


Prepared by and return to:
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 TRANSYLVANIA CO, NC FEE \$47.00
 PRESENTED & RECORDED:
 07-18-2007 11:16:58 AM
 CINDY M OWNBEY
 REGISTER OF DEEDS
 BY: D REE MCCALL
 DEPUTY REGISTER OF DEEDS
 BK:DOC 418
 PG:135-146

DECLARATION OF PROTECTIVE COVENANTS

FOR

SWEETWATER RIDGE

RECITALS

GMG DEVELOPMENT, LLC (hereinafter called the "Declarant"), is the fee simple owner of Sweetwater Ridge , Transylvania County, North Carolina, said property having been conveyed to Declarant by Warranty Deed recorded on the 31st day of May , 2006 in the Transylvania County Registry at Book DOC 352, Page 123-125, the "Development".

The Declarant intends to sell and convey the lots and parcels within the Development and before doing so desires to impose upon the lots and parcels mutual and beneficial restrictions, covenants, equitable servitudes, and charges under the general plan or scheme of improvements for the benefit of all lots and parcels in the Development and for the benefit of the owners and future owners thereof.

NOW THEREFORE, Declarant declares that all of that Property described in Exhibit "A" attached hereto shall be held, transferred, sold, conveyed, encumbered, leased, used, improved, and occupied subject to the provisions of Chapter 47F of the North Carolina General Statutes and subject to the following covenants, conditions, restrictions, and easements all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property. These covenants, conditions, restrictions, and easements shall run with the land and be binding upon all persons having or acquiring any right title, or interest in the above described property or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

“Association” means Sweetwater Ridge Property Owners Association, Inc., a North Carolina nonprofit corporation, its successors and assigns.

“Board” means the Board of Directors of the Association.

“By-Laws” means the by-laws of the Association.

“Committee” means the Environmental Control Committee.

“Common Areas” means all roadways, easements for public and private utilities, pedestrian and recreation easements, green areas, well sites, and any other property (real, personal or mixed) or interest therein, that Declarant declares to be Common Area, or property that the Association accepts as such, together with all improvements which may at anytime be constructed thereon.

“Development” means all lands submitted to this Declaration.

“Lot” means any numbered lot shown upon any recorded plat of the Development or any parcel of land for which the Deed of Conveyance for Declarant references that Declaration.

“Owner” means the record owner, whether one or more persons or entities, of a fee simple title to a lot, but excluding those having an interest merely as security for the performance of an obligation.

ARTICLE II

RESIDENTIAL RESTRICTIONS

The following restrictions have been established to take full advantage of the individual characteristics of each lot with the foremost consideration to establish a residential community which is esthetically pleasing. These restrictions shall be applicable to all lots within the Development and each Owner, as to his or her lot or parcel, covenants to observe and perform the same.

1. Each lot and building incident thereto shall be used for single-family residential purposes. No structure except a single family dwelling shall be erected, altered, placed or permitted to remain on any lot. Garages must be constructed of the same or compatible materials as specified for the dwelling. There shall be no commercial or business activity conducted on any lot. This restriction, however, shall not prohibit a home office, so long as it does not have customers, suppliers, general delivery trucks, or clients coming to the lot.

2. No single-family dwelling shall have less than 1,200 square feet of enclosed, heated space, exclusive of any garage, deck, patio, or open porch. No single dwelling shall exceed three stories in height from ground level (measured from the base plate), including a first floor garage or walk out basement. Garages may be separated from the main structure but there must be a connected, roofed, architecturally

constructed walk way to the main house. In general, no other structures are permitted unless authorized in writing by the Committee.

3. In order to assure that structures will be located with regard to the topography of each individual lot, together adjoining lots, the Committee shall have the right to approve absolutely and solely the site and location of any dwelling or structure upon any lot; provided, however, that such location shall be determined only after reasonable opportunity is afforded the lot Owner to recommend a specific site.

4. Once construction of any structure has begun, or any improvements to a structure is undertaken, work thereon must be pursued diligently and all exterior construction must be completed with twelve (12) months from the start thereof. No outbuilding, garage, shed, tent, or temporary building of any kind shall be erected or maintained on any lot prior to construction of a residence, as is permitted hereby, and no outbuilding, garage, shed, tent, basement, or temporary building shall be used for permanent or temporary residential purposes unless expressly permitted by the Association. However, this paragraph shall not be construed to prevent the use of a temporary construction shed, or travel trailer, during the period of actual construction of any residential structure on such lot, nor the use of adequate sanitary toilet facilities for workmen engaged in construction.

5. All construction shall conform to the applicable building codes for the area, and shall be in accordance with good residential construction practices. All dwellings shall be designed, built, and equipped with insulation, plumbing, and heating facilities so as to make each dwelling suitable for year-round residence purposes. No foundations structures constructed on any lot shall have unpainted or uncovered exposed block.

6. No travel trailers, mobile homes, tents, lean-to, or any other temporary shelter may be placed or erected on any lot, nor shall the Owner of any lot permit any overnight camping thereon. Construction facilities and structures needed during the course of the construction or improvements will be allowed, but these structures may not be used for living quarters and shall be removed promptly upon completion of construction, motor homes may be temporarily parked but not occupied overnight once the main dwelling is complete. They may not remain more than one week.

7. No unlicensed vehicle may be operated within the Development. All motor vehicles shall be maintained in proper operating condition so as not to be a nuisance by noise, exhaust emissions, or otherwise. No motor vehicles shall be driven within the subdivision, except on driveways and on the existing roads.

8. An Owner, his family, or lessees, shall not do or keep and shall not cause anything to be done or permitted on any lot that will constitute a nuisance under the laws of the State of North Carolina, or that will obstruct or interfere with the rights of other Owners or the Association by way of unreasonable noises, odors, or otherwise. Nor shall any Owner, his or her family or lessees, commit or permit any nuisance, or any illegal act with the Development.

9. No Owner shall accumulate on any lot any form of junk, inoperable vehicles, litter, refuse, or other garbage (except in receptacles provided for that purpose in a screened or concealed area not visible from a road or adjoining lot). All fires for cooking purposes shall be contained in barbecue or similar facilities provided by Owners on their lots. No other fires are permitted except by permission of the Association and applicable governmental authority.

10. No exotic animals, birds, or snakes shall be kept or maintained on any lot. Ordinary household pets, such as dogs (with a limit of two), cats (with a limit of two), parakeet, parrot, mynah bird may be kept thereon (not to exceed 2 of each) at the pleasure of the occupants but not for any commercial use or purpose.

11. Each lot Owner shall keep drainage ditches and swales located on their lot free and unobstructed and in good repair and shall provide for the installation of culverts upon their lot as may be reasonably required for proper drainage.

12. No exterior antennas, tree removal, fences, above ground utility lines, exterior air conditioning units, exterior lighting, artificial vegetation or sculpture, energy conservation equipment (i.e. solar, wind power) swimming pools, gardens, play equipment, or decorative pools or waters, mail boxes, clothesline or exterior changes of any type to a structure are permitted except by express review and approval of the Committee.

13. Declarant has caused to be constructed certain roadways within the Developement. No representation is made and Declarant assumes no responsibility for maintenance thereof or improvement beyond the present condition. Those roadways providing access to the lots shall be maintained by the Association . The cost of maintenance for roadways shall be a part of the costs paid by the Association.

14. No hunting shall be allowed at any place within the Development. The use of any firearms or projectile delivery (cross bows, gas propelled guns, etc.) is prohibited.

15. Except with the written consent of the Declarant, no lot shall be further subdivided or the lines of any lot rearranged, moved, or relocated. Lots may be combined or joined to form a larger parcel with written consent or approval by the committee.

16. All Lots shall be kept in appealing condition by the Owner, with all Improvements kept in a good state of repair and maintenance and all lawns and other vegetation kept in a reasonably neat condition. All septic tank systems must be kept in good working order by the Owner at all times.

ARTICLE III

EASEMENTS

1. Perpetual nonexclusive ten (10) foot wide easements running along the side and back and twenty-five (25) foot front of all lots and easements over and under all roadways portrayed on the plat of the Development are reserved by Declarant for the installation, maintenance, and operation of utilities, public or private, including electric lines, water and sewer lines, and radio and television transmission cables, or for any purpose incident to the reasonable development of the property and the ancillary right to locate the guy wires, braces, or anchors, and to cut, trim, or remove trees and plantings, if necessary, in connection with the installation, maintenance, and operation thereof.

2. Declarant may convey the reserved utility easements to an appropriate utility company, or companies, or to the Association.

3. Declarant grants perpetual nonexclusive easements over all roadways shown on the (or any) plat of the Development (a) to present and future lot Owners for ingress and egress purposes and (b) to the Association for maintenance and other purposes expressed therein. This dedication shall survive termination of the Declaration.

4. Areas of a lot affected by reserved easements, except for roadways, shall be maintained by the lot Owner, but no structures, plantings, or other materials shall be placed or permitted to remain, or other activities undertaken thereon, that may damage or interfere with the use of easements for the purposes set forth above.

5. No Owner shall have any claim or other cause of action against Declarant or its licensees arising out of the exercise or non-exercise of any reserved easement.

6. After the roads and other common facilities have been paved or installed by the Declarant, (which shall be to standards established by Declarant, if any, and need not be to any express standard) maintenance of roads and common areas, and repairs to any improvements thereon, shall be the sole obligation and responsibility of the Association.

ARTICLE IV

ENVIRONMENTAL CONTROL COMMITTEE

1. There is hereby established an Environmental Control Committee. All improvements or alterations of any sort made to any lot within the Development must first have the written approval of the Committee. Approval shall be granted only after written application has been made to the Committee in the manner an form prescribed by it. The application, to be accompanied by two sets of plans and specifications, shall show the location of all improvements, if any, existing upon the lot, the location of the improvements proposed to be constructed, the color and composition of all exterior materials to be used, proposed landscaping, elevations of all four sides of each proposed structure and any other information that the Committee may require, including soil, engineering, and geologic reports and recommendations. All improvements must be built as approved by the Committee and any changes to improvements must be presented to the committee for approval.

2. The Committee initially shall be composed of one to three members, to be appointed by Declarant. Committee members shall be subject to removal by Declarant and any vacancies from time to time existing shall be filled by appointment of Declarant, or if Declarant fails to do so within two months after a vacancy, then by the Association, through its Board. Power to appoint or remove member shall be transferred to the Association:

(a) When more than eighty per cent of all lots comprising the Development have been sold by the Declarant; or (b) January 1, 2030, whichever occurs first. The power to appoint or remove may, of course, be transferred to the Association at such earlier time chosen by Declarant.

3. The committee may disapprove any action.

(a) If the application does not comply with this Declaration;

(b) Because of the reasonable dissatisfaction of the Committee with grading plans, location of the proposed improvements on a lot (including unnecessary interferences with scenic views from neighboring residence sites), finished ground elevation, color schemes, finished design proportions, architecture shape, height, or style of proposed improvements, the materials used therein, the kind, pitch, or type of roof proposed to be placed thereon; or

(c) If the reasonable judgement of a majority of the Committee, the proposed improvements will be inharmonious with the Development, or with the improvements erected on other lots.

4. The Committee shall, from time to time, adopt written rules and regulations of general application governing its requirements, design standards and procedures that shall include among other things, provisions for the form and contents of applications, required number of copies and content of plans and specifications, provisions for notice of approval or disapproval, including a reasonable time period for approval or reason of failure to disapprove, and the like.

5. The Committee may grant reasonable variances from the literal wording or requirements of the Declaration upon a showing of reasonable necessity.

6. At any time prior to completion of construction of an improvement, the committee may require, upon forms that it shall furnish, a certification from the contractor, Owner, or licensed surveyor that the improvement does not violate any setback, ordinance, or statute, nor encroach upon any easement or right-of-way of record, and that the same corresponds to the approved plan.

7. To defray its expenses, the Committee may institute and require a reasonable filing fee to accompany the submission of plans and specifications, to be not more than one-fourth of one per cent of the estimated costs of the proposed improvement, subject to a minimum fee of \$250.00. The Committee may also require the filing of a performance and completion bond upon approval of plans and specifications. The Committee may also impose impact fees and tap-on fees, if not earlier paid, for use of common elements such as sewer and water lines and roads.

8. Notwithstanding the approval by the Committee of plans and specifications or its inspection of the work in progress, neither the Committee, Declarant, the Association, nor any other person acting in behalf of any of them shall be responsible in any way for any defects in any work done pursuant thereto, nor shall approval imply compliance with, applicable building codes or standards. Each person submitting plans or specifications shall be solely responsible for the sufficiency thereof and the adequacy of improvements constructed pursuant thereto.

9. Any applicant shall have the right to appeal to the Board of any decisions of the Committee within thirty (30) days after entry of the decision.

10. Notwithstanding the foregoing requirements of this Article, such requirements and regulations of the Environmental Control Committee shall not apply to the Declarant.

ARTICLE V

SWEETWATER RIDGE PROPERTY OWNERS ASSOCIATION

1. The Association is a North Carolina nonprofit corporation organized to further promote the common interests of property Owners in the Development. The Association shall have the powers in furtherance of its purpose that are set forth in its Articles and Bylaws.

2. Every Owner of a lot in the Development shall be a member of the Association. Membership shall be appurtenant to and not separated from lot ownership. Voting shall be one (1) vote for each lot Owner, except the Developer whose votes shall be weighted as set forth herein.

3. The rights, duties, privileges, and obligations of membership in the Association are as set forth in its Articles and Bylaws. The weighted vote in favor of Declarant shall cease on the earlier of (a) January 1, 2030 or (b) written abdication of the weighted vote by Declarant.

4. The Board of the Association shall have the power from time to time, but not less than annually, to impose regular dues upon the membership for usual and ordinary costs of maintaining the common property. In addition, the Board may impose special assessments for extraordinary expenses. Dues and other regular assessments shall be equal on a per-lot basis and enforceable as set forth by NCGS 47F-3-116.

5. For so long as Declarant owns any lot in the Development, Declarant shall hold a number of votes equal to the total number of lots subject to the Declaration, plus one. This shall entitle Declarant to exercise Declarant control.

ARTICLE VI

REMEDIES

1. Declarant, and each person to whose benefit this Declaration inures, including the Association, may proceed at law or in equity to prevent the occurrence, continuance, or violation of any of the provisions of this Declaration, and the court in that action may award the successful party reasonable expenses in prosecuting the action, including attorney's fees. Any settlement in favor of the Association shall obligate the other party to pay attorney's fees and other costs.

2. The Association may suspend all voting rights of any Owner, and all rights and privileges of ownership for any period during which the Association's assessments against the Owner remain unpaid, or during the period of any continuing violation of the provisions of this Declaration by an Owner after the existence thereof has been declared by the Association. During the suspension period the Association shall not be required to transfer membership on its books in the event of the delinquent member's conveyance of his or her lot or lots. As the rights and privileges described herein are incidents of ownership of each lot in the Development, the suspension of the same shall run with the land and inure to the detriment of the purchaser of any lot or lots with regard to which privileges have been suspended. Any dues or assessments must be current before the lot Owner can transfer possession of the lot. If any assessment is not paid within sixty (60) days of the date due or other violation of any provision of the Declaration not corrected within sixty (60) days of notice of the violation, the Association may cause to be recorded in the Office of the Register of Deeds, Transylvania County, North Carolina, a Notice of Suspension of Privileges documenting of record

the suspension of privileges. Each Owner of a lot or lots in the Development, by acceptance of the deed, conveying the lot or lots, authorizes the Association to record the notice described above when, in the opinion of the Association, an Owner has violated a provision of the Declaration and the violation has not been corrected within the time provided herein.

3. Remedies specified herein are cumulative, and any specifications of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law or in equity. No delay or failure on the part of an aggrieved party to invoke any available remedy in respect of a violation of a provision of the this Declaration shall be held to be a waiver of that party of any right available to him upon the recurrence of the violation or the occurrence of a different violation.

ARTICLE VII

MORTGAGEE'S RIGHTS

1. As used herein, the term "Mortgagee" shall mean the holder of a first lien mortgage or deed of trust on a Lot who provides notice to the Association with its name and address with a request to receive any notices and other rights provided to "Mortgagees" under this Article VII. A Mortgagee of a Lot shall be entitled to receive written notification of any default, not cured within sixty (60) days after its occurrence, by the Owner of the Lot with respect to any obligation of the Owner under the Declaration, the Bylaws of the Association or the Articles of Incorporation of the Association. Any Mortgagee of a Lot can make the request for notification. The notification shall be sent not later than the 65th day after the occurrence of an uncured Default.

2. Any right of first refusal now or hereafter contained in this Declaration or any amendment or modification hereto or otherwise arising in favor of the Association or certain Owners shall not apply to or preclude or impair in any way the right of the first Mortgagee to (i) foreclose or take title to the Lot pursuant to the remedies provided in its mortgage; (ii) accept a deed or assignment in lieu of foreclosure in the event of a default under the Mortgage; or (iii) sell or lease a Lot and Dwelling Unit acquired by the Mortgagee.

3. Unless at least seventy five percent (75%) of the Mortgagees (based upon one vote for each first mortgage or deed of trust owned), and a vote of seventy-five percent (75%) of the votes allocated to the Members entitled to vote hereunder, the Association shall not:

(a) by an act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Subdivision or Common Areas or improvements located thereon which are owned directly or indirectly by the Association for the benefit of the Lots (the granting of easements for public utilities or for other purposes consistent with the intended use of the Subdivision, or the conveyance of Common Area to a local governmental authority for public park purposes or the conveyance or dedication of Roadways shall not be deemed a transfer within the meaning of this clause);

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

(c) by act or omission change, waive or abandon any scheme of regulation or enforcement thereof pertaining to the architectural design or exterior appearance of the dwelling units, the exterior maintenance of the dwelling units, the maintenance driveways or the upkeep of lawns and plantings in the Subdivision;

(d) fail to maintain fire and extended coverage insurance on insurable Common Areas on current

replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost); or use hazard insurance proceeds for losses to any Common Areas for other than the repair, replacement or reconstruction of such Common Areas.

4. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Lot and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for such Lot, and first mortgagees making such payments shall be owed immediate reimbursement therefor from the Lot Owner.

5. No provision of this Declaration or any other document or instrument affecting the title to the Property, Common Areas, any Lot or the organization or operation of the Association shall give an Owner or any other party priority over any rights of first mortgagees of Lots within the Subdivision pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Common Areas.

ARTICLE VIII

SEVERABILITY

Each provision of this Declaration is hereby declared to be independent of, and severable from, every other provision hereof. If any provision is held by a court of competent jurisdiction to be invalid or unenforceable, all remaining provisions shall continue unimpaired and in full force and effect.

ARTICLE IX

CAPTIONS

Paragraph captions in this Declaration are for convenience only and do not in any way limit or amplify the terms or provisions hereof.

ARTICLE X

TERM

The provisions of this Declaration shall affect and run with the land and shall exist and be binding upon all parties claiming an interest in the Development until December 31, 2050, after which time the same shall be extended for a successive period of ten (10) years each unless expressly discontinued by vote of a 2/3 of the voting members of the Association.

ARTICLE XI

AMENDMENT, ADDITIONAL PARCELS

For so long as Developer retains control of the Association, Developer may (a) unilaterally amend the provisions hereof, including replatting the lots or parcels subject hereto, so long as no vested property right is diminished; (b) Add additional property to the Development by recording an Amendment submitting the same to this Declaration, as amended;

IN WITNESS WHEREOF, the Declarant has caused this instrument to be executed this 3 day of May, 2007.

GMG DEVELOPMENT, LLC

By: [Signature]
Greg L. Haley, Administrator

Sweetwater Ridge Property Owners Association, Inc.

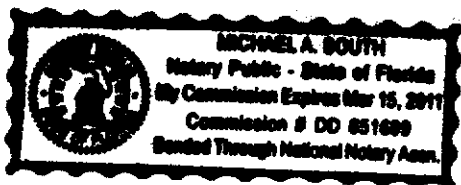
By: [Signature]
Greg L. Haley, Its President

STATE OF Florida
COUNTY OF Collier

I certify Greg L. Haley, as Administrator of GMG DEVELOPMENT, LLC, personally appeared before me this day and produced Florida Drivers License as evidence of his identity, and acknowledged to me that he voluntarily signed the foregoing document for the purposes stated therein and in the capacity indicated.

DATE: 5-3-07

[Signature]
Notary Signature
Michael A. South
Printed Name of Notary



STATE OF Florida
COUNTY OF Collier

I certify Greg L. Haley, as President of Sweetwater Ridge Property Owners Association, Inc., personally appeared before me this day and produced FL Drivers License as evidence of his identity, and acknowledged to me that he voluntarily signed the foregoing document for the purposes stated therein and in the capacity indicated.

DATE: 5-3-07

Michael A South

Notary Signature

Michael A South

Printed Name of Notary

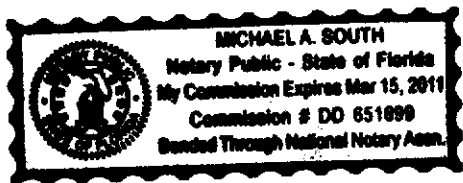


EXHIBIT A

Being all of the same land shown on a plat of a recombination survey for A. Dale Owen and wife, Laurie W. Owen, prepared by Robert E. Parker, PLS, recorded in Plat File 10, slide 926, Records of Plats for Transylvania County.

Subject to all easements and other matters shown on the recorded plat hereinabove referred to, to water, spring, tank and water line rights reserved in the deed recorded in Document Book 202, page 783, hereinafter referred to, and to the special terms and conditions set out in the deed recorded in Document Book 256, page 382, hereinafter referred to, with respect to erosion control and the 18 inch wide pipe for the run off of water referred to therein.

Being all of the same land described in the following four deeds: (1) Deed from Melvin L. Myers and wife, Annette B. Myers, to Aubrey Dale Owen and wife, Laurie W. Owen, dated October 27, 2003, and recorded in Document Book 202, page 780, of the Transylvania County Registry; (2) Deed from Dennis D. McCall and wife, Susie McCall, to Aubrey Dale Owen and wife, Laurie W. Owen, dated November 4, 2003, and recorded in Document Book 202, page 783, of the Transylvania County Registry; (3) Deed from Juanita A. Hoxit and husband, Harold Thomas Hoxit, to Aubrey Dale Owen and wife, Laurie W. Owen, dated October 8, 2004 and recorded in Document Book 256, page 382, of the Transylvania County Registry; (4) Deed from Aubrey Dale Owen (divorced and unremarried) and Laurie Warden (formerly known as Laurie W. Owen (divorced and unremarried) to GMG DEVELOPMENT, LLC, dated May 31, 2006, and recorded in Document Book 352, page 123, of the Transylvania County Registry.