all houses and other structures must be completed within nine (9) months after the construction of same shall have commenced, except where such completion is impossible, or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamity.

Section 2. CONDUCT OF CONSTRUCTION VEHICLES. During construction, all vehicles involved, including those delivering supplies, must enter the building Lot on the driveway only as approved by the Committee so as not to damage trees, street paving and curbs. No construction parking shall be allowed on the street right of way.

Section 3. REMOVAL OF CONSTRUCTION DEBRIS. During construction the builder must keep the homes, garages and building sites clean. Such debris will not be dumped in any area on the subdivision.

ARTICLE XI

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 and two-thirds (2/3) of the Class B 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 fifty (50) days in advance of the meeting.

Section 2. If the Declarant, its successors or assigns, shall develop all or any portion of any land contiguous to the property which is subject to this Declaration, such additional tract or tracts may be annexed to said Properties without the consent of the Class A Members, provided, however, the development of the additional tract described in this section shall be in accordance with the same general scheme of development as the Lancaster at Westin, Subdivision.

Section 3. The rights of Declarant reserved in Section 2 above shall expire automatically on November 1, 2010, if not exercised prior thereto.

ARTICLE XII

INSURANCE

It shall be the duty of the Association to maintain in effect casualty and liability insurance as follows:

Section 1. CASUALTY INSURANCE. All insurance policies upon the Common Area shall be secured by the Board of Directors or its designee on behalf of the Association which shall obtain such insurance against loss or damage by fire or other hazards normally insured against for improvements on said Common Area.

Section 2. LIABILITY INSURANCE. Liability insurance shall be secured by the Board of Directors or its designee on behalf of the Association, which insurance shall insure the Association for liability coverage in an amount of at least five hundred thousand ($500,000.00) dollars for bodily injury, including deaths or persons and property damage arising out of a single occurrence.

Section 3. PROCEEDS. All insurance policies purchased for casualty protection of the improvements on the Common Areas shall provide that all proceeds thereof shall be payable to the Association.

ARTICLE XIII

RIGHTS OF MORTGAGEES

Section 1. APPROVAL OF OWNER AND HOLDERS OF FIRST DEEDS OF TRUST. Unless at least seventy-five (75%) per cent of the Owners and Holders of first deeds of trust on Lots located within the Property then subject to the full application of this Declaration, have given their prior written approval, the Association shall not:

a) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer any real estate or improvements thereon which are owned, directly or indirectly, by the Association (the granting of easements for utilities or other purposes shall not be deemed a transfer with the meaning of this clause);

b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner;

c) by act or omission change, waive or abandon any plan of regulation, or enforcement thereof pertaining the architectural design or the exterior appearance of residences located on Lots, the maintenance of party wall or common fences and driveways, or the upkeep of lawns and plantings in the subdivision;

d) fail to maintain fire and extended coverage insurance on insurable improvements in the Common Area on a current replacement cost basis in an amount not less than one hundred (100%) per cent of the insurable value; or

e) use the proceeds of any hazard insurance policy covering losses to any part of the Common Area for other than the repair, replacement or reconstruction of the damaged improvements.

Section 2. BOOKS AND RECORDS. Any Owner and holder of a first deed of trust on any Lot will have the right to examine the books and records of the Association during any reasonable business hours.

Section 3. PAYMENT OF TAXES AND INSURANCE PREMIUMS. The Owners and holders of first deeds of trust on Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge or lien against the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement from the Association.

ARTICLE XIV

CONDEMNATION

Section 1. PARTIAL TAKING WITHOUT DIRECT EFFECT ON LOTS. If part of the properties shall be taken or condemned by any authority having the power of eminent domain, such that no Lot is taken, all compensation and damages for and on account o the taking of the Common Area, exclusive of compensation for consequential damages to certain affected Lots, shall be paid to the Board of Directors of the Association in trust for all Owners and their mortgagees according to the loss or damage to their respective interest in such Common Area. The Association, acting through the Board of Directors, shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issue with respect to the taking and compensation affecting the Common Area, without limitation on the right of the Owners to represent their own interests. Such proceeds shall be used to restore the Common Area with the excess, if any, paid to the Owners pro rata. Nothing herein is to prevent Owners whose Lots are specifically affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their behalf for consequential damages relating to loss of value of the affected Lots, or personal improvements thereon, exclusive of damages relating to Common Area. In the event that the condemnation

award does not allocate consequential damages to specific Owners and the Board of Directors as their interest may appear by arbitration in accordance with the rules of the American Arbitration Association.

Section 2. PARTIAL OR TOTAL TAKING DIRECTLY AFFECTING LOTS. If part or all of the Properties shall be taken or condemned by any authority having the power of eminent domain, such that any Lot or part thereof (including specific easements assigned to any Lot) is taken, the Association shall have the right to act on behalf of the Owners with respect to Common Area as provided in Section 1 of this Article and the proceeds shall be payable as outlined therein. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Lots. All compensation and damages for and on account of the taking of any one or more of the Lots, or personal improvements thereon, shall be paid to the Owners of the affected Lots and their mortgagees, as their interests may appear.

Section 3. NOTICE TO MORTGAGEE. A notice of any eminent domain or condemnation proceeding shall be sent to all of record holders.

ARTICLE XV

GENERAL PROVISIONS

Section 1. ENTRY. The Committee reserves for itself, its successors and assigns, and its agents the right to enter upon any residential lot, for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds or other unsightly growth, or for the purpose of building or repairing any land contour or other earthwork, which in the opinion of the Committee detracts from or is necessary to maintain the overall beauty, ecology, setting and safety of the property. Such entrance shall not be deemed a trespass. The Committee and its agents may likewise enter upon any Lot to remove any trash which has collected without such entrance and removal being deemed a trespass.

Section 2. 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 an Owner to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. LOTS SUBJECT TO DECLARATION. All present and future owners, tenants and occupants of Lots and their guests or invitees, shall be subject to, and shall comply with the provisions of the Declaration, and as the Declaration 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 the Declaration are accepted and ratified by such owner, tenant or occupant. The covenants and restrictions of the Declaration 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, and 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 provisions were made a part of each and every deed of conveyance or lease.

Section 4. AMENDMENT OF DECLARATION. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Notwithstanding anything contained herein, these restrictive covenants may be amended at any time by Declarant, so long as Declarant owns any one lot contained in Lancaster at Westin or November 1, 2010, whichever first occurs.

After such time as described in the preceding paragraph, this Declaration may be amended by an instrument signed by not less than seventy-five (75%) percent of the Owners. Any amendment must be recorded.

Section 5. RELEASE OF LOTS. The Declarant may at any time release any one or more Lots from any or all of the restrictions and covenants running with the land herein set forth. After such time as provided in paragraph 2 of Section 5 above, the Association may release any one or more Lots from any or all of the restrictions and covenants running with the land herein set forth provided the written consent thereto of the owner or owners of not less than three-fourths (3/4) in number of the Lots shall be obtained.

Section 6. SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect any other provisions, which shall remain in full force and effect.

Section 7. USE RESTRICTIONS SURVIVE. Notwithstanding any other provisions in these Declarations or by-laws, in the event the Common Areas and facilities are offered for dedication to the public and such offer is accepted by a governmental agency, these Use Restrictions shall survive any termination of the Association.

Section 8. LAW CONTROLLING. This development is being undertaken pursuant to the provisions of Chapter 47A of tile North Carolina General Statutes.

TO THE TRUE AND FAITHFUL PERFORMANCE OF THESE COVENANTS AND AGREEMENTS, WESTIN, L.L.C., has caused this document to be signed by its managing member, all by proper authority duly granted in it's Operating Agreement; FLOYD CONSTRUCTION COMPANY, INC., has caused this document to be signed in its name by its President, attested by its Ass't Secretary and it's Corporate Seal to be hereto affixed, all by proper authority duly granted by its Board of Directors, this the 28th day of January, 19 98. MICHAEL L. HARRELL, and wife, LORRAINE M. HARRELL, individually.

FLOYD CONSTRUCTION CO, INC.

BY: _____
Vice President

ATTEST:

(Corporate Seal)

Phyllis Braden
Ass't Secretary

WESTIN, L.L.C.

BY: _____ (SEAL)
Edmund M. Williams, Managing Member

INDIVIDUALLY BY:

Michael L. Harrell

Lorraine M. Harrell

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, Michael L Hall, a Notary Public of Cumberland County, North Carolina certify that Phyllis Braden personally came before me this day and acknowledged the he/she is Asst Secretary of FLOYD CONSTRUCTION CO., INC., a corporation, and that by authority duly given and as an act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by Phyllis Braden as its Asst Secretary.

WITNESS my hand and Notarial Seal, this the 28 day of ~~DECEMBER~~ JANUARY, 1998.

My Commission Expires: 7-18-2000

Notary Public

BK4795PG0295

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, Kirby Thomason Tyson, a Notary Public, do hereby certify that Edmund M. Williams, Managing Member of WESTIN, L.L.C., a Limited Liability Company, and that by authority duly given as a Managing Member of WESTIN, L.L.C. the foregoing deed was signed by him for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 6th day of November, 1997.

My Commission Expires: 2/12/01

Kirby Thomason Tyson
Notary Public

Kirby Thomason Tyson
NOTARY PUBLIC SEAL
Cumberland County, N.C.
My Commission Expires:
February 12, 2001

STATE OF NORTH CAROLINA
COUNTY OF CUMBERLAND

I, Michael L. Hall, a Notary Public for said County and State, do hereby certify that Michael L. Harrell and Lorraine M. Harrell personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal, this the 28th day of January, 19 98.

My Commission Expires: 7/18/2000

Notary Public

MICHAEL L. HALL NOTARY PUBLIC CUMBERLAND COUNTY, NC

The foregoing Certificate(s) of Michael L Hall, Kirby Thomason Tyson

is/are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

GEORGE E. TATUM REGISTER OF DEEDS FOR CUMBERLAND COUNTY,

By Sheila M Deal Deputy / Assistant - Register of Deeds