

NORTH CAROLINA

CHEROKEE COUNTY

RESTRICTIVE COVENANTS AND CONDITIONS AFFECTING PROPERTY OF
PANICO'S, INC., A NORTH CAROLINA CORPORATION

WHEREAS, PANICO'S, INC. is the owner of the following described tract of land located in Murphy Township, Cherokee County, North Carolina, along the Hiawassee River and being more particularly described as follows:

Being and comprehending all and the same lands described in and conveyed by Deed from Helen Wells Smith to Panico's Inc., a North Carolina Corporation, dated the 24 day of November, 1986, as recorded in Deed Book 532 page 75, Cherokee County, North Carolina Registry, and also being the same lands as shown on a plat of survey by L. B. Adams, R.L.S., as shown on a plat of survey of said lands recorded in Plat Cabinet A, Slide 82, as dated March 20, 1987

Reference is hereby made to the foregoing Deed and plat of survey for a more certain and complete description of the said lands covered by these Covenants and Restrictions; and

WHEREAS, the owner has divided or will divide said tract of land into residential lots, and titled RIVER RIDGE.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that PANICO'S, INC. in consideration of the benefits accruing to it and of the obligation imposed upon and assumed by each and every person, firm or corporation accepting a Deed of conveyance to any of the lots of RIVER RIDGE hereby restricts each and every residential lot thereof as shown on the plats of survey already on record as hereinabove referred or to be recorded in the future, in the manner hereinafter particularly set forth.

COVENANTS, CONDITIONS, RESTRICTIONS

AND AFFIRMATIVE OBLIGATIONS

The parcels of land above described are and shall be subject to certain covenants, conditions, restrictions, affirmative obligations and limitations, which shall constitute covenants running with the land, as follows:

1. The land shall be described by lot (parcel) and section in the instruments of conveyance and may also be described therein by reference to the appropriate parcel number as the same appears on a map designated RIVER RIDGE, prepared and placed on record in the office of the Register of Deeds for Cherokee County, North Carolina.

2. The lots in said subdivision shall be used for residential purposes only and no more than one dwelling house, which shall be a single family dwelling house, may be erected thereon. No dwelling shall be erected or maintained thereon containing less than nine hundred (900) square feet of living floor space on the main floor, exclusive of porches, breezeways, carports, garages and basements.

3. No temporary dwelling, outbuildings or other structure shall be permitted and no dwelling shall be occupied until the outside of said dwelling and all outbuildings and structures have been completed. The outside of all buildings and structures shall be completed within one year from the starting date of construction.

4. No house trailers, motor homes, mobile homes, preconstructed modular houses, tents, trucks or commercial vehicles shall be used as a permanent residence on any parcel. Provided, however, that the temporary accommodations may be used during the erection of a permanent residence for a period of time not to exceed one (1) year from the starting date of construction, but only so long as construction is proceeding with all due diligence.

5. All dwellings shall be neat in appearance and no dwelling shall be constructed that may be considered by the Developer to be detrimental to the development.

6. No dwelling or any part thereof shall be placed or erected within ten (10) feet of any side lot line or any road right-of-way line. In the case of corner parcels the setback from the side streets line shall not be less than fifteen (15) feet. These provisions shall not apply to the common parcel line between two lots where one dwelling is erected partially on the two lots and across such common lot line.

7. Nothing shall be done on the premises which may be or may become an annoyance or nuisance to the neighborhood. No noxious or offensive activity shall be carried on upon any lot.

8. No animals, livestock or poultry of any kind shall be raised, bred or kept on the premises, except that dogs, cats and other household pets may be kept, provided that they are not kept, bred or maintained for commercial purposes. Owners are charged with the responsibility of controlling their pets at all times. Provided further, however, that horses may be kept on a lot having a minimum size of 2½ acres, provided that they are properly fenced.

Provided further that the Developer reserves the right to keep livestock on the "undeveloped" portion of the subject property, until such time as it is divided into residential lots and conveyed as such.

9. The Developer reserves an easement for installation and maintenance of sewer, water, electric and telephone lines, and other utility lines and facilities, on, in or over 10 feet along the rear of each lot and 5 feet along each side of each lot, for the use and benefit of the developer and River Ridge Property Owners Association, their successors and assigns.

10. The Developer, or River Ridge Property Owners Association, reserves the right to mow or clean any weeds, grass or any unsightly debris from any lot that the Developer or Association deems to be a health or fire hazard; provided, however, that Developer shall first give written notice to the lot owner, 45 days prior thereto to allow the owner to remedy the problem. The owner of said lot shall be liable for such costs.

11. All dwellings shall be equipped with septic tank and drain fields that conform to the sanitation and health laws of Cherokee County and State of North Carolina. No outdoor toilets shall be erected or maintained on the premises. The affluent from such septic tank or sewage disposal shall not be permitted to discharge into a stream, storm, sewer, open ditch or drain unless first it has been passed through an absorption field approved by the public authorities.

12. Road and street easements as shown on the plat of the property, to which these restrictions apply, are reserved to the Developer, its successor and assigns, and the public for free ingress and egress to and from said property. Neither the Developer nor River Ridge Property Owners Association, nor the successors and assigns of either accept any responsibility for maintaining existing roadways, utilities, water system or common areas within the River Ridge Subdivision or the premises herein described and restricted.

13. No lot shall be used or maintained as a dumping ground for trash or rubbish. No garbage or other waste shall be kept on any parcel except in sanitary containers. Each lot owner shall provide proper receptacles for garbage in a screened area not generally visible from the road, or provide underground garbage receptacles or a similar facility, in compliance with all sanitation and health laws. No trash or rubbish of any kind or any discharge from a septic system or other waste water shall be dumped in any stream, lake or pond within River Ridge.

14. No incinerators shall be permitted on any lot.

15. The cutting or removal of established trees is prohibited excepting these necessary to permit construction of the dwelling, building or roadways, and installation and maintenance of utilities. Any additional clearing or cutting of trees shall require the written approval of River Ridge Property Owners Association.

16. The Developer reserves the right to locate and install drains where necessary and to cause or permit drainage of surface waters over and/or through any lot.

17. All driveways and driveway pipe shall be approved by the Developer or River Ridge Property Owners Association, i.e. (1) 12" culvert in ditchline breached by driveway, (2) adequate ditchline on driveway to drain into existing road ditch lines.

18. No road ditches may be filled or stopped up at any time and the right is reserved for the storm drainage water from roads, streets and parcels to run over or across lot as it now runs as the natural flow.

19. No lot, as originally surveyed and platted, shall be re-subdivided, into a lot smaller than 1 acre in size. Two or more lots may be combined as one lot, in which event the restriction imposed by paragraph 6 above, pertaining to side lines shall be construed as pertaining to the outer lines of said two or more lots as combined.

20. Each lot owner shall pay to, Developer, or its successors or assigns, an annual fee which shall be applied by Developer toward the maintenance of roads, common recreational or other facilities in said Subdivision. The amount of said fee shall be determined from time to time by the Developer, its successors or assigns; provided, however, that the annual fee for each unimproved vacant parcel shall be one fourth ($\frac{1}{4}$) if the amount of the annual fee for each improved parcel (after complete construction of a house thereon). The amount of the initial annual fee shall be \$40.00 for each unimproved lot and \$160.00 for each improved lot. Said annual fee may be increased or decreased from time to time as determined by the Developer or its successors and assigns. Said annual fee shall be due on the 1st day of January of each year, in advance. The annual fee for the initial year of acquisition of a lot shall be prorated, based upon the number of weeks remaining in said initial year. Developer shall have the right to transfer and assign said annual fees and the right to collect same, to another party, as successor, or to the River Ridge Property Owners Association.

21. Each lot within the subdivision shall be subject to a lien in favor of the Developer and River Ridge Property Owners Association for the annual assessments set forth herein. Each assessment, together with such interest thereon as hereinafter provided, shall be a permanent and continuing lien upon the lot against which it relates, and shall also be the joint and several personal obligation of each property owner of such parcel at the time the assessment fell due, and each such property owner by acquiring or holding an interest in any lot shall thereby covenant to pay such amount as when the same shall become due.

If an assessment is not paid on the date when due, as hereinabove provided, such assessment shall bear interest from the date of delinquency at the rate of 18% per annum, and the Developer and/or River Ridge Property Owners Association may bring legal action against the property owner, personally obligated to pay the same, or foreclose its lien against the lot to which it relates, or pursue either such course at the same time or successively. Each property owner, by his acceptance of a deed or other conveyance to a lot, vests in the Developer and/or River Ridge Property Owners Association the right and power to bring all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien on any appropriate proceeding in law or in equity. Developer and/or River Ridge Property Owners Association shall have the power to bid on the lot at any foreclosure sale and to acquire, hold, lease, mortgage or convey the same. No property owner may be relieved from any liability for the assessments provided for herein by non-use of the lot or common areas or otherwise.

Provided, however, that the lien for the annual assessments authorized herein with respect to any lot is hereby made subordinate to the lien of any mortgage or its assigns placed upon such lot if, but only if, all such assessments with respect to such lot have a due date on or prior to the date such mortgage is filed for record have been paid.

22. Each lot owner shall have perpetual right and easement to use any and all subdivision roads and common recreational facilities and other common areas, as shown on the plats of the subdivision, in common with all other lot owners and their guests and invitees.

23. These covenants, conditions, restrictions, limitations and affirmative obligations are intended to and shall run with the lots by whomsoever owned and shall be binding on all parties who acquire a lot and all persons claiming under them for a period of twenty (20) years from and after the date of the recording of these

covenants, at which time (the end of twenty years) said covenants and restrictions shall be automatically extended for a successive period of ten (10) years unless by a vote of the majority of the then owners of the lot in such subdivision, and the owner of the remaining land. This does not prevent the owners of the lot and the owner of the remaining land from changing or revising the above listed restrictions or covenants by a majority vote of said lot owners, provided, however, that there shall be no change or revision thereof for a period of five (5) years from the date of these restrictions or covenants.

24. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages. Either the present owner, or any successor in title to the present owner, of any of the property affected hereby may institute such proceedings, jointly or severally. Without detracting from the foregoing, but in addition thereto, the Developer shall have the right whenever there shall have been built on any lot in the development any structure which is in such violation exists and summarily abate or remove the same at the expense of the owner and such entry and abatement or removal shall not be deemed a trespass. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach or as to a breach occurring prior or subsequent thereto and shall not bar or affect any of the other restrictions, but they shall remain in full force and effect.

25. Developer may assign any and all its rights, powers, obligations and privileges under this instrument to any other corporation, association or person.

26. The word "Developer" where used in this instrument shall mean PANICO'S, INC., its successors or assigns, and the "Owner or Owners" shall mean any person or concern owning a parcel in River Ridge, including the Developer, its successors or assigns.

27. Invalidation of any one of these covenants, conditions, or restrictions by a judgement or order of a court of competent jurisdiction shall in nowise affect the validity of any of the other provisions, which shall remain in full force and effect.

The foregoing covenants, conditions, restrictions, and affirmative obligations were designed and placed upon the lots referred to herein for the mutual benefit of the respective owners of said lots and for the purpose of the betterment of said lots and lands involved.

This instrument shall be recorded in the Public Lands Records of Cherokee

County, North Carolina, and may be referred to in subsequent deeds of conveyance of said lots, and these covenants shall thereby become a part of such Deed as if fully copied therein.

IN WITNESS WHEREOF, PANICO'S INC., has caused these presents to be executed in its corporate name and its corporate seal to be hereunto affixed by its President, duly attested by its Secretary, by authority of its Board of Directors, on this the 4 day of December, 1986.

(Corporate Seal) *Corp. Seal*

PANICO'S INC.
By: James Panico
President

ATTEST:
Joan Panico
Secretary

STATE OF NORTH CAROLINA
COUNTY OF CHEROKEE

I, Janie Johnson (Strahan), a Notary Public of said State and County, certify that Joan Panico personally came before me this day and acknowledged that she is Secretary of PANICO'S INC., a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal, and attested by her self as its Secretary.

WITNESS my hand and Notarial Seal, this 4 day of December, 1986.

Janie Johnson (Strahan)
Notary Public

My commission expires: 06/29/88

FILED FOR REGISTRATION ON DEED
9 DAY OF December 1986
8:30 O'CLOCK A.M. AND REGISTERED
IN THE OFFICE OF THE REGISTER OF DEEDS
FOR CHEROKEE COUNTY IN DEED NO. 532

STATE OF NORTH CAROLINA
COUNTY OF CHEROKEE

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DATE OF December 86
Paul Sharp, Dep.
AP Seal

Each of the foregoing certificates, namely of Janie Johnson (Strahan) a Notary or Notaries Public of the State and County designated, each duly attested by Notarial Seal, is certified to be correct.

This 9 day of December, 1986

Paul Sharp, Dep.
Register of Deeds, Cherokee County, NC

SUBDIVISION STREETS DISCLOSURE STATEMENT FOR

RIVER RIDGE

TO: _____

Purchase of Lot _____

Notice is hereby given that the roads, streets or drives as set out in plats of River Ridge by Donald L. Cordell, R.L.S., dated March 20, 1987, and recorded in Plat Cabinet A, Slide 82 is being developed by Panico's, Inc. and is owned by same, which said roads, streets or drives as shown on the above-referenced plat of survey have been constructed by the owner, developer and seller and will be maintained by each property owner in said subdivision. The roads and streets as shown on the plat of survey shall be forty (40) feet wide and be private roads, streets or drives for the use of the lot owners in the subdivision. Notice is given that this private road, street or drive will not be constructed to minimum standards sufficient to allow its inclusion on the State Highway System for maintenance and will, therefore, not be maintained by the State Highway System of North Carolina.

This the 4th day of December, 1987.

PANICO'S, INC.

By: James Panico (SEAL)

(SEAL)

This is to acknowledge receipt of the above Disclosure Statement, this _____ day of _____, 19 .

Purchaser

Purchaser