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207.

STATE OF NORTH CAROLINA
COUNTY OF TRANSYLVANIA

241 -
RESTRICTIVE COVENANTS
AND
ROAD MAINTENANCE AGREEMENT

THESE RESTRICTIVE COVENANTS AND ROAD MAINTENANCE AGREEMENT, made and entered into this 16th day of May, 1980, by and between LINE RUNNER RIDGE ASSOCIATES, a partnership and future property owners who purchase property from said partnership from a 472-acre tract, formerly owned by Middlefork Corporation; this agreement and restrictions only applies to a particular tract if this document is referenced in the deed conveying the property from the partnership to the property owner;

W I T N E S S E T H:

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THAT WHEREAS, Line Runner Ridge Associates, a partnership, has purchased a certain tract or parcel of land located in Eastatooe Township, Transylvania County, North Carolina, consisting of 472 acres, more or less, that in that certain deed, found at Deed Book 241, at Page 599, in the Transylvania County Registry, there are certain duties, rights and responsibilities outlined in regard to road rights of way; that, in addition, as the 472 acres is subdivided, it is the desire of said partnership to restrict said property and provide for a system of road maintenance for the lake and the private roads that provide ingress and egress to the several parcels to be sold;

AND, WHEREAS, the said partnership further desires to assess the property owners, including themselves, for road, lake and dam maintenance henceforth in a proportionate amount as the number of acres owned; that further, the partnership will collect funds from property owners for maintenance and provide said road maintenance up until such time as 70% of the acreage is sold; that, at that time, the partnership shall assign the duties of collecting road maintenance funds and providing road and lake maintenance to either a representative elected by those person, firms and corporations owning at least 50% of the acreage sold or to some third person if no one has been elected by the group aforementioned; that once this takes place, the partnership shall have no further liability

as to road, lake and dam maintenance and shall be forever discharged as to this liability.

AND, WHEREAS, the partnership currently owns an eight acre lake located on the 472-acre tract; that each person purchasing acreage from the partnership shall be given the right to use said lake; that maintenance and ownership of the lake will be retained until 70% of the acreage within the 472-acre tract is sold; that at that time the partnership shall convey each property owner a percentage of the lake as the property owner's acreage bears to the whole (472 acres); that there will be excepted from the ownership rights the rights of others to use said lake, said rights being heretofore conveyed.

AND, WHEREAS, if a deed refers to this document, then the property conveyed in the deed referencing this document shall be restricted as hereinafter set forth:

THEREFORE, THE UNDERSIGNED AND OWNERS TAKING SUBJECT TO THIS AGREEMENT COVENANT AND AGREE AS FOLLOWS:

I. ROAD AND LAKE RIGHTS OF WAY:

Each property owner will be conveyed a joint or mutual road right of way over the private roads located within the 472 acres, more or less, owned by the undersigned partnership; said roadways shall be graded and graveled in a sufficient width to allow access to and from the several tracts to be sold; the rights of way conveyed shall be mutual, not exclusive; maintenance of said rights of way shall be maintained as hereinafter provided.

There is further conveyed to each property owner the right to use in common with others the eight acre lake with entry into the lake being from an area reserved by the partnership near the north end of the dam for use by the property owners, all use of the lake is to be done at the risk of the property owner, his family or invitees.

II. ROAD, DAM AND LAKE MAINTENANCE:

A. Responsibility of Line Runner Ridge Associates,

The undersigned partnership shall be responsible for the construction of the joint private roads located within the confines

of the 472 acres during the development period (prior to 70% of the acreage being sold) which are to be mutual rights of way as hereinbefore mentioned; the partnership will cause, during the development period, said roads to be graded and stoned so as to provide minimal access to the tracts sold from the said 472 acres; the partnership shall maintain said roads, lake and dam up until such time as 70% of the acreage is sold; prior to 70% of the acreage being sold, each owner of a tract purchased from the undersigned shall pay a pro-rata amount for road maintenance based upon the amount of acreage owned and its relationship to the 472 acres; (Note: the partnership shall pay its pro-rata share also, to be determined by numbers of acres retained); the undersigned covenant and agree to maintain said road, lake and dam in a reasonable manner.

After 70% of the acreage has been sold by the undersigned, the undersigned shall then assign its duty of maintenance and billing to an elected representative of the property purchasers, or if no one has been elected after 60 days, to a person, firm or corporation of its choice to maintain the roads, lake and dam and to assess the property purchaser; that, in addition, all duties and responsibilities set forth in that certain deed from Middlefork Corporation to Line Runner Ridge Associates shall be assumed.

That in addition to the assignment of the liability to maintain, Line Runner Ridge Associates shall convey all interest it owns in the eight acre lake and dam to the property owners, subject to such restrictions and reservations as it deems advisable.

B. Responsibility of Property Purchasers.

1. Payment of road, lake and dam maintenance charges:

The property purchasers acquiring title to property located within the 472 acres shall pay semi-annually on June 30th and December 31st his pro-rata share of the maintenance costs for the joint roadways, lake and dam within the 472 acres; the amount to be paid shall be based on the percentage the acreage owned by the purchasers bears to the whole (472 acres); the undersigned shall send bills or

assessments for said sums during the month of June and December each year and said bills shall be due within fifteen days after mailing; each property purchaser who fails to pay said sum within 45 days hereby consents to a lien for the amount due, plus interest at the prime rate, being placed against his property, said lien to be as a mortgage or other specific lien until paid in full; that said lien shall inure to and be for the benefit of the party or parties providing the maintenance and making the assessment as herein provided.

2. Change of road, lake and dam maintenance:

When the undersigned has sold 70% of the acreage from the 472-acre tract, then the property purchasers representing 50% of the acreage sold shall elect a person or firm to take over providing of maintenance and billing of the assessments; that it is understood that if this is not done within sixty days after 70 of the acreage is sold, the undersigned shall have the right to select a person of its choice to maintain said roads, lake and dam, relieving the undersigned of any further responsibility.

C. Liability.

It is understood and agreed that upon conveyance of the lake ownership, assignment of the duty to maintain and right to assess, the partnership shall have no further obligations to maintain the roads, dam and lake located on the 472 acres nor any further liability insofar as road rights of way, etc., included in deed found in Deed Book 241, at Page 599, in the Transylvania County Registry.

D. Restrictions.

The property sold by the undersigned from the 472-acre tract, if so designated by the deed conveying said property, shall be subject to the following restrictions:

1. No mobile homes of any sort allowed on the property.
2. No nuisances, junk cars, noxious or offensive activities shall be carried on upon any of the property.