

COLD SPRINGS PROPERTY OWNERS ASSOCIATION, INC.

159 Stable Lane

Highlands, NC 28741

Rules and Regulations For Owners

Revised July 6, 2019

Whereas, the Cold Springs Development (the "Development"), as described in documents recorded in Macon County, North Carolina, was originally planned and developed by Cold Springs Development Company, Inc., which released its development rights to the Cold Springs Property Owners Association, Inc. ("Association") in a Contract and Agreement dated June 1, 1978; and

Whereas, the lots, buildings and other structures located on lots within the Development ("Lots"); the property of any and all owners of any and all such Lots ("Owners"); and the property held by the Association as the common property of any and all Owners, are hereinafter collectively called the "Subdivision"; and

Whereas, the "Association," operating under its By-Laws as duly approved and amended at annual meetings of the Association on July 8, 1995, July 4, 1998, and September 25, 2010 ("By-Laws") and previously, has been performing the functions of a homeowners' association for the Subdivision, including but not limited to the construction, maintenance, repair and daily operations of road and water systems and parking places; installing and repairing signage; purchasing and providing year-round landscaping and snow removal services; and constructing, maintaining, repairing and operating recreational amenities, including but not limited to a lake, tennis courts, pastures, and a barn for horses; and

Whereas, the Owners and the Association wish to clarify the rights and obligations of the Owners with respect to the operation of and payment for the services that the Association provides to the Subdivision, and only to Owners within the Subdivision, as well as to establish uniform permitted and prohibited uses of the Owners' improved and unimproved Lots and their common property; and

Whereas, the Owners desire, for the benefit of the Subdivision, themselves, and their successors, that the Subdivision be used exclusively as hereinafter set forth; and

Whereas, the provisions hereof are intended to render more definite the Owners' and the Association's rights and obligations regarding the Subdivision in order to assure the continued successful operation of the Subdivision; and

Whereas, the Owners further desire to establish provisions for the determination of violations of these Rules and Regulations For Owners, and for the reasonable enforcement thereof;

Now, therefore, in consideration of the premises and the advantages the Owners will receive from the quiet enjoyment and sale of the Lots in a restricted subdivision as part of a general scheme of development, the Owners and their successors in title covenant, agree and hereby restrict the Subdivision as follows:

1. Owner-Members of Association; Financial Responsibility.

Every Owner is a member of the Association ("Member") and shall pay such fees as the Association establishes from time to time for the operation of the Association, its road, bridge, and water systems, the additional services the Association provides, and/or its common areas and amenities. Every Owner-Member and every Lot is and are subject to these Rules and Regulations for Owners.

Owners and the guests of and/or renters from Owners are subject to other rules and/or regulations referred to herein that the Association has approved under its By-Laws by vote of the Members or adopted by the Association's Board of Directors ("Board"), as applicable. For example, Owners must include the text of "CONDUCT OF RENTERS WHILE AT COLD SPRINGS" contained in the Association's Rental Rules for Owners and Renters ("Rental Rules") as amended from time to time in each rental agreement AND post a true and complete copy of "CONDUCT OF RENTERS WHILE AT COLD SPRINGS" in one of two prominent places in a rented house. Owners will be responsible for any and all violations of these Rules and Regulations For Owners and/or violations of the Rental Rules that are committed by Owners, guests or renters; and Owners will be subject to whatever financial or other sanctions are specified for such violations in our By-Laws and any Board policies implementing the authority that the By-Laws confer on the Board.

2. Residential Use. All Lots shall be known, described, and intended for use as residential lots, subject to use limitations and rental rules and/or regulations from time to time approved or adopted by the Association. No part of any Lot shall be

used for any type of business or commercial activity. This restriction, however, shall not prohibit a home occupation, so long as it does not more than occasionally entail customers, suppliers, delivery trucks or clients coming to the Lot or increase traffic within the Subdivision and does not otherwise violate any other provision of these Rules and Regulations. The residential use requirement shall also not preclude compensated rentals, which are governed by separate limitations set forth in the Association's Rental Rules approved by the Owner-members July 6, 2019.

3. **Trash and Nuisances.** No noxious or offensive activities shall be carried out upon any Lot, nor shall anything be done thereon which is or is likely to become an annoyance or nuisance to the neighborhood. Except for routine household garbage, trash and debris, all of which must be kept in covered containers reasonably screened from view and which must be promptly hauled off, no Lot shall be used in whole or in part for the placement, dumping or storage of rubbish, garbage, junk or refuse, including but not limited to junked or unlicensed motor vehicles. No Lot shall be allowed to remain in an unclean or unkempt condition. See Paragraph 9 below, "Grounds." No liquid waste or other substance, thing or material shall be dumped, placed or kept upon any Lot which will emit foul or noxious odors discernible on any other Lot or which will cause such noise which will unreasonably disturb the peace, quiet and comfort of any occupant of another Lot. See also Paragraph 27 below, "Quiet Enjoyment: Noise Abatement Rules."

4. **Subdividing.** Regardless of past practice, no Lot may be subdivided or combined with another Lot without approval of the Association granted by a vote of two-thirds (2/3ds) of its Owner-members.

5. **Setbacks.** No residential structure shall be located on any Lot within thirty-five (35) feet of the right-of-way of any adjacent road, within twenty (20) feet of any side or rear lot line, or within thirty (30) feet of the lake edge. For the purposes of this covenant, eaves and steps shall not be considered as part of a structure, provided however, that this shall not be construed to permit any eaves, steps or any portion of a structure on a Lot to encroach upon another Lot. The Association reserves the right to waive unintentional violations of the setback lines not exceeding ten (10%) percent of the requirement; and to grant variances not exceeding ten (10%) percent of the heated floor space requirements as set forth in paragraph 6 below by an instrument recorded in the Office of the Register of Deeds for Macon County, North Carolina. A setback or building line violation in excess of ten (10%) percent shall be waived only with the

response from or on behalf of the Board within fifteen (15) days following the date of the emails, the plans, specifications, or both will be deemed approved. However, a response by or on behalf of the Board within that period that the Board requires more than fifteen (15) days to consider and act on such a request will be deemed a temporary rejection of the request.

After any final rejection, Plans and Specs may be resubmitted for subsequent approval. Once Plans and Specs have been approved, no alterations thereof may be made without further written approval of the Architectural Committee. Likewise, no excavation, fill or stream alteration shall be undertaken without the prior approval of the Architectural Committee.

The exterior of new or existing homes must be painted or repainted in an earth tone or similar color approved in writing by the Architectural Committee before such painting or repainting commences. Such approval shall not be unreasonably denied.

The requirement for some response by the Board within fifteen (15) days of an Owner's email request correctly addressed to each current member of the Board shall apply as well to any other request by an Owner that requires approval by the Board. As with requests concerning plans or specifications, the fifteen (15) day requirement shall be satisfied by a response within that period that the Board requires greater time to consider and act, which constitutes a temporary rejection of the request.

8. **Temporary Structures, R.V.'s, Boats, Trailers, etc.** No structure of a temporary character, including trailers, mobile home or shacks (other than a licensed contractor's temporary construction office during house construction and then removed) shall be placed upon any portion of the Subdivision at any time. Recreational vehicles may not be lived in; they may be stored, but only in an enclosed, approved garage. No boat or other watercraft or boat trailer may be kept in the Subdivision, except if stored in an approved garage or behind a residence out of sight from a Subdivision road.

9. **Grounds.** All Lots shall be kept in a slightly 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. The Association and its designees shall have an easement to enter the Lots for the purpose of placing Lots, improvements or both in the condition required hereby. If the

Board determines that a Lot is not being kept as required herein, it shall provide notice thereof to the Owner, and the Owner shall have fifteen days to begin bringing the Lot into compliance. If the Owner fails promptly to start remediation of the Lot within that period, or fails to complete that project promptly, the Association may enter the Lot, or engage a contractor to enter the Lot, to do so. The Owner shall then reimburse the Association's costs of remediating the lot plus twenty percent thereof.

10. **Signs.** No sign of any kind shall be displayed to the public view on any Lot, except a small sign of customary size indicating the Owner's name and/or the house number and one sign of not more than five (5) square feet advertising the Lot for sale.

11. **Tanks, Equipment and Containers.** All tanks, equipment, containers, garbage receptacles and clothes drying areas shall be placed within the rear yard of a residence or shall be reasonably concealed from the views of neighboring Lots, roads and streets. Propane tanks in place and operation before the effective date of these Rules and Regulations are expressly exempted from this rule.

12. **Livestock.** No cows, pigs, goats, chickens, sheep, horses, llamas or other animals generally considered livestock may be kept on any Lot. Horses may be kept in the stable, but only in accordance with rules established by the Association. Commercial animal raising or beekeeping of any type shall not be permitted on any Lot.

13. **Hunting and Weapons.** No hunting or shooting of weapons shall be allowed at any place within the Subdivision.

14. **Motorized Vehicles.** No unlicensed vehicle may be operated within the Subdivision. Motorcycles, mini bikes, dune buggies, motorized bikes and other recreational motorized vehicles that are duly licensed may be operated within the bounds of the Subdivision, but only while riding for access or egress purposes to and from a residence to the public road (outside the Subdivision); they may not be ridden within the bounds of the Subdivision for recreational purposes. All motor vehicles shall be maintained in proper operating condition so as not to create a nuisance by noise, exhaust emissions or otherwise. No motor vehicles shall be driven within the Subdivision except on driveways and on the existing roadways. See Private Roads and Vehicle Access Restrictions, approved August

14, 2011.

15. **Safe Driving in Cold Springs.** For the safety of other drivers and pedestrians, all Owners, guests, renters and other residents are required to drive carefully. In particular, speeding on the community's private roads is prohibited. Please note that the general Subdivision speed limit is **20 miles per hour** (unless a lower speed is posted); and **12 miles per hour** is the limit around bushes or curves that impede a driver's view ahead.

Please Remember, in any lawsuit for injury to person or property, evidence of driving in violation of a North Carolina subdivision's speed limits may be offered as evidence of liability.

16. **Permitted Vehicles and Parking.** The Association shall have the right and authority to formulate rules governing the size and weight of vehicles which may enter or be parked or stored within the Subdivision. See Private Roads and Vehicle Access Restrictions, August 14, 2011. No unlicensed or regularly inoperable vehicles shall be kept or allowed to remain on any roadway within the Subdivision or on any Lot, other than within an approved, enclosed garage. Except for emergency repairs, no person shall repair, restore or store any vehicle, boat, trailer or other recreational equipment upon any portion of the Subdivision unless concealed from view. No vehicle shall be allowed to remain parked on any bridge or on or adjacent to any roadway within the Subdivision unless a licensed driver is in or in close proximity to the vehicle.

17. **Satellite Dishes, Drones, Antennae.** No satellite dishes in excess of 30" or ham radio antennae will be allowed to remain on any Lot. The Association may establish limits on and rules for the permitted operation of drones in the Subdivision. Satellite dishes in excess of 30" in place and operation before the effective date of these Rules and Regulations are expressly exempted from this rule.

18. **Roadways and Bridges: Maintenance.** Roadways and bridges providing access to Lots in the Subdivision shall be maintained by the Association until such time, if any, that the same have been accepted by a governmental authority.

19. **Erosion Control Policy.** Rules for erosion control are set forth in the Cold Springs Erosion Control Policy dated June 5, 2006.

20. Rental of Property.

THE REQUIRED MINIMUM RENTAL PERIOD IS FOURTEEN (14) DAYS. FOR FURTHER REQUIREMENTS, SEE “Rental Rules for Owners and Renters” (approved by the Association membership, July 6, 2019).

21. Use of Recreational Areas. All recreational facilities established and/or operated by the Association are for the sole use of Owners, permitted household guests, and under certain conditions, renters. The rules governing all such facilities, including what uses under which conditions are permitted by guests or renters, shall be established by the Board from time to time. See “**Rental Rules for Owners and Renters.**”

22. Lake Rules.

NO PERSONS ARE PERMITTED IN OR ON THE LAKE EXCEPT FOR PERMITTED BOATING WITH REQUIRED FLOTATION DEVICES WORN OR AVAILABLE AS DESCRIBED BELOW.

Using any boat, canoe, kayak, or other floating transport mechanism WITH AN INTERNAL COMBUSTION ENGINE (gas or other) on the lake is prohibited. Using boats, etc., WITHOUT such engines is permitted, but ONLY AFTER SUNRISE OR BEFORE SUNSET.

In accordance with North Carolina law and regulations, EVERY PERSON in or on a permitted boat, canoe, kayak, or other floating vessel must wear or have available a Coast Guard-approved PERSONAL FLOTATION DEVICE (LIFE PRESERVER, JACKET OR CUSHION) at all times. Operators or passengers under 13 years of age MUST WEAR such a life preserver, jacket or cushion; those 13 years of age or older MUST HAVE AVAILABLE such a life preserver, jacket or cushion in the boat, canoe, kayak or other vessel.

NO SWIMMING, STANDING, FLOATING (except in a permitted boat), PLAYING OR ALLOWING ANOTHER TO ENGAGE IN ANY OF THOSE ACTIVITIES IN OR ON THE LAKE IS PERMITTED BY ANY OWNER, INVITED GUEST, HOUSEHOLD GUEST, RENTER, NEIGHBOR, OR ANY OTHER PERSON OF ANY AGE AT ANY TIME.

Fishing is limited to Owners, Owner's guests accompanied by Owners, and approved Renters. Generally the policy is "Catch and Release"; however, no more than four (4) trout per Lot may be taken per day. Please return all uninjured fish to the lake except for the four (4) trout per day that may be taken.

23. **Tennis Courts.** The use of bicycles, roller skates, in-line skates, and/or skateboards is strictly prohibited. Tennis players must lower nets before leaving courts.

24. **Animal Control Rules.** Only animals generally recognized as domestic pets may be kept and maintained on a Lot. Animal owners or caretakers—whether home owners, guests, or renters—are responsible for ensuring that their pets be attended throughout the Subdivision, **INCLUDING WITHIN THE ENTIRE PROPERTY BOUNDARIES OF ANY LOT.** Furthermore, **dogs must AT ALL TIMES, WHEN OUTSIDE A RESIDENCE DWELLING, be restrained by leash or IMMEDIATELY RESTRAINABLE** by the voice command of a person attending in close proximity. Two (2) violations of this rule, as determined by the Board, will result in the removal of any dog in question from the Subdivision, to protect people and other animals and to avoid potential liability of the Association or our Owners for damages resulting from injury.

25. **Use of Barn (Stable) or Pastures.**

Stabling a horse or horses is permitted within the limits of the Cold Springs Rules for Horse Owners, as revised by the Board of Directors, May 7, 2011. The principal limitation, apart from the number of stalls, is the requirement that the Cold Springs owner or a family member personally provide the daily care for his or her horse(s) and clean each stall used and common areas of the barn. Use of a hired agent to provide that care on a regular basis is not allowed. There is a monthly per/horse fee to help offset the Association's costs of maintenance and repair of pastures, pasture fencing and the barn.

26. **Limitations on Easements, Rights of Way, Access Rights.** No easement, right of way or rights of access shall be deeded, granted or in any way provided by any Lot Owner to any other person, firm or corporation through, over or in any Lots without the written permission of the Association. In particular, no Owner of a perimeter Lot shall permit it to be used for access to or egress from

any property not located within the Subdivision, except with the express written consent of the Association.

27. **Quiet Enjoyment: Noise Abatement Rules.** No Lot Owner may use or permit the operation outside a residence of any motor or engine or cutting, blowing, or chopping device or other equipment that produces substantial noise, except during the hours of 8:00AM to 6:30PM on Mondays through Saturdays or 1:00PM to 5:00PM on Sundays or national holidays.

28. **Association Right of First Refusal To Purchase; Waiver of Right.** Prior to any Lot Owner transferring ownership of an improved or unimproved Lot--other than by (i) gift, devise or intestacy, (ii) conveyance to a partnership, corporation or limited liability company of which Owner is a general partner, principal, or member, or (iii) conveyance to a trust created by such Owner--the transferring Owner shall **(a)** provide the Association with a copy of the written offer to purchase that such Owner wishes to accept and **(b)** offer in writing to sell the Lot instead to the Association on the same monetary terms. The Association shall have ten (10) days from its receipt of Owner's offer to accept it in writing. If the Association rejects or fails timely to accept the Owner's offer, it shall provide a Certificate, in recordable form, signed by any officer of the Association, confirming the Association's waiver of its right of first refusal and, if the same be true, that all Assessments on the Lot in question are currently paid in full as of the date of the Owner's proposed transfer. The Certificate shall be recorded prior to recording of the deed executed or to be executed by the Owner transferring title to the Lot. No waiver of an Association option to purchase in connection with one proposed transfer of a Lot shall constitute its waiver as to future transfers; each must be submitted to the Association as provided herein.

29. **Homeowners Association; Assessments; Liens; Enforcement.** In addition to the services provided by the Association as detailed above, the Association, through its Board of Directors, may and shall, in a manner not inconsistent with the By-Laws, provide or regulate other matters of a general nature affecting all or a significant number of Lot Owners. The Association shall assess Lot Owners amounts sufficient to provide those services and fulfill that obligation (the "Assessment"). The Association, through its Board of Directors, shall have the right to levy Assessments, annually and/or otherwise, to carry out its purposes. Every Owner shall, as a Member of the Association, pay the Assessment within the time provided in the Association's By-Laws.

The Association shall establish annual capital and operating budgets, which may include without limitation amounts required to operate, maintain, refurbish, and expand the water, roadway, and bridge systems in a prudent manner; for reserves, administration, utilities, and professional services; for the maintenance of buildings, grounds, and equipment; for cleaning, repairing, refurbishing, restocking, replacing and expanding common areas including pastures, parks, the lake, the barn or stable, and tennis courts; for signs, landscaping, tree removal, snow removal, fencing, wells, pumps, sensors, and other equipment appurtenant to all Association property and functions.

The Assessments shall be established in an amount sufficient to satisfy the budgeted items and as set forth in the Association By-Laws. Every Lot Owner shall be a member of the Association and shall be entitled to vote on the budgets, assessments, and other matters in the manner established by the Board of Directors consistent with the By-Laws (only one vote per Lot.)

Assessments shall be levied and collected on a per Lot basis in writing. Notice of approved assessments shall be mailed or delivered to each Lot Owner. Any Assessment not paid within thirty (30) days after the due date thereof shall bear interest from the due date at a rate of twelve (12%) percent per annum. Should any Owner fail to pay timely any Assessment, the unpaid amount, plus any late fees, interest, etc., shall be a lien on such Owner's Lot from and after the filing of a lien with the Macon County Clerk of Court. In addition to all other remedies, the delinquent Owner or Owners shall be responsible for paying the reasonable attorney's fees of the Association in connection with lien filing or enforcement.

The Association may also bring an action at law against the Lot Owner personally to pay the Assessment and may at any time foreclose its lien against a Lot upon which the unpaid Assessment has been levied. No Owner may avoid liability for any of the Assessments provided for herein by non-use of facilities, abandonment of the Lot, or the Association's forbearance in foreclosing a lien.

The lien against a Lot for any Assessment provided for herein shall be subordinate to the lien of any institutional (bank, savings bank, credit union or insurance company) deed of trust. Sale or transfer of a Lot shall not affect the Assessment lien unless the sale is pursuant to an institutional deed of trust foreclosure or any public sale in lieu thereof. Such a foreclosure sale or public sale in lieu thereof shall extinguish the lien against the Lot (but not the former Owner's obligation) for the Assessments which became due prior to such sale. No sale or transfer of any kind shall relieve a Lot or its Owner from liability for any Assessments arising subsequent to a sale, foreclosure sale or public sale in

licu thereof. Nothing herein shall prevent, and any mortgagee may, at its option, pay any delinquent obligations of a Lot Owner.

30. Enforcement of Violations of Owner Rules and Regulations; Fines.

To remedy and deter violations of any provision of these Rules and Regulations, the Association may levy a fine against an Owner or Owners, enforceable by lien. The Board of Directors will determine by a majority vote of Board members present and voting whether an Owner has or Owners have violated any of the Owner Rules established herein; but no violation will be found unless at least four (4) Board members vote to find a violation. The Board shall also determine by a four (4)-member minimum vote the amount of any fine for a violation. The Board shall mail or otherwise deliver, including by email, a written notice of violation to each known address of any Owner found to have violated one or more of these Rules and Regulations, specifying the violation(s) determined and the fine for each.

Should the Owner or Owners fail timely to pay such fine or fines as directed in such written notice, the Association may file and enforce the lien arising from the violation at any time, before or upon the sale of the Lot in question. In the alternative or additionally, the Association may proceed with an action at law and/or proceeding in equity against any Owner allegedly in violation. Should any person or persons be found in violation of any Rule or Regulation hereof, the adjudicated violator shall, in addition to all other remedies, be responsible for paying the resulting reasonable attorney's fees incurred by the Association.

31. Severability and Remedies for Enforcement of Rules. If any provision hereof is declared invalid or unenforceable by court order, that determination shall in no way invalidate or affect any of the other provisions, which shall remain in full force and effect. Specifying certain judicial remedies like fines or liens on property owners' Lots does not preclude the Association from invoking other remedies, judicial or otherwise.

32. Amendments. A vote by a majority of Lot Owners submitting valid proxies before and of Lot Owners present and voting at an Annual Meeting may modify, amend, or eliminate non-material portions of these Rules and Regulations. Material changes hereto (subdividing, house size, setback, permitted structures, construction standards and procedures, etc.) may be made only as provided in paragraphs 4 through 6 above.

THESE RULES ARE **APPROVED**, ADOPTED, AND PLACED IN FORCE EFFECTIVE JULY 6, 2019, AS CONFIRMED BY AN 89.6%

VOTE OF OWNER-MEMBERS OF THE ASSOCIATION SUBMITTING
VALID PROXIES AND DULY VOTING DURING THE ANNUAL
ASSOCIATION MEETING OF JULY 6, 2019.

Certified by Association Secretary Sumter Bradwell, this sixteenth (16th) day of
July 2019

Sumter Bradwell

SUMTER BRADWELL, SECRETARY

RECORDED this 16 day of July 2019

Clerk of Court

Macon County, North Carolina

Macon County, North Carolina
I certify that the following person(s) personally appeared before me
this day, each acknowledging to me that he or she voluntarily signed
the foregoing document for the purpose stated therein and in the
capacity indicated.

Sumter Bradwell
Name of Principal(s)

Date: August 14, 2019

Leslie A. Cook
Official Signature of Notary Public

Leslie A. Cook Notary Public
Notary's printed or typed name

My Commission Expires October 4, 2023

LESLIE A. COOK
Notary Public, North Carolina
Macon County
My Commission Expires
October 04, 2023

Change heading of 4. to "Combining and Re-Separating Lots"

An Owner or joint Owners of adjacent lots may apply to the Association to combine such lots. Adjacent lots are eligible for combination if there is one but only one (1) residential structure on the lots in question. No Lots may be combined without approval of the Association granted by a vote of two-thirds (2/3ds) of its Owner-members. If such approval is granted, the Owner or joint Owners would be responsible for paying one (1) annual assessment for the improved lot but no assessment for the unimproved lot or lots combined with the residential lot.

In accordance with past practice, previously approved lot combinations cannot be re-separated (or "subdivided") thereafter for any reason, including sale, until the Owner pays or Owners pay all uncollected annual assessments for any and all years in which assessments were waived as a result of the Association having approved a combination of lots.

BK: CRP B-40

PG: 171-172

RECORDED:
07-17-2020

11:09:48 AM
BY: TODD RABY
REGISTER



2020004854

MACON COUNTY, NC

TODD RABY
REGISTER OF DEEDS

NC FEE \$26.00

The following amendment to the Cold Springs Property Owners Association, Inc: Rules and Regulations for Owners as Revised July 6, 2019 was approved, adopted and placed in force effective July 4, 2020, as confirmed by a 100% vote of Owner – Members of the Association submitting valid proxies and duly voting during the annual Association meeting of July 4, 2020.

Certified by Association Secretary, Sumter Bradwell, this ninth (9th) day of July, 2020.


Sumter Bradwell, Secretary

LESLIE A. COOK
Notary Public, North Carolina
Macon County
My Commission Expires
October 04, 2023

Macon County, North Carolina
I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated.
Sumter Bradwell
Name of Principal(s)
Date: 7/9/2020
Leslie A Cook
Official Signature of Notary Public
Leslie A. Cook Notary Public
Notary's printed or typed name
My Commission Expires October 4, 2023

Recorded this ____ day of _____ 2020.

Clerk of Court
Macon County, North Carolina