

STATE OF NORTH CAROLINA

COUNTY OF CHEROKEE

DECLARATION OF RESTRICTIONS, CONDITIONS, EASEMENTS,
COVENANTS, AGREEMENTS, LIENS, AND CHARGES OF
DEER RIDGE, FORMERLY KNOWN AS PARADISE COVE.

This Declaration made this the 30TH day of November, 2005, by :

DEER CREEK II, LLC
Hereinafter termed, "Declarant"

WITNESSETH:

WHEREAS, Declarant is the owner of a certain tract or parcel of land and as is more particularly described by Deed dated November 22nd, 2005, from Ronnie Edgar Clayton and wife, Linda Marlene Clayton to Deer Creek II, LLC, containing 42.58 acres more or less and described in Deed Book 1195, Page 203, Cherokee County Registry reference to said Deed being made hereby for incorporation herein of a more particular legal description of said lands; and

WHEREAS, it is the desire and intention of Declarant to sell the above described real property and any property annexed hereto by a set of Supplemental Restrictions and to impose upon it mutual beneficial restrictions, conditions, easements, covenants, agreements, liens, and charges under a general plan or scheme of improvement for the benefit of all the said lands and future owners of said lands;

NOW, THEREFORE, Declarant declares that all of the property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following provisions, restrictions, conditions, easements, covenants, agreements, liens, and charges, all of which are declared and agreed to be in the furtherance of a plan for subdivision improvements and sale of said real property and are established and agreed upon for the purpose of enhancing and protecting the value, desirability, and attractiveness of said real property and every part thereof, all of which shall run with the land be appurtenant thereto and shall be binding on all parties having acquired any part thereof.

I. DEFINITIONS.

The following terms as used in this Declaration and Supplemental Declaration of Restrictions are defined as follows:

- (a) "Articles" means the Articles of Incorporation of the Association.
- (b) "Association" shall mean or refer to Deer Ridge Homeowners Association.
- (c) "Board" means the Board of Directors of the Association.
- (d) "Bylaws" means the Bylaws of the Association.
- (e) "Declarant" means Deer Creek II, LLC or its successors and / or assigns.

- (f) "Declaration" means this Declaration of Restrictions, Conditions, Easements, Covenants, Agreements, Liens, and Charges, and any amendments thereto.
- (g) "Developer" means Deer Creek II, LLC or its successors and / or assigns.
- (h) "Development" means all real property situated in Cherokee County, North Carolina, in the aforementioned Deeds and all other property which may be annexed thereto as provided herein.
- (i) "Owner" means any person, firm, corporation, trust or other legal entity, including Developer, who holds fee simple title to any lot.
- (j) "Supplemental Declaration" means any Declaration filed for record in Cherokee County, North Carolina, subsequent to the filing of record of this document; or in the event of real property being annexed to the Development, the recorded Supplemental Declaration which incorporates the provisions of this Declaration therein by reference. In either event, the Supplemental Declaration shall include a description of the real property in the Development subject to the provisions of this Declaration and shall designate the permitted uses of such property.
- (k) "Improvements" means all buildings, out-buildings, streets, roads, driveways, parking areas, fences and retaining walls and other walls, poles, antennae, and other structures of any type or kind.
- (l) "Lot" means any numbered or unnumbered lot or parcel of land within the Development as shown on a registered plat of survey.

II. PRINCIPAL USES

This Declaration shall designate the principal uses of lots which are more particularly described on the aforementioned plat of survey, which are made subject to this Declaration. If a use other than that set out herein is designated, the provisions relating to permissible uses may be set forth in a Supplemental Declaration. The provisions for residential use of a lot are set forth below:

Residential Dwelling

Except that as to those areas which may be designated on a plat or otherwise for a common enjoyment and use by all lot owners, lots in the subdivision shall be used for single family dwelling purposes only and shall not be higher than two (2) stories exclusive of basements.

Satellite Dishes

Satellite dishes must be of the 18" or smaller type and must be located at least sixty-five (65) feet from the centerline of any subdivision access road.

Roof

All roofs on primary dwellings must have a minimum pitch of 5/12; however, excluded are covered porches, dormers and the slope side of the upper roof of a chalet style home.

Minimum Use

No residence shall be permitted on lots containing less than 1,000 square feet of heated floor space.

Necessary parking shall be provided by each individual lot owner in a manner than will not obstruct road traffic.

Temporary Structures and Vehicles

Except as expressly provided herein, no house, trailer, mobile home, modular home, camper, tent, commercial vehicles, travel trailer, and/or other temporary type residence shall be placed or located upon any lot; provided, that an owner or building contractor may reside in a travel trailer as temporary shelter during the period of construction of any residential dwelling on the lot. Temporary shelter placed and maintained during a period of construction may be utilized for residential purposes and for supervision of the construction project for a period not to exceed one (1) year from the date of commencement of construction.

Residential Dwellings - Permissible Materials

No bare masonry walls shall be allowed. However, stucco masonry walls, brick, rock, wood, stone and cement siding with wood stain will be permissible. No vinyl siding will be permissible. Paint and/or stain used on siding shall be natural and/or earth tones.

Construction Material Storage

All construction material placed upon any lot shall be assimilated so as not to interfere with the use and enjoyment of appurtenant lots thereto.

In the event that an owner temporarily terminates construction of a residential building on or before the requisite one (1) year construction period as herein provided, all small building materials must be stored inside the structure and all large materials must be covered beside and behind the structure during this period of time.

Junk Cars and Appliances

No unlicensed, unused, discarded, or salvaged motor vehicle or any part thereof and no unusable or salvaged household appliances, or parts thereof, shall be placed or left anywhere on any lot outside of an enclosed building or on the right-of-way of any subdivision road.

No Nuisances

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood.

All lots shall be kept free of accumulations of brush, trash, junk building materials, inoperable automobiles and vehicles or other unsightly things. After fourteen (14) days written notice to the owner, sent to the address contained in the list maintained by the Association, the Association reserves the right of entry for the purpose of clearing away any such violations, assessing the cost thereof against the owner and such assessments shall be enforceable against the owner as other liens herein provided for. The Developer shall not be required to comply with these provisions by anyone until all development work has been completed and the common properties, if any deeded to the Association.

No signs of any kind shall be displayed to the public view on any tract; provided however, that it shall be permissible to display on any tract one professionally painted sign of not more than four (4) square feet advertising the property for sale, and one nameplate sign of reasonable size. Signs posting any tract are not allowed.

Fences

Only fences made of wood or vinyl are permitted. No chain link fencing shall be permitted at any time.

Refuse Disposal and Concealment of Fuel
Storage Tanks Trash Receptacles

Owners shall enclose any fuel storage tank on any lot so as to render it invisible from any street, adjoining water, or other common area, if any, within the subdivision.

Owners shall not allow accumulation of refuse or garbage on any lot except in a concealed receptacle.

Septic Tanks

Prior to the occupancy of any residence on any lot, a proper and suitable septic tank and accompanying system shall be installed on such parcel for the disposal and treatment of all sewage. No sewage shall be emptied or discharged into any march, stream, or ravine, or upon the surface of the ground. No sewage disposal system shall be permitted or used on any lot unless said system is located, constructed and maintained in accordance with the requirements, standards and recommendations of the appropriate public health authority, and approval of said system shall be obtained from said authority prior to occupancy of any dwelling on any lot.

Maintenance of Lots

It shall be the responsibility of each owner to prevent the development of any unclean, unsightly, or unkempt condition (s) of building or grounds on such lot which shall tend to substantially decrease the beauty of the neighborhood as a whole or of the specific area. Excavation and landscaping of a lot shall conform to approved practices of the appropriate county or state agency having jurisdiction over such matters.

In the event of failure of owner to maintain the lot and/or the improvements thereon in good condition, the Association may make such repairs and perform such maintenance as may be necessary for the general benefit of the remaining owners. The cost thereof shall be assessed against the owner and such assessment shall be enforced as other liens herein provided.

Animals

No livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, and other household pets are permitted so long as they are kept within the lot boundary lines and not raised for commercial purposes.

Dangerous Substances

Owner shall not store or permit to be stored any toxic chemicals, wastes, or pesticides on any lot.

Lot Subdivision

No lot, or combination of lots, shall be further subdivided by any person, other than the Developer, which will result in any subdivided lot containing less than 1.00 acres, nor shall any boundary lines of a lot, or a combination of lots, be altered by any person, other than the Developer, if the effect of such subdividing or alteration shall result in any of the altered lots having less than 1.00 acres, unless the subdivided portion containing less than 1.00 acres be merged with another lot. Provided, however, that an entire lot may be conveyed at the same time to two (2) or more adjoining lot owners, with each of the grantees receiving a portion of the lot, so that the lot so conveyed ceases to exist as a separate lot. Where portions of a lot are conveyed to one or more adjoining lot owners for the purpose of merging such portion of that lot with an existing lot, each portion so conveyed shall not be deemed a separate lot and building site, but shall be considered an addition to the lot of the acquiring land owner.

Setback Restrictions

With regard to setback lines, no residence or other building shall be constructed closer than 10 feet from any interior lot boundary line.

Storage Buildings

One outside storage building per house that conforms to the standards of the subdivision may be erected.

III. RIGHTS-OF-WAY AND EASEMENTS

The Declarant reserves unto itself, its successors, and assigns a perpetual, alienable, releaseable, and non-exclusive road and utility right-of-way for purposes of ingress, egress, regress, and utilities over, on, and across all roadways, whether existing or not, shown on any recorded plat of said subdivision for the benefit of properties now owned or hereafter acquired by Declarant. Declarant further reserves the right to grant said right-of-way unto additional properties owned by third parties in its sole discretion. Unless otherwise shown on a conveyance or plat, said road and utility right-of-way shall vary in width from fifteen (15) feet to thirty (30) feet to sixty (60) feet.

Said road and utility rights-of-way are for the benefit, use and enjoyment of the owners and their heirs, successors, and assigns, and every conveyance of the lands herein restricted shall be deemed to be subject to said easements while conveying to the Grantee under said conveyance a similar right appurtenant to his lands to the benefit, use, and enjoyment of said easements in common with the undersigned Declarant, its successors, and assigns, said road and utility right-of-way and easement to provide access to the State maintained road and well lots.

The Developer and/or present owners reserve unto themselves, their successors, and assigns a perpetual, alienable, releaseable and non-exclusive right of way for purposes of ingress, egress, and regress over, on, and across the subdivision walking/hiking trails, whether existing or not, shown on any recorded plat of said subdivision for the benefit of properties now owned or hereafter acquired by Developer. Developer further reserves the right to grant said right of way to additional properties owned by third parties in its sole discretion. Unless otherwise shown on a conveyance or plat, said walking/hiking trail right of way shall vary in width from five (5) feet to ten (10) feet.

Said walking/hiking trail right of way is for the benefit, use and enjoyment of the owners and their heirs, successors, and assigns, and every conveyance of the land herein restricted shall be deemed to be subject to said easement while conveying to a Grantee under said conveyance a similar right appurtenant to his lands to the benefit, use, and enjoyment of said easement in common with the undersigned, their successors and assigns.

Any lot owner who, after constructing a home, shall restore any and all part of subdivision access roads or walking/hiking trail(s) to their original state should any easement become damaged due to said construction at the owner's expense. Should an owner not restore an easement damage by him/her to its original state after construction is completed, the Developer or the Association reserves the right to do such restoration and bill the owner for the costs of such. Should, after thirty (30) days notice of payment by Developer or the Association, the owner does not reimburse Developer or the Association, then in that event, Developer or the Association shall have the right to assess and judgments or liens necessary for the reimbursement of same against the owner.

IV. PROPERTY OWNER ASSOCIATIONMembership Covenant

All owners of lots in this subdivision shall become members of the Association upon the execution, delivery, and recordation of a deed of conveyance of title to any lot or lots at the office of the Register of Deeds of Cherokee County.

Each owner of a lot subject to these covenants and restrictions shall maintain one (1) membership per lot. All lot owners shall abide by the Bylaws of the Association as may be amended from time to time and further agree to pay to the Association an annual maintenance charge as hereinafter set forth.

Assessments

SECTION ONE

Purpose for Assessments. The Developer and its successors in interest, including the Association as herein provided shall, pursuant to these Declarations, have the power to levy assessments as herein provided for the purpose of financing the operations of the Association and maintaining roads and other improvements for services within or for the benefit of subdivision lots, including roads, water and/or utility easements of the subdivision in accordance with the formula herein set forth.

Each lot owner will be assessed the sum of \$200.00 per year as a road assessment fee for the purpose of maintaining roads in and to the Subdivision. In addition, except for natural wear and tear, any damage to pavement or gravel roads caused by negligence of a lot owner or agent or invitee of a lot owner and which further causes damage to any utility lines shall be repaired at the discretion of the Developer and the cost thereof shall be assessed against the lot owner and such assessment shall be enforced as other liens herein provided.

SECTION TWO

Creation of Lien and Personal Obligation for Assessments. Each lot is and shall be subject to a lien and permanent charge in favor of the Developer or the Association in the event of transfer by the Developer to the Association of any and all rights and responsibilities it has under and pursuant to the terms of this indenture for the annual and special assessments set forth in Section Two and Three of this Article IV. Each assessment, together with interest thereon and cost of collection thereof as hereinafter provided, shall be a permanent charge and continuing lien upon the lot or lots against which it relates and shall also be the joint and several personal obligation of each lot owner at the time the assessment becomes due and payable and upon such owner's successor in title if unpaid on the date of the conveyance of the lot. Each and every owner covenants to pay such amounts to the Association when the same shall become due and payable. The purchaser of a lot at a judicial or foreclosure sale shall be liable only for the assessments due and payable after the date of such sale.

SECTION THREE

Annual Assessments. No later than December 1 of each calendar year the Developer or the Association, as assignee of any and all rights and responsibilities of Developer, shall establish the annual assessments based upon the following considerations: (1) the cash reserve, if any, on account with a lending institution as created for the benefit of the lots of the subdivision; (2) the expenditures devoted to the benefit of the subdivision lots during the immediately preceding twelve (12) month period; and (3) the projected annual rate of inflation for the forthcoming year foreseeable for the county in which the land subject hereto is situate as determined by review of information available to any person, firm, or corporation by any governmental agency, lending institution or private enterprise which provides such statistical data upon request; provided that in any event the minimum annual assessment for each lot shall not be less than One Hundred (\$100.00) Dollars per unimproved lot and Two Hundred (\$200.00) Dollars for each improved lot.

The owners of property in Deer Ridge, whether present or future, shall retain fee ownership of their respective community well lot and except a radius of ten (10) feet from said well reserving a one hundred (100) foot radius non-contamination boundary. Developer or the Association shall have the control of water lines extending from community wells to various lots, and will have the control of said wells and pipe lines and will furnish water to the various lots in the Deer Ridge under the terms and stipulations as follows:

1. Developer or the Association shall have the right to go upon the various lots in said subdivision and to keep and maintain the pipelines installed therein and the right to make any extensions necessary, together with the right to go upon said property and to have access to the well locations and to the pipelines as may be required for furnishing water to the various subdivision lots in said subdivision.
2. Developer or the Association shall furnish water to the residents upon the various lots in the subdivision in such quantities as they may need. Each lot owner will be obligated to pay the sum of One Hundred Eighty Dollars (\$180.00) per year, payable in advance for water service

an by such payment shall be entitled to use at least 4,000 gallons of water per month, he or she shall pay therefore the sum of \$2.50 per thousand above the 4,000 gallon payable monthly as billed. Developer or the Association shall have the right to cut off any customer in default. It is contemplated that the said Developer or the Association will operate said well and facilities for an indefinite period of time. However, if at any time in the future the Developer or the Association decides to no longer operate said system, they shall release control of the system back to the owners of each well with the first right to take over the system and operate the same thereafter in such manner as they may deem expedient.

Developer, or the Association as assignee of the Developer as herein provided shall give written notice to each owner of each lot the annual assessment fixed against each respective lot for such immediately succeeding calendar year.

The annual assessments levied by the Developer or the Association as herein provided shall be collected by Developer or the Treasurer of the Association as provided in Section Five of this Article IV.

The annual assessments shall not be used to pay for the following expenses.

- (a) Casualty insurance of individual owners for their lots and improvements thereon or for their possessions within any improvement thereon, any liability insurance of such owner insuring themselves and their families individually, which insurance coverage shall be the sole responsibility of the owner(s).
- (b) Telephone, gas, sewer, cable television, or electrical utility charges for each lot which expense shall be the sole responsibility of each respective lot owner; and
- (c) Ad valorem taxes for any lot, improvement thereon, or personal property owned by owner of any lot.

SECTION FOUR

Special Assessments. In addition to annual assessments, the Developer, or the Association as assignee of the Developer as herein provided may levy in any calendar year, special assessments for the purpose of supplementing the annual assessments if the same are inadequate to pay expenses and for the purpose of defraying in whole or in part the cost of any construction or reconstruction, repair or replacement of improvements on any lot or appurtenances thereto; provided, however, that any such special assessment by the Association shall have the assent of the majority of the votes represented, in person or proxy, at a meeting at which a quorum is present, duly called for the 3xpress purpose of approving such expenditure(s), written notice of which shall be sent to all lot owners not less than ten (10) days nor more than sixty (60) days in advance of such meeting, which notice shall set forth the purpose of the meeting. Any special assessments shall be fixed against the specific lot or lots for which an expenditure is appropriated. The period of the assessment and mater of payment shall be determined by the Board of Directors of the Association.

SECTION FIVE

Date of Commencement of Annual Assessments - Due Dates. Assessments are due in annual installments on or before January 1 of each calendar year, or in such other reasonable manner as the Developer or the Board of Directors of the Association as designee of the Developer by and through its Treasurer shall designate.

The annual assessment(s) provided for in this Article IV shall, as to each lot, commence upon either the execution and delivery of or the recordation of a deed of conveyance, whichever in time first occurs ("commencement date").

The first annual installment for each such lot shall be an amount (rounding the sum to the nearest whole dollar) equal to the annual payment by the number of days in the current annual payment period divided by the number of days in the current annual payment period and multiplied

by the number of days then remaining in such annual payment period.

The Developer, or the Association as assignee of Developer, shall upon demand at any time, furnish any lot owner liable for any such assessment a certificate in writing setting forth whether the same has been paid. A reasonable charge may be made for the issuance of any certificate. Such certificate shall be conclusive evidence of any payment of any assessment therein stated to have been paid.

SECTION SIX

Effect of Non-payment of Assessments, the Personal Obligation of the Owner; the Lien; Remedies of Developer and/or its Assignees, including the Association. If an assessment is not paid on the date when due as hereinabove provided, then such assessment, together with any interest thereon and any cost of collection, including attorney fees as hereinafter provided, shall be a charge and continuing lien on the respective lot to which it relates and shall bind such property in the hands of the owner, his heirs, legal representatives, successors, and assigns for payment thereof. The personal obligation of the then owner to pay such assessment and related costs shall remain his personal obligation and if his successor in title assumes this personal obligation, such prior owner shall nevertheless remain as fully obligated as before to pay the Developer of its assignee any and all amounts which said lot owner was obligated to pay immediately preceding the transfer of title thereto; and such prior lot owner and his successor in title who may assume such liability shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such lot owner and his successor in title creating the relationship of principal and surety as between themselves other than one by virtue of which such prior lot owner and his successor in title would be jointly and severally liable to make any lot assessment payment.

Any such assessment not paid by the 15th day of March as herein set forth within which such assessment is due, shall bear interest at the rate of eight (8%) percent per annum from such date (delinquency date) and shall be payable in addition to the basic assessment amount then due and payable.

The Developer or its assigns, including the Association, may institute legal action against any owner personally obligated to pay any assessment or foreclose its lien against any lot to which it relates or pursue either such course at the same time or successively. In such event the Developer or its assigns, including the Association, shall be entitled to recover attorney's fees actually incurred but not exceeding fifteen (15%) percent of the amount of the delinquent assessment and any and all other costs of collection, including, but not limited to, court costs.

By the acceptance by owner of a deed or other conveyance for a lot in the subdivision, vests the Developer or its assigns including the Association as herein provided, the right and power to institute all actions against him personally for the collection of such charges as a debt and to foreclose the aforesaid lien in appropriate proceeding at law or in equity.

The Developer and its assigns, including the Association as herein provided, shall have the power to bid on any lot at any foreclosure sale and to require, hold, lease, mortgage, and convey any lot purchased in connection therewith.

No owner shall be relieved from liability from any assessment provided for herein by abandonment of his lot or lots.

SECTION SEVEN

Subordination of the Charges and Liens to Deeds of Trust Secured by Promissory Notes. The lien and permanent charge for the annual and any special assessment together with interest thereon and any costs of collection, authorized herein with respect to any lot is hereby made subordinate to the lien of any deed of trust placed on any lot if, but only if, all assessments with respect to any such lot having a due date on or prior to the date of such deed of trust if filed for record have been paid in full. The lien and permanent charge hereby subordinated is only such lien and charge as relates to assessments authorized hereunder having a due date subsequent to the date such lien of deed of trust is filed for record prior to the satisfaction, cancellation or foreclosure of such lien of deed of trust or sale or transfer of any mortgaged lot pursuant to any proceeding in lieu of foreclosure or the sale under power contained in any deed of trust.

- (a) Such subordination procedure is merely a subordination and not to relieve any lot owner of the mortgaged property of his personal obligation to pay all assessments coming due at a time when he is a lot owner; shall not relieve such property from the lien and permanent charge provided for herein (except as to the extent the subordinated lien and permanent charge is extinguished as a result of such subordination or against the beneficiary of the lien of a deed of trust or his assignees or transferee by foreclosure or by sale or transfer in any proceeding in lieu of foreclosure or by power of sale); and no sale or transfer for such property to the beneficiary of the lien of any deed of trust or to any other person pursuant to a foreclosure sale, or pursuant to any other proceeding in lieu of foreclosure, or pursuant to a sale under power, shall relieve any existing or previous owner of such lot of any personal obligation, or relieve any subsequent lot owner from liability for any assessment coming due after such sale or transfer of title to a subdivision lot.
- (b) Notwithstanding the foregoing provision, the Developer or its assigns, including the Association as herein provided may, in writing at any time, whether before or after any lien of deed of trust is placed upon a subdivision lot, waive, relinquish or quitclaim in whole or in part the right of Developer or its assigns, including the Association as herein provided, to any assessment provided for hereunder with respect to such lot coming due during the period while such property is or may be held by any beneficiary of the lien of any deed of trust pursuant to the said sale or transfer.

SECTION EIGHT

Exempt Property. Each lot shall be exempt from the assessments created hereunder until the road depicted on the aforementioned plat of survey servicing said lot is paved, and until the execution and delivery of a deed from the Developer, its successors and/or assigns in interest to an owner making the lot conveyed subject to these Declarations.

Except as expressly provided in this Section Eight, no lot shall be exempt from assessments.

V. REMEDIES FOR VIOLATIONS, AMENDMENTS TERMS, AND MISCELLANEOUS PROVISIONS

Enforcement

These covenants, Restrictions, Easements, Reservations, Terms, and Conditions shall run with the land and shall be binding on all parties and all persons claiming under them.

Enforcement of these Covenants, Restrictions, Easements, Reservations, Terms, and Conditions may 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 undersigned Developer, or any successor in title to the undersigned Developer, or any owner of any property affected hereby may institute such proceedings.

Amendment

These covenants, Restrictions, Easements, Reservations, Terms and Conditions may be altered, amended or repealed at any time by filing in the office of the Register of Deeds of Cherokee County, North Carolina, an instrument setting forth such annulment, amendment or modification, executed by either the Developer or its assigns and/or successors in interest any time during which it owns of record lots in the Development subject to this Declaration or Declarant is an owner of adjacent properties which it intends or had intention to subdivide or, in the alternative, by the owner or owners of record as set forth on the records in the office of the Register of Deeds of Cherokee County, North Carolina at any time of the filing of such instruments by consent in writing of seventy-five (75%) percent of the owners of lots subject to these restrictions.

Invalidation

Invalidation of any one of the provisions of this instrument by a judgment or Order of a court of competent jurisdiction shall in no wise affect the validity of any of the other provisions which shall remain in full force and effect.

Developer's Obligation(s)

In this instrument, certain easements and reservations of rights have been made in favor of the undersigned Developer. It is not the intention of the undersigned Developer in making these reservations and easements to create any positive obligations on the undersigned Developer insofar as building or maintaining roads, water systems, sewage systems, furnishing garbage disposal, beginning and prosecuting a lawsuit to enforce the provisions of this instrument, or of removing people, animals, plants, or things that become offensive and violate this instrument. Where a positive obligation is not specifically set forth herein, none shall be interpreted as existing as it relates to the Developer.

Term

The provisions of this Declaration shall run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these Covenants are filed for record at the office of the Register of Deeds of Cherokee County, North Carolina at which time said Covenants shall be automatically extended for successive periods of ten (10) years unless prior to the beginning of such ten (10) year period an instrument signed by the then owner(s) of seventy-five (75%) percent of lots subject to this Declaration agreeing to terminate, amend, or modify these Restrictions shall have been recorded in the office of the Register of Deeds of Cherokee County, North Carolina.

Governmental Regulations

The property herein described and lots subdivided therefrom, in addition to being subject to this Declaration, are conveyed subject to all present and future rules, regulations, and resolutions of the County of Cherokee, State of North Carolina, if any, relative to zoning and the constructions and erection of any buildings or other improvements thereon.

Notices

Any notice required to be sent to any member or owner under the provisions of the Declaration shall be deemed to have been properly sent when mailed, post paid, to the last known address of the person who appears as a member or owner of record (s) of the Association at the time of such mailing.

Assignment

The Developer may assign any and all rights and responsibilities it has under the terms of this Declaration to the Property Owner's Association.

Supplemental Declarations and Annexation

Developer reserves the right to annex additional properties to the terms and conditions of these restrictions by the recordation of a supplemental Declaration subjecting said properties to these Declarations.

IN WITNESS WHEREOF, the Declarant has hereunto set his hand and seal, or if corporate, has caused this instrument to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Member Managers, the day and year first above written.

DEER CREEK II, LLC

By: [Signature] (Seal)
Steve Goggins, Member Manager

STATE OF NORTH CAROLINA

COUNTY OF CHEROKEE

I, TAMARA KAY WALKER, a Notary Public of the county and state aforesaid certify that Steve Goggins personally appeared before me this day and acknowledged that (s) he is Member Manager of Deer Creek II, LLC, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Member Manager, Steve Goggins, sealed with its corporate seal, and attested by himself as its Member Manager, WITNESS my hand and official seal, this the 2nd day of ~~August, 2004.~~

December, 2005.

[Signature]
Notary Public

My Commission Expires:
4-15-06

