

COLD SPRINGS PROPERTY OWNERS ASSOCIATION, INC.
159 Stable Lane
Highlands, NC 28741

Approved Rules for All Construction Sites

Revised July 4, 2026

Responsibility

The property owner or owners on whose property construction activity is being performed is solely responsible to the Association, its board of directors, and individual members of the Association for any and all actions of his general contractor and subcontractors performing work on the owner's property.

Fees

Construction fees and deposits are due following board approval of the building plans and prior to land disturbance or clearing on the subject property.

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| Non-refundable Construction Impact Fee | \$ 3,000 |
| Road Damage Deposit | \$ 1,500* |
| Environmental Deposit | \$ 1,500* |
| Total Owner Fees | \$ 6,000 |

* The Association reserves the sole right to identify the damages and costs for which these deposits will be used prior to refunding any remaining balance.

Contractor's Performance Bond Requirement

For any construction project with a total estimated cost exceeding \$500,000, the Board of Directors may, at its discretion, require the property owner to provide a performance bond issued by a licensed surety. The purpose of the bond is to ensure:
Completion of the construction project in accordance with the approved plans and timeline;
Compliance with CSPOA Construction Rules, the Erosion Control Policy, and all applicable permits;
Remediation of any damage to roads, common areas, or neighboring lots caused by the owner's contractors or subcontractors.

If required, the performance bond shall:

Be in an amount equal to at least 10% of the total estimated construction cost, as documented by the owner or contractor;

Name the Cold Springs Property Owners Association, Inc. as an obligee;

Remain in effect until the project is completed and the Board has issued written confirmation of compliance and site restoration;

Be issued by a surety company licensed to do business in North Carolina.

Failure to provide the required performance bond when requested by the Board will result in denial or revocation of construction approval.

Fines

Unless specified otherwise herein, fines in the amount of \$100 per infraction will be levied for infractions of the construction rules. Each day a problem goes uncorrected is subject to a fine; i.e., repeated daily infractions are cumulative.

Schedule

Construction must be completed within one year (12 months) from the date that land disturbance for site grading is initiated. A daily Schedule Penalty in the amount of \$100 per calendar day will be assessed, unless (1) the owner applies to the board of directors and is granted a schedule extension prior to the end of the original 12-month schedule limit and (2) the board agrees that the reasons for the extension are necessary and legitimate. The Association and the board of directors are under no obligation to grant a schedule extension simply because the owner makes application for one.

Liens

Non-payment of construction fees, deposits, fines, and/or schedule penalties are subject to the same legal recourse and action by the Association as that authorized in Article 9.6 of the Association's Bylaws.

Construction Site Rules

No construction site activity shall take place in Cold Springs before 8:00 AM or after 6:00 PM on weekdays, and before 9:00 AM or after 4:00 PM on Saturday, and none on Sunday. No construction activity is permitted in Cold Springs on holidays or holiday weekends (Easter, Memorial Day, July 4th, Labor Day, Thanksgiving, Christmas, and New Year's).

Contractors shall provide for all contractor and subcontractor parking on the construction site or totally outside of Cold Springs. Contractor parking is not permitted on Cold Springs' roads, the rights-of-way (ROW), Association common property, or the property of any other member. With prior board approval, contractors may be allowed to park a limited number of vehicles at the stables and shuttle workers to and from the construction site. Owners having permission for contractor parking on another member's property must provide a copy of the written approval to the Association board to obtain a waiver of the daily fine for violation of this rule.

Other than for construction material deliveries, no Cold Springs road or driveway shall be blocked to vehicular traffic at any time. If a temporary road blockage is required for major material deliveries, the delivery vehicle must be moved whenever requested to allow residents to pass through on the paved road surface. Construction materials must be unloaded on the owner's property without delay. The delivery vehicle must clear the roads as soon as materials have been unloaded on site.

Other than a personal radio or music player using headphones, no radios, televisions, or other entertainment devices are allowed on the construction site. Noise heard from a device of this type and reported by another resident will be fined.

All contractor, subcontractor, and delivery vehicles shall at all times obey the Cold Springs posted speed limits (15 MPH) and traffic directions. Fines will be levied for repeated offenses.

Should construction activity or vehicles damage any ROW, member property, or common property, the contractor shall make full and immediate repairs to these surfaces at his cost and to the complete satisfaction of the owner and the Association. Repairs not completed within two (2) working days of the damage shall be liable for fines of \$50 per working day by the Association.

Propane and Gas Tank Installation

All new propane or fuel storage tanks must be buried unless the Owner obtains prior written approval from the Board of Directors for an above-ground installation. If above-ground installation is approved, the tank must be fully screened from view from any road, Lot, or Common Area. This requirement is cross-referenced in the CSPOA Rules and Regulations for Owners and shall be enforced as a condition of construction approval.

Propane tanks already in place and in operation before the effective date of this rule are expressly exempt from these requirements.

Environmental Compliance

The contractor shall comply with all local and state erosion control and watershed protection regulations. In addition, specific requests by the Association for additional environmental protection shall be implemented within two (2) working days following the request.

No new or temporary driveway shall be graded in a manner to allow storm water runoff to be directed onto another property owner's property. In those cases where topography makes compliance with this requirement impossible, the contractor shall obtain the approval of the affected property owner and the Association's board of directors for the driveway solution.

No new driveway will be constructed in a location or alignment that directs the flow of storm water runoff into another property owner's existing driveway or parking area.

Trash, gravel, mud, and any other construction debris shall be picked up and cleared from the roads and rights-of-way daily. Should any trash or debris be blown or otherwise transported to another owner's property, the contractor is responsible for cleaning up the trash and debris daily. Violations of this rule are subject to fines of \$50 per calendar day until the problem is resolved to the Association's satisfaction.

BY ORDER OF THE BOARD OF DIRECTORS:

THESE RULES ARE ADOPTED AND PLACED IN FORCE CONFIRMED BY A UNANIMOUS VOTE OF THE MEMBERSHIP AND WRITTEN PROXIES PRESENT AT THE ANNUAL MEETING OF THE COLD SPRINGS PROPERTY OWNERS ASSOCIATION, INC, THIS DATE JULY 4, 2026, AND ARE IN FULL COMPLIANCE WITH THE BY-LAWS AND RESTRICTIVE AGREEMENTS OF THE ASSOCIATION.

THESE RULES ARE ADOPTED AND APPROVED BY A VOTE OF THE ASSOCIATION'S BOARD
OF DIRECTORS THIS DATE, AUGUST 9, 2025.