Filed in JOHNSTON COUNTY, NC CRAIG OLIVE, Register of Deeds Filed 10/11/2006 10:13:25 AM DEED BOOK 3214 PAGE 353 - 374 INSTRUMENT # 2006148729 Real Estate Excise Tax: $0.00 Deputy/Assistant Register of Deeds: J PLOWMAN

Prepared by and return to: Howard S. Kohn
Son-Lan Development Company, Inc.
5160 NC Hwy 42 W, Garner, NC 27529

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

ADAMS POINT SUBDIVISION

(A PLANNED COMMUNITY)

THIS DECLARATION is made on the 10th day of October, 2006, by Son-Lan Development Co., Inc., a North Carolina corporation, with its principal office located at 5160 NC Highway 42 West, Garner, Johnston County, North Carolina 27529, hereinafter referred to as "Declarant";

WITNESSETH:

WHEREAS, Declarant is the owner of certain Properties in Johnston County, North Carolina which are more particularly described on Exhibit "A" attached hereto; and

WHEREAS, it is the desire and intention of Declarant (as defined herein) to impose on the Properties described on Exhibit "A" attached hereto restrictions, conditions, easements, covenants and agreements under a general plan or scheme of improvement for the benefit of all Properties herein described and the future owners thereof; and

WHEREAS, the Declarant's general plan is to create a planned community that provides for the phased development of the Properties, and future sections or phases of the Properties, the first of which shall be known as The Woodlands and The Heartlands, Section One, to be followed by subsequent sections of The Heartlands and The Highlands Sections of Adams Point, which may be annexed into the Properties and made subject to this Declaration;

NOW, THEREFORE, Declarant hereby declares that all of the Properties described on Exhibit "A" shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the title to the Properties 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. Definitions. As used in this Article, the following words and terms have the following definitions, unless the context in which they are used clearly indicates otherwise (when any of these and other defined words or terms in this Article have an initial capital letter, however, it is not required that their use have initial capital letters in order to have the defined meaning). Some or all of the following words and terms may have the same definitions in other portions of this Declaration; if so, they are being repeated here for convenience; if not, as used in this Article, they have the definitions contained in this Article. Words and terms defined in other portions of this Declaration and not defined in this Article but used in this Article have the

definition defined for them in such other portions of this Declaration, unless those definitions are superseded or modified as a result of the conflict rules set forth in Section 3 of this Part A (for example, words and terms defined by the Code and used in this Declaration have the definitions contained in the Code, notwithstanding that they may be defined differently in this Article or other portions of this Declaration; however, to the extent that a word or term is defined in this Article or other portions of this Declaration differently from how it is defined in the Code, and the definitions do not conflict, then both definitions are applicable). With respect to words and terms used herein, the singular shall include the plural, the plural shall include the singular, and one gender shall include all.

(a) "Act" is defined as the North Carolina Planned Community Act, as contained in Chapter 47F of the North Carolina General Statutes (or as contained in any successor portion of the North Carolina General Statutes), as the same exists from time to time. The Act is referred to herein from time to time as G.S.47F, with the particular section number following the G.S.47F reference (for example, G.S.47F-1-101). Words and terms used in this Article that are defined in the Act but not defined in the Code (for example, the term special declarant rights), have the definition contained in the Act.

(b) "Annexation Declaration" is defined as a document, by whatever name denominated, that is recorded for the purposes of annexing Annexed Property to this Declaration and causing such Annexed Property to be subject to the scheme of covenants, charges, conditions and restrictions contained in this Declaration and including any additional covenants, charges, conditions and restrictions contained in the Annexation Declaration.

(c) "Annexed Property" is defined as all real property annexed or subjected (those two terms being used interchangeably herein) to any part or all of the terms of this Declaration following the initial recording of this Declaration in the Registry.

(d) "Association" is defined as the nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for the Properties. Sub-Association (if applicable) is defined as a nonprofit corporation organized and operated under the laws of the State of North Carolina as the property Owners association for a portion of, but not all of, the Properties. There may be one or more Sub-Associations (if applicable) with respect to the Properties. An example of a Sub-Association is a property Owners association for a townhouse development that is part of a cluster unit development which has an Association for the cluster unit development. All references herein to an Association that is, in fact, a Sub-Association, are deemed corrected accordingly.

(e) "Board" is defined as the board of directors of the Association, and is the Executive board as defined in the Act. The Board is responsible for the management and administration of the Association as provided for in this Declaration and in the Act.

(f) "County" or "Johnston County" is defined as Johnston County, North Carolina, a North Carolina county.

(g) "Code" is defined as the Johnston County Land Development Code as it exists from time to time, and includes all duly adopted regulations, rules, directives, and policies of the County pursuant to or in furtherance of the Code.

(h) "Common Area" is defined as real property, together with any improvements situated thereon, intended for the common use and benefit of Owners and occupants of the Properties, however such real property is described on a plat or document recorded in the Registry. Common Area may be owned or leased by the Association or it may be owned by another Person with the Association having a right or easement therein (for example, part or all of a private stormwater drainage easement located on either a Lot or real property that is not part of the Properties and that serves more than one (1) Lot in the Properties or a right of the Association to use of a portion of a public street right-of-way pursuant to an encroachment agreement with the County). Common Areas include all of the following:

(1) any private street and private walkways in the Properties (but excluding private walkways on and solely for the benefit of an individual Lot);
(2) Stormwater control measures, including any area or facility designated a drainage easement on any recorded plat or map of the Properties, and level spreaders and stormwater retention, detention, or diversion facilities of any kind;
(3) any water or sewer utility line that serves more than one Lot and which is either located outside public street rights-of-way or outside any County utility easement;
(4) any site or facility designated a common area, common property open space, open space common area, amenity area, recreation area or other similar designation on any recorded plat or map of the Properties, or in this Declaration;

(5) any Code-required shared facility or Open Space for the Properties, except for Open Space owned by the County or reserved by the Declarant;
(6) any public road right-of-way dedicated to the public on plats and maps of the Properties recorded in the Registry but not accepted for public Maintenance by the appropriate Governmental Entity. Provided, however, that the fact that a street or road has not been accepted by the applicable Governmental Entity shall not relieve the Declarant of the obligation to take such action as is necessary to have it accepted. The Association has the right to enforce this Declarant obligation, and the Declarant shall be liable to the Association for all costs and expenses, including court costs and reasonable attorney's fees, incurred by the Association in connection with such unaccepted street improvements and enforcement of its rights against Declarant hereunder; and
(7) any object or improvement located on, under, in or over public property or public right-of-way which object or improvement is subject to an encroachment agreement with a Governmental Entity that is recorded in the Registry, and may include: signs, landscaping, irrigation facilities, drain pipes, decorative surfaces and brick pavers; and
(8) any berm constructed by the Declarant within any area designated a landscape easement on any plat or map of the Properties, or in this Declaration.

Common Area that is owned by or subject to being Maintained by a Sub-Association is Sub-Association Common Area, even if it is referred to in this Declaration or in any recorded plat of the Properties as Common Area instead of Sub-Association Common Area. Common Area, if any, established by the Declarant or the Association for the benefit of fewer than all of the Owners and occupants of the Properties is Limited Common Area, and such Limited Common Area and the Owners and occupants of the applicable portion of the Properties for whose benefit the Limited Common Area exists are subject to the same Code provisions as those applicable to Common Area. All references herein or in any recorded plat of the Properties to Common Area that is, in fact, Limited Common Area, are deemed corrected accordingly. Sub-association Common Area, if any, owned by or subject to being Maintained by a Sub-Association for the benefit of fewer than all of the Owners and occupants of the applicable portion of the Properties is Sub-Association Limited Common Area, and such Sub-Association Limited Common Area and the Owners and occupants of the applicable portion of the Properties for whose benefit the Sub-Association Limited Common Area exists are subject to the same Code provisions as those applicable to Sub-Association Common Area. All references herein or in any recorded plat of the Properties to Limited Common Area or Sub-Association Limited Common Area that is, in fact, Common Area or Sub-Association Common Area, are deemed corrected accordingly.

(i) "Common Expense" is defined as all of the expenses incurred by the Association in furtherance of its rights and responsibilities under the Act, the Code, and the Governing Documents and including specifically, but without limitation, all of the following: (Expenses for the Maintenance of Limited Common Area are Limited Common Expenses, which is a subcategory of Common Expense.)

(1) All sums lawfully assessed by the Association against its Members;
(2) Expenses of the Common Area and administration, inspection and Maintenance of the Common Area;
(3) Expenses classified as Common Expenses under the Act, the Code, or under the provisions of this Declaration or other Governing Documents;
(4) Expenses for acquisition, Maintenance, repair, restoration, replacement, use and operation of personal property owned or leased by the Association for the benefit of the Members;
(5) Premiums for property, liability or such other insurance premiums as this Declaration or other Governing Documents may require the Association to purchase;
(6) Ad valorem taxes and public assessment and charges lawfully levied against any Common Area owned in fee simple by the Association;
(7) Fees or charges for utilities used in connection with the Common Area;
(8) Any unpaid Association assessment following the foreclosure of a first mortgage or first deed of trust or an assessment lien;
(9) Allocations to reserve funds;
(10) Payments owed to a Governmental Entity pursuant to any stormwater agreement, except for payments in such stormwater agreement owed to the Governmental Entity by the Declarant;
(11) Fees for services engaged by the Association;
(12) Costs and expenses for which the Association is obligated under any encroachment agreement or other agreement with any Governmental Entity;
(13) Financial obligations of the Association or financial obligations of Members with respect to which the Association has responsibility for collection and payment;
(14) Expenses incurred by the Association in performing its functions and providing services, including operating, management, enforcement and administrative expenses;
(15) Expenses agreed by the Members to be Common Expenses of the Association (for example, periodic washing of public streets within the Properties); and

(16) Expenses declared to be Common Expenses by the provisions of this Declaration, including but not limited to, the expenses of operating, Maintaining and repairing swimming pool, bath house, open play area and other amenities located upon the Properties.

(j) "Declarant" is defined as Son-Lan Development Company, Inc., its successors and assigns.

(k) "Declarant Annexation Date" is defined as the last date and time on which the Declarant has the right to annex real property to this Declaration without the consent or joinder of any Person other than the County, which date is 5:00 p.m. on _____ (or, if no date is entered in the blank space, is 5:00 p.m. on the date that is seven (7) years following the date of the recording of this Declaration). The timeliness of an Annexation Declaration is determined by the date of its recordation as stamped by the Registry notwithstanding its date of execution.

(l) "Declarant Control Period" is defined as any period of Declarant control of the Association, as provided in 47F-3-103(d) of the Act and established in this Declaration (which may include a vote allocation that gives Declarant, by itself, sufficient voting power to elect members of the Board).

(m) "Declaration" is defined as the document, however denominated, which contains this Article, together with all exhibits and amendments to the document.

(n) "Fiscal Year" is defined as the calendar year until such time as the Board, by appropriate resolution, establishes a different Fiscal Year for the Association.

(o) "Governing Documents" is defined as all of the following: this Declaration; the Articles of Incorporation and Bylaws of the Association; architectural guidelines and bulletins and rules and regulations of the Association; Annexation Declarations; and other declarations of restrictive or protective covenants applicable to the Properties; and all Sub-Association documents (with respect to those portions of the Properties subject to such Sub-Association documents), as the same may be amended, restated or supplemented from time to time.

(p) "Governmental Entity" is defined as the County, the County of Johnston, North Carolina, the State of North Carolina, the United States of America and all other governmental entities and quasi-governmental entities that have jurisdiction over the Properties or any part thereof, and all applicable departments and agencies of any of them, whichever Governmental Entity or entities is/are applicable.

(q) "Include" or "Including" is defined as being inclusive of, but not limited to, the particular matter described, unless otherwise clearly obvious from the context.

(r) "Living Unit" is defined as any Lot on which a dwelling unit has been fully constructed and made ready for occupancy as a residence, including without limitation, completion of the final floor covering, interior paint and wallpaper and all appliances, for which a Certificate of Occupancy or Compliance has been issued, and owned by anyone other than the original builder thereof, unless occupied as a residence by the original builder thereof or his tenant.

(s) "Lot" is defined as any numbered or lettered portion of the Properties, together with any improvements thereon, which is shown upon any recorded plat of any part or all of the Properties, and which is not any of the following: dedicated street rights-of-way; Common Area; Open Space owned in fee simple by the Association; greenway or park lands owned in fee simple by the County.

(t) "Maintain", "Maintenance", "Maintaining", or any similar term used herein is defined to include any one or more of the following, as the context requires: acquisition, purchase, construction, re-construction, installation, maintenance, inspection, examination, upkeep, cleaning, renewal, alteration, repair, replacement, repainting, remodeling, restoration, removal, improvement, administration, operation, use, planting, mowing, cutting, trimming, pruning, fertilizing, watering and preservation.

(u) "Member" is defined as each Person who or which holds membership in the Association.

(v) "Mortgagee" is defined as the beneficiary or payee under any mortgage or deed of trust, and the terms mortgage and deed of trust are deemed to refer to both mortgages and deeds of trust.

(w) "Open Space" is defined as open space areas shown on preliminary subdivision plans filed with the County and delineated on any recorded plat of the Properties or the open space areas required by the Code or by the conditional use zoning of the Properties for the perpetual benefit of the Owners. Open Space areas required under the Code are required as compensation for the flexible lot dimensions allowed on part or all of the Properties and Open Space areas in Conditional Use Zoning Districts may be required as consideration for such

conditional use zoning. Accordingly, Open Space may not be conveyed except in strict compliance with the Code. Under the Code, Open Space may be owned by the Association, a Sub-Association, or by the County. Open Space owned by the Association or a Sub-Association is Common Area or Sub-Association Common Area, as appropriate.

(x) "Operating Deficit" is defined as the difference between the total amount of the annual assessments for a Fiscal Year levied on all Lots and the amount of actual expenditures by the Association during the Fiscal Year for Common Expenses, including funding of reserves, but excluding (i) amounts levied against a Lot, but which are not paid, and (ii) special assessments for capital improvements.

(y) "Owner" is defined as the record Owner, whether one or more Persons, of fee simple title to any Lot, and shall include Declarant as to any Lot owned by Declarant. "Owner" shall not include any Person who holds an interest in a Lot merely as security for the performance of an obligation or as a tenant.

(z) "Person" is defined to include any natural person, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, Governmental Entity (including the County), or other entity.

(aa) "Properties" is defined as all of the real property subject to any part or all of the terms of this Declaration. A survey of the Properties entitled "Subdivision Plat of The Woodlands at Adams Point for Son-Lan Development" is recorded in Plat Book 69, Pages 54-58 of the Johnston County Registry. A survey of the Properties entitled "Subdivision Plat of The Heartlands at Adams Point, Section One, for Son-Lan Development" is recorded in Plat Book 69, Pages 60-64 of the Johnston County Registry.

(ab) "Rain Garden" is defined as a small depression or swale approximately ten feet (10') in diameter and twelve feet (12') deep located on the lower side of a Lot, the purpose of which is to retain a portion of the rainwater from the roof of a Living Unit, captured in standard gutters and directed into the Rain Garden by gutter flow, and to allow it to seep into the soil over a period of approximately twenty-four (24) hours, in order to mitigate development impacts and maintain the natural water balance by turning water that would normally become surface runoff into a resource that waters trees, recharges groundwater, improves water quality, and reduces the volume of runoff which would normally cause erosion and flooding downstream.

(ac) "Registry" is defined as the office of the Register of Deeds (or any successor office under applicable law) for the North Carolina County or Counties in which deeds, plats, easements, mortgages and deeds of trust for the Properties are recorded. All references herein to recording or to any requirement to record a document or plat refer to recording in the Registry of the County or Counties in which the applicable portion of the Properties is situated.

ARTICLE II

ASSESSMENTS

Section 1. Obligation for Assessments. Each Owner, by execution of this Declaration or by acceptance of a deed or other instrument conveying title to a Lot, whether or not it shall be so expressed therein, is deemed to consent and agree to pay to the Association (or to any Person who may be designated by the Association to collect such monies) all assessments and other charges required by this Declaration, including the following: (1) annual assessments; (2) working capital assessments; (3) stormwater assessments created and established pursuant to this Article; (4) special assessments; (5) fines for violations of the provisions of this Declaration or other Governing Documents or assessments levied against Owners for misuse and damage to the Common Areas by the Owners or their family members, tenants, agents, contractors and guests; (6) individual assessments for any expense under the Code or this Declaration which the Association becomes obligated to pay and pays on behalf of an Owner; (7) late payment charges, interest on unpaid assessments, costs of collection, including without limitation, court costs, service charges, and attorney's fees as provided in the Act, and charges for dishonored checks; all as established by the Board from time to time; and (8) all other assessments and charges imposed or allowed to be imposed by this Declaration.

The Association at all times has the right to include as part of the assessments or other charges applicable to the Properties and the Owners thereof such amounts as are required to pay all Common Expenses and all financial obligations of the Association imposed by the Code either (i) directly on the Association, or (ii)

indirectly on the Association by imposition of the financial obligation on some or all of the Owners, with the Association having responsibility for collection and payment to the County.

Section 2. Purpose of Assessments. The annual assessment primarily is for the purpose of funding the Common Expenses of the Association, including monies allocated for reserve funds, for the Fiscal Year to which it applies and in accordance with the budget for that Fiscal Year adopted by the Association, although such assessments may be used for payment of any Common Expenses as determined by the Board. All budgets of the Association shall be proposed in good faith and with the intent to cover all reasonably necessary Common Expenses for the applicable Fiscal Year of the Association, including monies allocated for reserve funds.

Section 3. Budgets; Amount of Assessments. The Association is at all times empowered to levy assessments against the Lots and Living Units and the Owners of Lots and Living Units within the Properties for the payment of Common Expenses.

For calendar year 2006, the annual assessment per Lot is Seventy-Five Dollars ($75.00), and the annual assessment per Living Unit is Three Hundred Dollars ($300.00). The "Maximum Annual Assessment" for each subsequent Fiscal Year for purposes of voting percentages to ratify the budget is 110% of the amount of the annual assessment for the immediately preceding Fiscal Year. Both annual and special assessments must be fixed at a uniform rate for all Lots and Living Units, on a per Lot and per Living Unit basis, and may be collected on a monthly basis or other periodic basis.

Notwithstanding the foregoing, once the amenities planned for the recreational area are completed and the recreation area as designated on the plat or map of the Properties is conveyed to the Association, the Maximum Annual Assessment per Living Unit shall be Six Hundred Dollars ($600.00) for the first Fiscal Year following said conveyance.

The Board of Directors shall adopt a proposed budget for the Association at least annually. Within thirty (30) days after the adoption of the proposed budget, the Board of Directors shall send a copy of the proposed budget to the Members and shall give written notice to the Members of a meeting of the Members to consider ratification of the budget, such meeting to be held not sooner than ten (10) days nor more than sixty (60) days after the mailing of such notice. Such meeting may, but need not be, combined with the annual meeting of the Members. There shall be no requirement that a quorum be present to vote on ratification of the budget (although a quorum must be present to vote on other matters). The budget shall be deemed ratified unless at that meeting Members having a majority of the votes of the entire membership vote to reject the budget; provided, however, if the budget provides for an annual assessment per Lot not in excess of the Maximum Annual Assessment in effect for that Fiscal Year of the Association, such budget shall be deemed ratified unless Members having at least eighty percent (80%) of the votes of the entire membership vote to reject the budget. If any proposed budget is rejected by the Members, the budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

The provisions of this subsection shall not apply to, nor shall they be a limitation upon, any change in the annual assessment or the Maximum Annual Assessment incident to a merger or consolidation as provided in §47F-2-121 of the Act.

Section 4. Effect of Non-Payment; Remedies. No Owner shall be exempt from liability for any assessment provided for herein for reason of non-use of the Common Area or such Owner's Lot or Living Unit, or abandonment or leasing of such Owner's Lot or Living Unit, or unavailability of the use or enjoyment of the Common Area.

All assessments and other charges shall be established and collected as provided in this Declaration. All assessments and other charges remaining unpaid for thirty days (30) days or longer, together with late charges, interest, and the costs of collection thereof, including attorney's fees, shall be charge on the Owner's Lot as provided in G.S.47F-3-116 of the Act and, upon filing of a claim of lien in the office of the clerk of superior court of the county in which the Lot is located in the manner provided in G.S.47F-3-116(g), shall be a continuing lien upon the Lot against which such assessment is made until paid in full. The lien may be foreclosed by the Association in any manner permitted under the Act or by law. When the holder of a first mortgage or first deed of trust of record or other purchaser of a Lot who obtains title to the Lot as a result of a foreclosure of a first mortgage or first deed of trust, such purchaser and its heirs, successors, and assigns shall not be liable for the assessments and other charges against such Lot which became due prior to the acquisition of title to such Lot by such purchaser. Each assessment and other charges due hereunder, together with late charges, interest, the costs of collection thereof, including attorney's fees, shall also be the personal obligation or corporate obligation of each Person who was Owner of the Lot at the time when the assessment or other charge first became due and payable and may be collected by appropriate action at law. If more than one

Person held an ownership interest in the Lot at the time the assessment or other charge first became due, then each Person shall be both jointly and severally liable. An Owner's personal obligation for payment of such assessments and other charges shall not become the personal obligation of a subsequent Owner unless expressly assumed by the subsequent Owner, although the lien shall continue against the Lot until the amounts due are paid.

Section 5. Classes of Membership. This Declaration may allow different classes of membership in the Association and may allow different levels of annual assessments and other assessments to be imposed for different classes of membership.

Section 6. Declarant's Obligation to Fund Deficits; Assessment Credit. During the Declarant Control Period, Declarant shall be obligated to fund any Operating Deficit. Declarant, at its option, may fund the Operating Deficit by any one or more of the following means: (i) payment to the Association; (ii) payment directly to a person or entity providing the services or materials to the Association, or (iii) providing, directly or indirectly, to or for the Association, services or materials related to Common Expenses (the value of which shall be determined by the Board in its reasonable discretion, giving due consideration to what the fair market value of such services or materials would be if they had been furnished by a Person other than Declarant).

Declarant's obligation to fund Operating Deficits may be enforced against the Declarant and collected by the Association in the same manner as enforcement and collection of assessments applicable to other Owners.

After the end of the Declarant Control Period, the Declarant, at its sole option, may receive an assessment credit toward payment of annual assessments due and payable by Declarant thereafter for Lots owned by Declarant, in an amount equal to aggregate of the Operating Deficits paid by Declarant as provided herein. Declarant may not charge or collect interest or any other charge or fee on any monies paid by the Declarant, for Operating Deficits. As determined by Declarant, the assessment credit may be applied to payment of all annual assessments due from Declarant after the end of the Declarant Control Period until it has been credited in full.

Section 7. Working Capital Fund. At the time of closing of the sale of each Living Unit from the builder to the Owner, a sum equal to at least two (2) months assessment for each Living Unit (based on the monthly portion of the maximum annual assessment in effect at the time of the sale) shall be collected from the Owner and transferred to the Association to be held as a working capital fund. The purpose of said fund is to insure that the Board of Directors of the Association will have adequate cash available to meet unforeseen expenses, and to acquire additional equipment or services deemed necessary or desirable. Amounts paid into the fund shall not be considered advance payment of regular assessments.

Section 8. Date of Commencement of Annual Assessment; Due Dates. The annual assessments provided for herein shall commence on the first day of the first month following the recording by Declarant of a deed to the Association or the County for the Common Areas. Provided, however, that Lots owned by any Owner or builder shall be assessed at the rate of twenty-five percent (25%) of the amount of the assessments due for a Living Unit until such time as the first certificate of occupancy is issued in the applicable phase of the Properties where the Lot is located. From and after the date of the issuance of the first such certificate of occupancy until the completion of the recreational amenities and conveyance thereof to the Association, as described above, Lots owned by any Owner or builder shall be assessed at the rate of fifty percent (50%) of the amount of the assessments due for a Living Unit. From and after the date of the completion of the recreational amenities and conveyance thereof to the Association, Lots owned by any Owner or builder shall be assessed at the reduced rate of twenty-five percent of the assessments due for a Living Unit. Provided, furthermore, that the annual assessments on Lots owned by a builder shall be allowed to accrue for each month that the builder owns the Lot and shall not be required to be paid by the builder until the date of closing of the sale of a Living Unit or the date of rental of a Living Unit to the tenant of an Owner or builder. The annual assessments for any Living Unit shall commence on the day of the conveyance of the Lot from the builder to any Owner other than the Declarant.

Section 9. 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 that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, restoration, repair or replacement of a capital improvement upon the Common Areas, any extraordinary maintenance, including fixtures and personal property related thereto and any property for which the Association is responsible, 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. Provided, however, that the Board of Directors, in its sole discretion, may declare that a special assessment be levied

against all Lots or Living Units, unless ninety percent (90%) of the total vote of each class of Members vote to reject it. Any such special assessment shall be in an amount not to exceed Five Hundred and No/100 Dollars ($500.00) per Lot or Living Unit and may be levied no more than once every five (5) years from the date of recording by Declarant of a deed to the Association or the County for the Common Areas.

Section 10. Subordination of the Lien to Mortgages and Ad Valorem Taxes. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage and ad valorem taxes on said Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage or tax foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, but shall not abate the personal obligation of the prior owner. 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. Any portion of the Property dedicated to, and accepted by, a local public authority and any portion of the Property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of North Carolina shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 12. Certificate of Payment. The Association shall, within ten (10) business days after receipt of a written request from an Owner or the Owner's authorized agent, and for such reasonable charge as the Board may determine, furnish a certificate signed by an officer of the Association, or by a Person or employee of any Person employed by the Association and to whom the Association has delegated the authority to issue such certificates, setting forth whether the assessments and other charges against a specified Lot or Living Unit have been paid. If such certificate states that an assessment has been paid, such certificate shall be conclusive evidence of payment and is binding on the Association, the Board, and every Owner.

ARTICLE III

MEMBERSHIP AND GOVERNANCE

Section 1. Membership. The Declarant and every Owner within the Properties shall be a Member of the Association, and by execution of this Declaration or by acceptance of a deed conveying to such Owner title to any Lot, each Owner consents to be a Member of the Association, subject to the terms of the Governing Documents. Membership shall be appurtenant to and may not be separated from ownership of the Member's Lot. The foregoing is not intended to include any Person that holds an interest merely as security for the performance of an obligation. Upon termination of ownership, an Owner's membership with respect to the transferred Lot shall automatically terminate and be automatically transferred to the new Owner of the Lot.

Section 2. Members' Rights of Use. Each Member and lawful occupant in the Properties shall have a non-exclusive right of use and enjoyment and easement in the Common Areas, including the rights of ingress and egress to and from all Common Areas throughout the Properties, subject to such rules and regulations as are allowed under the Governing Documents to be imposed by the Association and subject to suspension of use rights allowed in the Governing Documents; provided that no suspension of rights shall occur without first providing notice of the charge, opportunity to be heard and to present evidence, and notice of the decision as required by G.S. 47F-3-107.1 of the Act. But, the right of access and support, the right to drain stormwater and the right to use stormwater control measures, private streets, private utility services provided to the Lot through easements in Common Area, and any assigned parking areas shall not be suspended for violation of the Association's rules and regulations.

Section 3. Voting Rights. Each Member shall have those voting rights established in this Declaration, which may be different for different classes of membership. If a Lot is owned by multiple Owners, the votes allocated to that Lot shall be cast only in accordance with the agreement of a majority in interest of the multiple Owners unless otherwise provided in the Governing Documents. A majority agreement is conclusively presumed if only one of the multiple Owners casts the votes allocated to that Lot, unless any of the other Owners of the Lot protest such co-Owner's vote promptly to the Person presiding at the meeting.

Section 4. Proxies. Votes may be cast in person or by proxy. All proxies must be dated, duly executed by the Owner, and delivered to the Secretary of the Association or to the property management company authorized by the Board to receive proxies prior to the opening of the meeting for which it is first intended to be used. No proxy shall exceed a term of eleven (11) months from its date except as otherwise provided in the

Act. Revocation of a proxy shall be made by actual notice to the Person presiding over the Association meeting.

Section 5. Quorum. Except as otherwise provided in the Governing Documents, a quorum is present throughout any meeting of the Association whenever Persons entitled to cast ten percent (10%) of the votes are present in person or by proxy at the beginning of the meeting. In the event business cannot be conducted at any meeting because a quorum is not present, that meeting may be adjourned to a later date by the affirmative vote of a majority of those present in person or by proxy. Notwithstanding any provision to the contrary in the Governing Documents, the quorum requirements at the next meeting shall be one-half (1/2) of the quorum requirement applicable to the meeting adjourned for lack of a quorum. This provision shall continue to reduce the quorum by fifty percent (50%) from that required at the previous meeting, as previously reduced, until such time as a quorum is present and business can be conducted.

Section 6. Enforcement. The Board, or any committee established by the Board, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Article III of the By-Laws and the Act. Such sanctions may include, without limitation:

(a) imposing monetary fines which shall constitute a lien upon the Lot or Living Unit of the violator;
(b) filing liens in the public records for nonpayment of assessments or fees;
(c) filing notices of violations in the public records providing notice of any violation of the Governing Documents;
(d) suspending an Owner's right to vote;
(e) suspending any Person's right to use any recreational facilities within the Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot or Living Unit; and
(f) suspending any services provided by the Association to an Owner or the Owner's Lot or Living Unit if the Owner is more than thirty (30) days delinquent in paying any assessment or other charge owed to the Association.

ARTICLE IV

ANNEXATION

Section 1. Annexed Property. Real property which was not part of the County-approved development, or real property that was part of the County-approved development but which was not subjected to this Declaration at the time of its initial recording, may be annexed to this Declaration and made part of the Properties as Annexed Property, provided that all of the following conditions are met with respect to the real property to be annexed:

(a) the Annexed Property is contiguous to the Properties or directly across a street from the Properties;
(b) any development of the Annexed Property is first approved by the County;
(c) annexation of such Annexed Property meets any other applicable requirements of this Declaration; and
(d) contemporaneously with either the development of the Annexed Property or the recording of the plat of the Annexed Property, whichever first occurs, an Annexation Declaration shall be recorded in the Registry.

No Annexation Declaration shall be valid without the prior written approval of the Johnston County Attorney or his/her deputy. Evidence of such approval shall be indicated by the signature of the County Attorney or his/her deputy on the recorded original or copy of the Annexation Declaration. Any Annexation Declaration recorded without the required County approval is void *ab initio*. An Annexation Declaration may contain such complementary additions and modifications to the terms of this Declaration as may be necessary or desirable to reflect the different character, if any, of the Annexed Property and as are not inconsistent with the general scheme of this Declaration. Each Annexation Declaration shall state that title to the Common Area that is included within the Annexed Property shall be conveyed to the Association no later than the time of the conveyance of the first Lot within the Annexed Property, and any Open Space in the Annexed Property shall be

conveyed in fee simple without any encumbrances except drainage, greenway, utility and conservation easements and this Declaration. Open Space in the Annexed Property is subject to all Code and Declaration provisions relating to Open Space.

Annexation of the Annexed Property shall be effective upon the later of the recording of the Annexation Declaration in the Registry or such later date as specified in the Annexation Declaration, and the Annexed Property described therein shall be subject to all of the provisions of this Declaration to the extent made applicable by the Annexation Declaration, and to the jurisdiction of the Association pursuant to the terms of this Declaration and other Governing Documents of the Association. Each Owner of a Lot in Annexed Property shall be a Member of the Association, and the Annexed Property and each Owner of any portion thereof shall be subject to assessment by the Association in accordance with the terms of this Declaration, the Annexation Declaration, other Governing Documents, and the Code, as applicable. The Association shall have the duties, responsibilities and powers set forth in this Declaration and other Governing Documents with respect to Annexed Property. Except as may otherwise be expressly provided in this Declaration or any Annexation Declaration, the Properties, including the Annexed Property, shall be managed and governed by the Association as an entirety. Assessments for Common Expenses collected from Owners in the Annexed Property may be expended by the Association for Common Expenses anywhere in the Properties without regard to the particular phase, area or subdivision from which such assessments came.

ARTICLE V

PROPERTY DEVELOPMENT REQUIREMENTS AND PROPERTY RIGHTS

Section 1. Property Development Requirements. The property shall be developed in accordance with a plan that complies with the applicable governmental zoning regulations and the Johnston County Subdivision Regulations in effect at the time of initial development of the property and the following items:

Each Owner or builder, by acceptance of a deed conveying title to a Lot for the purpose of constructing a Living Unit thereon, shall be responsible for and agrees to:

(a) lay grass sod on each Lot from the from the front Lot line (edge of the pavement) back to the front corners of the dwelling, and from any side street Lot line (edge of the pavement) back a distance of twenty feet (20'), unless otherwise approved by the Declarant;

(b) Maintain the Lot in a neat and orderly condition by properly disposing of debris and storing building materials;

(c) Install or construct any sidewalk as shown on the Declarant's final development construction plans;

(d) Plant at least two (2) hardwood trees on all Lots, unless otherwise approved by the Declarant; these trees must be planted twenty (20') to thirty (30') feet back of curb on all lots. Trees must be approved by Declarant before being planted;

(e) Maintain any Lot during construction activities until a Certificate of Occupancy has been issued and a Living Unit is made ready for occupancy as a residence; and

Section 2. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of use and enjoyment in and to the Common Areas together with and including the right of access, ingress and egress, both pedestrian and vehicular, on and over the drives, walkways and parking areas of the Common Areas, all of which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

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

(b) the right of the Association to suspend the voting rights and the right to use the recreational or other Common Area facilities, if any, by an Owner for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate, sell, lease or transfer all or any part of the Common Areas, or any interest therein, to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed upon by the members. No such dedication, sale or transfer shall be effective unless it has been approved by two-thirds (2/3) of each class of members as permitted by local government ordinances, and an instrument of dedication, sale, lease, or transfer properly executed by the Association has been recorded. On such instrument the Secretary of the Association shall certify that two-thirds (2/3) of each class of members have approved the dedication, sale, lease or transfer and that certificate may be relied upon by any third party without inquiry and shall be conclusive as to any grantee, its successors or assigns; provided, however, conveyances for general utility purposes, as specified herein, may be made by the Association without consent of the members. Notwithstanding the foregoing, the Association shall have a right to participate in an equal exchange of open space as permitted by local government ordinances;

(d) the right of the Association to limit the number of guests of members;

(e) 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 the Common Areas, and the rights of such mortgage in the Common Areas shall be subordinate to the rights of the members hereunder;

(f) the right of the Association in accordance with its Articles of Incorporation or Bylaws to impose rules and regulations for the use and enjoyment of the Common Areas and improvements thereon, which rules and regulations may further restrict the use of the Common Area;

Section 3. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, his right of use and enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property.

Section 4. Conveyance or Dedication of Common Areas. Common Areas shall either be conveyed to the Association in fee simple without any encumbrances except this Declaration, drainage, greenway, utility and conservation easements of record at the time of conveyance, and the lien of real property taxes not yet due and payable, or conveyed to the County as allowed or required under the Code. Common Areas may be conveyed to the County free of part or all of the provisions of this Declaration, as determined by the Declarant and the County. Title to Common Areas shall be conveyed to the Association or to the County no later than the time of the conveyance of the first Lot within the applicable phase of the Properties. The Association shall accept all Common Areas, including the improvements installed thereon by the Declarant, deeded to it and/or dedicated to it on any recorded plat of the Properties, whether or not the conveyance or dedication occurs prior to the time of the conveyance of the first Lot within the applicable phase of the Properties.

Section 5. Private Utility Lines. Any water or sewer line that serves more than one Lot and which is either located outside of any public street right-of-way or outside of any County utility easement shall be owned and Maintained by the Association as Common Area. In no case shall the County or the State of North Carolina be responsible for Maintaining any such private utility line or be responsible for the consequences for any blockage, backflow, break or leak in said utility line. Such responsibility shall rest with the Association (or applicable Sub-Association) and Owners of Lots within the Properties. Accordingly, the County shall not be responsible for failing to provide regular or emergency utility services to any cluster unit development, unit Ownership (condominium) development, group housing development, townhouse development, or manufactured home park or their occupants when such failure is due to inadequate design or construction, blockage, backflow, leakage, inadequate maintenance, or any other factor within the control of the Declarant, the Association, or the Owners or occupants of the Properties.

The provisions of this Section shall be incorporated into all conveyances of any part or all of the Properties, which incorporation may be by reference to this Declaration. Provided, however, the provisions of this Section and all other provisions of this Declaration are applicable to the portions of the Properties conveyed and the Owners thereof, whether or not any such provisions are incorporated into the conveying documents.

ARTICLE VI

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every record Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to, and may not be separated from, ownership of any Lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members; however, the vote for such Lot shall be exercised as they among themselves determine, or as set forth in the Bylaws, but in no event shall more than one vote be cast with respect to any Lot. Fractional voting is prohibited.

Class B. The Class B member shall be the Declarant and shall be entitled to five (5) votes for each Lot as may be developed within the property under applicable Johnston County Zoning ordinances and regulations, as they may be amended from time to time, if fully developed to maximum density under such ordinance and regulations. The Class B membership shall cease and be converted to Class A membership with one vote for each Lot owned on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in Class A membership exceed the total votes outstanding in Class B membership; but provided, that the Class B membership shall be reinstated if thereafter, and before the time stated in Subparagraph (b) below, such additional lands are annexed to the Property without the assent of Class A members on account of the development of such additional lands by the Declarant, all as provided for in Article V below, or

(b) ten (10) years from the date of conveyance of the first Lot by Declarant.

ARTICLE VII

ARCHITECTURAL CONTROL

Section 1. **Purpose**. The primary purpose of these covenants and restrictions and the foremost consideration in the origin of same has been the creation of a community which is aesthetically pleasing and functionally convenient. The establishment of certain objective standards relating to design, size and location of dwellings and other structures makes it impossible to take full advantage of the individual characteristics of each parcel of Properties and of technological advances and environmental values. In order to implement the purposes of these covenants, the Declarant shall establish and amend from time to time objective standards and guidelines, including, but not limited to, Architectural Standards and Construction Specifications, Uniform Sign Regulations, Uniform Mailbox Regulations, Landscape Guidelines, and Environmental Rules and Regulations as defined hereinafter, and which shall be binding on all Owners within the Properties.

These standards and guidelines shall be administered by the Declarant or its designee(s) until such time as dwellings have been constructed upon all of the Lots and conveyed to Owners other than Builders, or until such time as the Declarant shall delegate such responsibility to an architectural standards committee (hereinafter referred to as the "Architectural Review Board") composed of not less than three (3) Members of the Association.

Section 2. **Controls**.

(a) No building, fence, or other structure shall be erected, placed, or altered, nor shall a building permit application for such improvement be made on any Lot in Properties until the proposed building location, specifications, exterior materials and color or finish, plot plan (showing the proposed location of such building

or structure, drives, and parking areas, exterior shape, size and height) shall have been approved in writing by the Declarant, or by the Architectural Review Board of the Association if such review responsibility has been delegated to the Association by the Declarant. In addition, the Declarant may require prior written approval of a landscape plan. The Declarant further reserves the right to promulgate and amend from time to time architectural standards and construction specifications (hereinafter referred to as the "Architectural Standards and Construction Specifications") for specific neighborhoods and areas or for all Properties within the Properties and such Architectural Standards and Construction Specifications shall establish, define and expressly limit those standards and specifications which will be approved in said neighborhoods and areas or within the Properties, including, but not limited to, architectural style, exterior color or finish, roofing material, siding material, driveway material, landscape design, and construction technique. Refusal or approval of plans, location, exterior color or finish, or specifications may be based by the Declarant upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant shall seem sufficient. No alteration in the exterior appearance of any building or structure, including exterior color or finish, shall be made without like prior written approval by the Declarant. One (1) copy of all plans and related data shall be furnished to the Declarant for its records. In the event approval of such plans is neither granted nor denied within sixty (60) days following receipt by the Declarant of written demand for approval, the provisions of this paragraph shall be thereby waived.

(b) In order to assure that buildings and other structures will be located and staggered so that the maximum view, privacy, sunlight, and breeze will be available to each building or structure within the confines of the Lot, and to assure that structures will be located with regard to the topography of the Properties, taking into consideration the location of large trees and other aesthetic and environmental considerations, the Declarant reserves the right to control absolutely and solely to decide (subject to the provisions of the Land Development Code of Johnston County, North Carolina) the precise site and location of any building or structure on any Lot in the Properties for reasons which may in the sole and uncontrolled discretion and judgment of the Declarant seem sufficient. Such location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site. The provisions of this paragraph shall in no way be construed as a guarantee that the view, privacy, sunlight, or breeze available to a building or structure on a given Lot shall not be affected by the location of a building or structure on any adjacent Lot.

(c) Each Owner shall provide space for the parking of automobiles on his Lot prior to the occupancy of any building or structure constructed on said Lot in accordance with reasonable standards established by the Declarant.

(d) Except as may be required by legal proceedings, no sign shall be erected or maintained on any Lot that anyone including, but not limited to, an Owner, a tenant, a realtor, a contractor, or a subcontractor, until the proposed sign size, color, content, number of signs, and location of sign(s) shall have been approved in writing by the Declarant. Refusal or approval of size, color, content, number of signs, or location of sign(s) may be based by the Declarant upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant seems sufficient. The Declarant further reserves the right to promulgate and amend from time to time uniform sign regulations (the "Uniform Sign Regulations") which shall establish standard design criteria for all signs, including, but not limited to, real estate sales signs, erected upon any Lot in the Properties. The Declarant and its agent shall have the right, whenever there shall have been placed or constructed on any Lot in the Properties any sign which is in violation of these restrictions, to enter immediately upon such Properties where such violation exists and summarily remove the same at the expense of the Owner.

(e) It shall be the responsibility of each Owner, tenant, contractor, or subcontractor to prevent the development of any unclear, unsightly, unkempt, unhealthy, or unsafe conditions of buildings or grounds on any Lot which shall tend to substantially decrease the beauty or safety of the Properties, the neighborhood as a whole, or the specific area. The Declarant and its agents shall have the right to enter upon any Lot for the purpose of correcting such conditions, including, but not limited to, the removal of trash which has collected on the Lot, and the cost of such corrective action shall be paid by the Owner. Such entry shall not be made until thirty (30) days after the Owner of the Lot has been notified in writing of the need to take corrective action and unless such Owner fails to perform the corrective action within said thirty (30) day period; provided, however, that should such conditions pose a health or safety hazard, such entry shall not be made until the Owner has been notified in writing of the need to take immediate corrective action and unless such Owner fails to perform the corrective action immediately. The provisions of this paragraph shall not create any obligation on the part of the Declarant to take any such corrective action.

(f) No mailbox (which term shall be deemed to include the post) shall be erected or maintained on any Lot until the proposed mailbox design, color, and location have been approved in writing by the Declarant or the Architectural Review Board. Refusal or approval of design, color, or location may be based by the Declarant or the Architectural Review Board upon any ground, including purely aesthetic considerations, which in the sole and uncontrolled discretion of the Declarant or Architectural Review Board seems sufficient. No

alteration in the exterior appearance of any mailbox shall be made without like prior written approval by the Declarant or the Architectural Review Board. The Declarant further reserves the right to establish uniform mailbox regulations (the "Uniform Mailbox Regulations") which shall define standard design criteria for all mailboxes erected upon any Lot in the Properties. Once approved, a mail box must be erected on the Lot prior to obtaining a certificate of occupancy for any building or structure on any Lot.

(g) Prior to the occupancy of a building or structure on any Lot, proper and suitable provisions for water shall be made by connection with the water lines of the County or other Governmental Entity.

Section 3. Review Board. The Declarant shall be the sole member of the Architectural Review Board until Living Units have been constructed upon all of the Lots and conveyed to Owners other than builders, or until such time as the Declarant shall resign, whichever shall first occur.

ARTICLE VIII

USE RESTRICTIONS

Section 1. Land Use and Building Type. No Lot shall be used except for single-family residential purposes; provided, however, Declarant may use any Lot owned by Declarant as a temporary sales office and/or model for the purposes of carrying on business related to the development, improvement and sale of property in the Properties. The temporary sales office may be a trailer and shall not be required to have a foundation. No structures shall be erected or allowed to remain on any Lot except one detached single-family dwelling not to exceed two and one-half (2 1/2) stories in height, exclusive of basement, and a private garage for not more than three (3) cars and (with the approval of the Architectural Review Board) any such accessory buildings as may be approved in writing by the Declarant or the Architectural Review Board, as the case may be.

Section 2. Dwelling Specifications. Except with prior written approval of the Declarant or the Architectural Review Board, as the case may be, no dwelling shall be erected or allowed to remain on a Lot in The Woodlands Section and The Heartlands, Section One, of Adams Point Subdivision having an area of the main structure, exclusive of open or screened porches, carports, garages and decks, of less than 2,500 square feet.

Section 3. Nuisance. No noxious or offensive activity shall be conducted upon any Lot nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood including, without limitation, the storing or parking of inoperative motor vehicles or the maintenance of or repair to motor vehicles except within completely enclosed garages constructed in conformity with these covenants and applicable laws and ordinances.

Section 4. Outside Antennas. No outside radio or television antennas or satellite dishes exceeding eighteen (18) inches in diameter and no free standing transmission or receiving towers or satellite dishes or discs shall be erected on the Common Area or on any Lot or dwelling within the Properties

Section 5. Building Setback. Any house, garage or other approved building constructed on any Lot in said subdivision shall be constructed with the setback requirements set forth in the Johnston County Code in effect at the time that said house, garage or other approved building is constructed on a Lot.

Section 6. Mobile Homes, Manufactured Homes, etc. No mobile home, manufactured home, modular home, trailer, or other like structure shall be located or installed on any Lot. As used in this Section 6, mobile home, manufactured home or modular home shall mean a structure, assembled in whole or in part in a location other than on the Lot itself, transportable in one or more sections, any section of which, during transport, is four (4) feet or more in width and ten (10) feet or more in length, which may or may not be built on a permanent chassis and which is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities. Notwithstanding the preceding, a temporary sales trailer without foundation may be used on any Lot during the development and marketing of the Properties.

Section 7. Waiver of Minor Violations. Both the Declarant and the Board of Directors of the Association shall have the right to waive a minor violation of, and allow a minor variance from, the restrictions contained in Sections 2 and 5 of this Article, where the same resulted unintentionally or without gross carelessness on the part of any Owner (including, without limitation, Declarant) and/or is not materially harmful to the Properties. For the purpose of this Section 7, a minor variance shall he deemed to be any variance of ten

percent (10%) or less. If such waiver is granted in writing, then thereafter any matter so waived shall no longer be deemed a violation of these covenants.

Section 8. Parking. No automobile, truck or vehicle of any kind shall be parked on any public street within the subdivision. Neither shall any vehicle of any kind be parked in the portion of the Owner's driveway where it crosses the sidewalk so as to block the sidewalk to pedestrian traffic. No recreational vehicles, trucks, trailers junked, dismantled, wrecked, unregistered or abandoned vehicles may be parked on any Lot without the prior approval of the Declarant or the Architectural Review Board. Any restriction on the right to park vehicles on public streets contained in this Declaration shall only be applicable to the Owners and their family members and tenants.

Section 9. Use of Common Area and Streets. The Association shall promulgate rules and regulations regarding use and enjoyment of the Common Area by all persons. No athletic equipment such as goals, ramps, boards or jumps are permitted to be placed in the public street right of way.

Section 10. Approved Building Materials. Materials approved for the exterior of any building are brick, hardi-plank, fiber cement siding or any other material as may be approved in writing by the Declarant or the Architectural Review Board, as the case may be. Vinyl siding is not allowed, except that trim accessories may be vinyl.

Section 11. Swimming Pools. All swimming pools must be located in the rear yards of any Living Unit. No above-ground pools shall be erected, constructed or installed on any Lot.

Section 12. Fences. All fences must have the written approval of the Declarant or the Architectural Review Board and must be installed and maintained at all times in a structurally sound and attractive manner. Materials approved for fences are wrought iron, aluminum, vinyl or any other material as may be approved in writing by the Declarant or the Architectural Review Board, as the case may be .Fence shall not exceed five feet in height. No fence of any kind shall be located closer to the front Lot line than the rear of the dwelling. Wood, wire, chain link or concrete fences are not permitted. In addition, any fencing erected for use as a dog or animal pen shall be located behind the dwelling located on the Lot and shall be located at least twenty (20) feet from the rear property line and least twenty (20) feet from either side property line.

Section 13. Accessory Buildings. No accessory building of any nature whatsoever (including, but not limited to, detached garages, storage buildings, dog houses, and green houses) shall be placed on any Lot without the prior written approval of the Declarant or the Architectural Review Board, either of which shall have sole discretion relating to the location and type of accessory building which shall be permitted on any Lot. Accessory buildings shall have an exterior finish of brick, stone, hardi-plank, fiber cement siding or any other material as may be approved in writing by the Declarant or the Architectural Review Board, as the case may be. Vinyl siding is not allowed, except that trim accessories may be vinyl.

Section 14. Animals. No animal, livestock or poultry of any kind shall be raised, bred, kept or allowed to remain on any Lot other than the usual and common household pets with the following exceptions: (1) no more than two (2) dogs may be kept on any Lot; (2) no pets shall be kept, bred, or maintained for any commercial purposes; (3) household pets must be kept and contained on an Owner's property within an approved fence enclosure; (4) no animals shall be kept, chained or tied to a stake of any kind; (5) no "runs" shall be erected or permitted on the Properties; (6) no person shall keep, permit and/or cause the keeping of any animal otherwise allowed which habitually or frequently makes such sounds, cries or other utterances as may disturb the quiet, comfort or repose of any person with the Properties; (7) any pet that is not on the Owner's premises shall be on a leash and accompanied by a responsible person who is required to clean up pet droppings; and (8) no pit bulls, rotweillers, or other breeds commonly known to have vicious propensities shall be allowed. The determination as to whether a pet constitutes a nuisance or danger to Owners or the Association shall be in the sole discretion of the Board.

Section 15. Drives and Walks. All drives and walks must be paved with concrete, stone and concrete mixture, brick pavers or such other material as may be approved in writing by the Declarant or the Architectural Review Board, as the case may be.

Section 16. Golf Carts and All-Terrain Vehicles. Golf carts licensed for public highway use may be operated within the subdivision by persons having a valid driver license. No all-terrain vehicles, dirt bikes or go-carts will be permitted to operate on any street or Lot within the subdivision.

Section 18. Impervious Area. "Impervious Area" is defined as garages, approved buildings, and paved or concrete driveways, walkways and patios. Stormwater infiltrator systems must be installed on all Lots

in which the total impervious area exceeds 2,272 square feet per lot. The stormwater runoff from the total impervious area exceeding the above limits must be captured/treated with an infiltrator system. If an infiltrator system is required, the Owner is responsible for long-term maintenance of the system, including cleaning gutter guards and replacement of no. 57 washed stone.

Section 19. Maintenance. Subject to any other applicable terms of this Declaration, the Owner of any Lot or Living Unit, at such Owner's sole cost and expense, shall Maintain its Lot, including improvements thereon, in a safe, clean and attractive condition at all times, including but not limited to the following:

(a) Prompt removal of all litter, trash, refuse and wastes;
(b) Lawn maintenance on a regular basis, including Landscape Easements, Sign Easements and Landscaped Rights-of-Way if requested by the Association or according to the terms of any recorded easement agreements;
(c) Tree and shrub pruning and removal of dead or diseased trees, shrubs and other plant material;
(d) Maintenance of flower and plant gardens, including Rain Gardens, which will be planted with natural grasses and plants and will require weeding during the growing season. The Rain Garden shall not be filled in or re-sculpted, and in the Spring, dead plant debris shall be removed and shrubs shall be pruned as necessary;
(e) Maintenance of exterior lighting and mechanical facilities;
(f) Maintenance of parking areas and driveways;
(g) Maintenance of all Improvements thereon, including gutters and downspouts, which shall be kept clean and free of debris and shall not be disconnected from the corrugated pipe that directs rainwater into the Rain Garden;
(h) Maintaining adequate soil erosion controls;
(i) Maintenance of storm water drainage easements and portions of the Properties served by storm water drainage easements, as required by this Declaration; and
(j) To the extent not adequately Maintained by the applicable Governmental Entity, the Association or a public utility provider, Maintenance of the sidewalk, driveway, driveway apron and utility laterals serving each Owner's Lot, even if located in the Common Area, including providing snow and ice removal for any sidewalks located adjacent to the Owner's Lot.

Each Owner shall perform the foregoing responsibilities in a manner that does not reasonably disturb or interfere with the reasonable enjoyment by the other Owners of their property.

If any Owner fails to perform any of the foregoing Maintenance responsibilities, then the Association may give such Owner written notice of the failure and such Owner must, within ten (10) days after such notice is given by the Association, perform the required Maintenance. If any such Owner fails to perform the required Maintenance within the allotted time period, then the Association, acting through its authorized agent or agents, shall have the right and power, but not the obligation, to enter such Owner's Lot and perform such Maintenance without any liability to any Person for damages for wrongful entry or trespass. Such Owner shall be liable to the Association for the expenses incurred by the Association in performing the required Maintenance, and shall reimburse the Association for such expenses within thirty (30) days after the Association mails or delivers to such Owner an invoice therefore. If the Owner fails to reimburse the Association as required, the Association shall have the same rights and remedies for collection of the amount as provided in Article II, Section 4 hereinabove.

ARTICLE IX

EASEMENTS

Section 1. Utility Easements. All of the Property, including Lots and the Common Areas, shall be subject to such easements for driveways, walkways, parking areas, water lines, sanitary sewers, storm drainage, gas lines, telephone and electric power line and other public utilities as shall be established by the Declarant or by his predecessors in title, prior to the subjecting of the Properties to this Declaration; and the Association shall have the power and authority to grant and establish upon, over, under and across the Common Areas conveyed to it, such other and further easements as are requisite for the convenient use and enjoyment of the Properties without approval of the membership as provided in the Articles of Incorporation and this Declaration.

Section 2. Easement for the Benefit of Governmental Entities. An easement is hereby established for the benefit of any Governmental Entity having jurisdiction over the Properties, or other governmental agency, overall Common Areas for the setting, removing and reading of water meters (which shall be separate for each Lot), maintaining and replacing water, sewage and drainage facilities, for police protection, fire fighting and garbage collection, postal services, and the rendering of such other services as are appropriate and

necessary for the use and enjoyment of the Property. In no case shall the Governmental Entity or other responsible agency, be responsible for failing to provide any emergency or regular fire, police, or other public service to the Properties or to any of its occupants when such failure is due to the lack of access to such area due to inadequate design or construction, blocking of access routes, or any other factor within the control of the Declarant, the Association, the Owners or occupants. All conveyances of any portion of the Properties shall be subject to these limitations on the Governmental Entity's responsibilities.

Section 3. Easements Shown on Recorded Maps. There are hereby reserved easements as shown on the recorded map or maps of the subdivision, including, but not limited to the following: (1) 10' wide drainage and utility easements (10' each side) along all interior Lot lines; (2) 10' wide drainage and utility easements along all exterior boundary lines; and (3) 15' wide grading, slope, drainage and utility easements along the Lot side of and adjacent to all street rights-of-way. In the event of a conflict in the width of any easement reserved herein or on the recorded map, the wider easement shall prevail.

Furthermore, in and addition to the foregoing reserved specific easements, the Declarant so long as it controls the Association, and thereafter the Association, may cut and create drains and drainways both above ground and underground for the purpose of facilitating the removal of surface water whenever such action may appear to be necessary in order to maintain reasonable standards of health, safety and appearance along, over or across any Lot.

These reservations of easements expressly include the right to cut any trees, bushes, shrubs or growth, the grading, cutting or ditching of the soil any other action necessary to complete installation.

Section 4. Easement for Benefit of Utility Company. The Declarant reserves the right to subject the Property, including the Common Areas, to a contract with Progress Energy for the installation of underground electric lines, cables and connector posts or for the installation of street lighting, either or both of which, may require an initial payment or a continuing monthly payment to the utility by the owner of each Lot.

Section 5. Easements for Repairs. Each Lot owner shall have a perpetual access easement over an adjoining Lot and Common Areas to the extent reasonably necessary to perform repair, maintenance, or reconstruction of his dwelling. No fence, wall, outbuilding, storage shed or similar structure, or any other kind of obstruction shall be installed or maintained within the easement area which will obstruct access to the residential unit. Such repair, maintenance, or reconstruction shall be done expeditiously, and, upon completion of the work, the owner shall restore the adjoining Lot and Common Areas to as near the same condition as that which prevailed prior to the commencement of the work as is reasonably practicable.

Section 6. Priority of Easements. Each of the easements hereinabove referred to shall be deemed to be established upon the recordation of this Declaration and shall henceforth be deemed to be covenants running with the land for the use and benefit of the Lots, and the Common Areas, as the case may be, superior to all other encumbrances which may hereafter be applied against or in favor of the Property or any portion thereof.

Section 7. Declarant Easement. If any encroachment shall occur subsequent to subjecting the Properties to this Declaration, there is hereby created and shall be a valid easement for such encroachment and for the maintenance of the same. Every Lot shall be subject to an easement for entry and encroachment by the Declarant for a period not to exceed eighteen (18) months following conveyance of a Lot to an Owner for the purpose of correcting any problems that may arise regarding utilities, 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.

Section 8. Emergencies. Every Lot 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 and endangers any building or portion of the Common Areas.

Section 9. Easement for Entrance Signs and Landscaping. An easement is reserved on Lot 1 as shown on the above referenced to recorded map for the purpose of locating thereon entrance signs and landscaping and lighting surrounding same for the entrances to the subdivision. Included in the rights reserved is the right to go on the easement area and to plant and maintain plants, shrubs, and trees and to maintain, repair, and replace any signs or lighting or portions thereof located on said Lot. The rights retained hereunder by Declarant shall be for the benefit of the Declarant, and for any person, firm, or corporation which shall hereafter own any Lot in the subdivision.

Section 10. Landscape Easements. The Association shall be responsible for Maintaining and replanting any shrub, tree, or groundcover located within any area designated on a recorded map of the Properties as a landscape easement, open space, berm, buffer, or similar designation. Association expenses for Maintaining a landscape easement or similar designation are Common Expenses. Whenever a slope easement co-exists, in whole or in part, within a designated landscape easement, and any future public improvement adjacent to the slope easement removes or causes any of the shrubs or trees within the slope easement to die or become unhealthy, it shall be the responsibility of the Association to replace the shrubs and trees in accordance with the minimum applicable quantity, size and spacing requirements of the Code within one-hundred and eighty days of completion of the public improvement. Within any area designated on recorded maps of the Properties as a landscape easement or similar designation, no vegetation shall be removed without the prior written consent of the Association. Notwithstanding the foregoing, no Governmental Entity shall be required to obtain the consent of the Association when working within slope easements, greenway easements or construction easements.

Section 11. Sight Triangles. No sight obstructing or partially obstructing wall, fence, foliage, berm, parked vehicle or sign between two feet and eight feet tall, as measured above the curb line elevation or the nearest traveled way if no curb exists, shall be placed within any area designated on a recorded map of the Properties as a sight triangle or other similar designation. An easement over sight triangles is reserved for the benefit of the Declarant, the Association, and the County, and their respective agents and contractors for the purpose of removing any such obstruction, and a Person entering onto a Lot pursuant to such easement for the purpose of removing such obstruction shall not be deemed a trespasser and shall not be liable for damages to the Association or the Owner of the Lot with respect to the obstruction removed from the sight triangle. It shall be the responsibility of the Association (as to Common Area) or Owner of the Lot, as soon as reasonably practicable following removal of any obstruction from the sight triangle, to restore the portion of the Properties previously occupied by the removed obstruction to the condition required or permitted by the Code and the Governing Documents.

ARTICLE X

INSURANCE

Section 1. Insurance. Commencing not later than the time of the first conveyance of a Lot to a Person other than the Declarant, the Association shall procure and Maintain (i) hazard insurance on the Common Area, insuring against all risk of loss commonly insured against, including fire and extended coverage of peril, and (ii) liability insurance, in an amount of not less than one million dollars ($1,000,000.00), covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use ownership or Maintenance of Common Area. The Association shall obtain and Maintain such other insurance as required in this Declaration or such other forms of insurance, and in such coverage amounts, as determined by the Board to be required or beneficial for the protection or preservation of the Common Area and other property of the Association or otherwise is in the best interests of the Association. The premiums for such insurance shall be a Common Expense paid from the annual assessments as established pursuant to this Declaration.

Section 2. Insurance to be Maintained by the Owners. Every Owner shall maintain in full force and effect at all times fire and hazard insurance in an amount equal to the full insurable value of his Living Unit except that the amount shall not be required to exceed the replacement cost of the Living Unit. An Owner shall exhibit to the Board, upon request, evidence that such insurance is in effect. If any Owner shall fail to maintain such insurance, the Board is authorized to obtain such insurance in the name of the Owner from an insurer selected by the Board, and the cost of such insurance shall be included in the annual assessment of the Owner and shall constitute a lien against his Lot until paid as a result of enforcement by the Association or otherwise.

ARTICLE XI

RIGHTS OF INSTITUTIONAL LENDERS

Section 1. Rights Reserved to Institutional Lenders. "Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, savings banks, insurance companies, Veterans Administration, Federal Housing Administration, Federal National Mortgage Association and other reputable mortgage lenders and guarantors and insurers of first mortgages. So long as any Institutional Lender or Institutional Lenders shall hold any mortgage upon any Lot, or shall be the Owner of any Lot, such Institutional Lender or Institutional Lenders shall have the following rights:

(a) To be furnished with at least one copy of the Annual Financial Statement and Report of the Association, including a detailed statement of annual carrying charges or income collected and operating expenses, such Financial Statement and Report to be furnished by April 15 of each calendar year.

(b) To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed Amendment to the Declaration, or the Articles of Incorporation and Bylaws of the Association, which notice shall state the nature of the amendment being proposed, and to be given permission to designate a representative to attend all such meetings.

(c) To be given notice of default in the payment of assessments by any Owner of a Lot encumbered by a mortgage held by the Institutional Lender or Institutional Lenders, such notice to be given in writing and to be sent to the principal office of such Institutional Lender or Institutional Lenders, or to the place for which it or they may designate in writing to the Association.

(d) To inspect the books and records of the Association and the Declaration, Bylaws and any Rules and Regulations during normal business hours, and to obtain copies thereof.

(e) To be given notice by the Association of any substantial damage to any part of the Common Areas.

(f) To be given notice by the Association if any portion of the Common Areas, is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

Whenever any Institutional Lender, guarantor or insurer desires the benefits of the provisions of this section requiring notice to be given or to be furnished a financial statement, such Lender shall serve written notice of such fact upon the Association by Registered Mail or Certified Mail addressed to the Association and sent to its address stated herein, or to the address of the Property, identifying the Lot upon which any such Institutional Lender or Institutional Lenders hold any mortgage or mortgages, or identifying any Lot owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such Institutional Lender.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Applicability. The Properties, this Declaration and the other Governing Documents are subject to the ordinances, regulations, and rules of the County, and shall be construed in accordance with all of the applicable provisions of the Code, whether or not such Code provisions are specifically referenced in this Declaration. There may be certain provisions of the Code that apply to all of the Properties and certain provisions of the Code that apply only to certain portions of the Properties (for example, provisions of the Code relating to private streets apply only to those portions of the Properties that contain private streets). It shall be the responsibility of the Association and each Owner of each portion of the Properties to comply with all provisions of the Code applicable to such portion of the Properties, whether or not any approval, disapproval, waiver or variance of the terms of this Declaration with respect to such portion of the Properties has been given by the Declarant or its authorized agent, the Board, any committee of the Board, or any other Person who has the authority to give such approval, disapproval, waiver or variance.

Section 2. Conflicts.

(a) Some or all of the Properties may be subject to the provisions of the Act. To the extent that Properties are subject to the Act, the provisions of the Act control over any inconsistent provisions of this Declaration, any Annexation Declaration or any other Governing Documents.

(b) The provisions of the Code control over any inconsistent provisions of this Declaration, any Annexation Declaration or any other Governing Documents. As applicable provisions of the Code are amended, modified, revised, deleted, or moved to different sections, this Declaration and all Annexation Declarations are deemed to be revised so as to conform to the provisions of the Code as they exist from time to time and are applicable to the Properties or any part thereof. Provided, however, any provision of this Declaration or any Annexation Declaration that is more restrictive than an applicable provision of the Code (for example, a building setback distance required by this Declaration or an Annexation Declaration that is greater than that required by the Code) is not an inconsistent provision of this Declaration unless the Code specifically provides otherwise, and is not deemed revised to conform to the Code.

(c) The provisions of this Article control over any inconsistent provisions of any other portion of this Declaration, any Annexation Declaration or any other Governing Documents.

(d) The provisions of this Declaration control over any inconsistent provisions of any other Governing Documents, except as to matters of compliance with the North Carolina Nonprofit Corporation Act, in which event the Articles shall control.

Section 3. Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the By-Laws, the Association rules, or the Articles through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Section 4. Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of the Members representing 75% of the total Class "A" votes in the Association. This section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article II; (c) proceedings involving challenges to ad valorem taxation; (d) counter-claims brought by the Association in proceedings instituted against it, or (e) actions by the Association against any contractor, vendor, or supplier of goods and services arising out of a contract for services or supplies. This section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Section 5. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 6. Duration of Declaration. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 7. Amendment of Declaration. This Declaration may be amended by Declarant, with no other consent, until such time as Declarant no longer owns at least one Lot within the subdivision. After Declarant has sold his last Lot, this Declaration may only be amended by a sixty-seven percent (67%) vote of the Lot owners. Amendments to this Declaration are valid from the later of the time of recording in the Registry or such later date specified in the amendment. When County approval of an amendment is required by the Code or by a provision of this Declaration (including this Article), County approval shall be evidenced by the signature of the County Attorney or his/her Deputy on the recorded original or copy of the amendment. Any amendment of this Article or any other provision of this Declaration that requires County approval is void *ab initio* if recorded without the required County signature.

Section 8. Amendments Permitted Without Membership Approval. The following amendments may be effected by the Declarant, or the Board, as the case may be, without consent of the members:

(a) Amendments, if necessary for the exercise of any development right, including, but not limited to, amendments to qualify the Association or the property, or any portion thereof, for tax exempt status, or to reflect any plat change to the property as permitted herein.

(b) Amendments to correct any obvious error or inconsistency in drafting, typing or reproduction.

(c) Amendments to conform to the requirements of any law or Governmental Entity having legal jurisdiction over the Properties or to qualify the Properties or any Lots and improvements thereon for mortgage or improvement loans made, insured or guaranteed by a governmental agency or to comply with the requirements of law or regulations of any corporation or agency belonging to, sponsored by, or under the substantial control of, the United States Government or the State of North Carolina, regarding purchase or sale in such Lots and improvements, or mortgage interests therein, as well as any other law or regulation relating to the control of Properties, including, without limitation, ecological controls, construction standards, aesthetics, and matters affecting the public health, safety and general welfare. A letter from an official of any such corporation or agency, including, without limitation, the Veterans Administration, U.S. Department of Housing and Urban Development, the Federal Home Loan Mortgage Corporation, Government National Mortgage Corporation, or the Federal National Mortgage Association, requesting or suggesting an amendment necessary to comply with the requirements of such corporation or agency shall be sufficient evidence of the approval of such corporation or agency, provided that the changes made substantially conform to such request or suggestion.

Section 9. Indemnification. No immunity, exculpation or indemnification provision of this Declaration shall relieve one or more Owners from its liabilities as an Owner under this Declaration and other Governing Documents

Section 10. Recordation. No amendment shall be effective until recorded in the County in which the Property is situated.

IN WITNESS WHEREOF, the undersigned Declarant has hereunto set its hand and seal, this 10 day of October, 2006.

DECLARANT:

Son-Lan Development Co., Inc., a North Carolina corporation

By: _____
Name: Lanny K. Clifton
Title: President

STATE OF NORTH CAROLINA

JOHNSTON COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated:

Lanny K. Clifton
name(s) of principal(s).

Date: 10/10/06

_____
Official Signature of Notary

Gaye B. Pate
Notary's printed or typed name, Notary Public

My commission expires: 06/16/09

(Official Seal)

GAYE B. PATE NOTARY PUBLIC JOHNSTON COUNTY, NC

EXHIBIT A

Legal Description of The Woodlands and The Heartlands, Section One, of Adams Point

TRACT ONE:

BEING all of that tract or parcel of land (excluding any areas designated "Reserved for Future Dev.," "Permanent Open Space to Be Retained by Owner," or any similar designation) as shown on plat of survey entitled "Subdivision Plat of The Woodlands At Adams Point For Son-Lan Development" dated September 12, 2006, prepared by True Line Surveying, P.C., and recorded in Plat Book 69, Pages 54-58, Johnston County Registry.

TRACT TWO:

BEING all of that tract or parcel of land (excluding any areas designated "Reserved for Future Dev.," "Permanent Open Space to Be Retained by Owner," or any similar designation) as shown on plat of survey entitled "Subdivision Plat of The Heartlands At Adams Point, Section One, For Son-Lan Development" dated September 12, 2006, prepared by True Line Surveying, P.C., and recorded in Plat Book 69, Pages 60-64, Johnston County Registry.