

Restrictions, rules, covenants, and regulations in the community. The primary purpose of having community rules and standards is to protect your investment as a homeowner and provide a common framework for neighbors.

Table of Contents Homeowners Handbook Rules & Regulations* Section/Title Page # **General Statement** Section 1 Section 1.1 – Disclaimer* 3 Section 1.2 – Overview 3 Section 1.3 – Uniform Application 3 Section 1.4 – Copies Furnished 3 **Use Restrictions and Purpose** Section 2 Section 2.1 – Restrictions in General 3 Section 2.2 – Business Activities 3 4 Section 2.3 – Sewage Disposal Section 2.4 – Unobstructed Vision 4 4 Section 2.5 – Right of Way Reservation Section 2.6 – Inoperable Vehicles and Other Vehicles 4 Section 2.7 – Lot Maintenance 4-5 Section 2.8 – Pets and other Animals 5-6 Section 2.9 – Nuisances 6 Section 2.10 – Prohibition of Time-Sharing 6 Section 2.11 – Signs 6 Section 2.12 – Parking & Additional Traffic Exclusions 7-8 Section 2.13- Common Elements Property Damage 8 Section 2.14 – Vehicle Speed 8 8-9 Section 2.15 – Use of Roads Section 2.16 – Outdoor Lighting 9 Section 2.17 – Outdoor Play Equipment Structures 9 Section 2.18 – Mailboxes 10 Section 2.19 – No Lot or Road Pass Thru 10 Section 2.20 – Basketball Goals 10 Section 2.21 – No Storage Sheds, etc. 10 Section 2.22 – Drones 10-11 Section 2.23 – Other General 11 Section 2.24 – Water Retention/Irrigation Systems 11-12 Section 2.25 – Snow and Ice Emergency 12-13 Section 2.26 – Tree Removal on Lots 13 Section 2.27 – Trash Removal and Recycling 14 **Architectural Guidelines** Section 3 Section 3.1 – General Residence Restriction and Size of Lots 14-15 Section 3.2 – Garages and Driveways 15 Section 3.3 – Plans and Specifications – Written Approval Before 16 Construction Section 3.4 – Plans and Specifications – When Single Family Residence is 16-17 Destroyed or Damaged

Section 3.5 – Plans and Specifications – Minimum Floor Plan Size

17

	Section 3.6 – Building Line and Height Restrictions	17
	Section 3.7 – Additions above Structures to be Built	17
	Section 3.8 – Building Placement, Alterations, etc.	18
	Section 3.9 – Fencing Guidelines	18-20
	Section 3.10 – Exterior House Painting	20
	Section 3.11 – Grading and Clearing	20
	Section 3.12 – Retaining Walls, Decks, Patios, and Screened Porches	21
	Section 3.13 – Process for New Single-Family Residence Build Approval	21
	Section 3.14 – Compliance to all Building Modifications	21-22
	Section 3.15 – Exterior Design and Materials	22
	Section 3.16 – Exterior Colors on New Build	22
	Section 3.17 – Driveways	22
	Section 3.18 – Grading and Filling	23
	Section 3.19 – Storm Water Drainage	23
	Section 3.20 – Solar Energy	23-25
	Section 3.21 – Limitation of Committees Liability	25
	Leases/Rentals and Sales	
Section 4	Section 4.1 – Renting and Leasing of Lots	25-26
	Section 4.2 – Compliance with Declaration, Bylaws and Rules and	26-27
	Regulations	
	Section 4.3 – Undeveloped Lots	27

Section 1 GENERAL STATEMENT

- Section 1.1 <u>Disclaimer*.</u> The CWE Homeowners Handbook refers to rules governing common questions and situations that arise, but is not intended to be a complete list of all governing rules. For full information, please refer to the CWE Bylaws, CWE Amendments, and the 1999 Retroactive North Carolina Laws and Statutes and any and all limitations reflected in your deed and chain of title.
- Section 1.2 <u>Overview</u> The rules and regulations listed have been formulated under the covenants and bylaws of CWE Homeowners Association, Inc. Any rules and regulations adopted by the Board may be amended, modified, or revoked by the members of the Association at the annual meeting or at a special meeting. The members may also, at those meetings, adopt new rules and regulations consistent with the covenants and bylaws of Cedarwood Estates. Any such act of the members will supersede rules and regulations previously adopted by the Board. The recorded covenants, bylaws, and 1999 retroactive NC laws and statutes are the CWE governing document.
- Section 1.3 <u>Uniform Application</u> All rules and regulations are equally and uniformly applicable to all unit owners and occupants unless it is determined that an unequal or non-uniform application is in the best interest of the Association and its members.
- Section 1.4 <u>Copies Furnished</u> This document will be electronically sent to each homeowner and also posted on the CWEHOA.com website. However, failure to furnish, post, or make available the rules and regulations will not affect their validity or enforceability.

Section 2 USE RESTRICTIONS AND PURPOSE

- Section 2.1 <u>Residential.</u> Each of the Lots in Cedarwood Estates shall be, and the same hereby are, restricted exclusively to single-family residential use.
- Section 2.2 <u>Business Activities.</u> No business activities shall be conducted on any portion of Cedarwood Estates, provided, however, private offices may be maintained in residences constructed on Lots. The property shall not be used in any way or for any purpose which may endanger the health of or unreasonably disturb the Owner of any Lot or any resident thereof. The Board of Directors of the Association shall, in its sole discretion, determine what constitutes business activity, health hazard, or unreasonable disturbance. No Owner shall make any use of a Lot or store or keep anything on a Lot which will increase the insurance rates for the Association or for other Lot Owners. No manufacturing or commercial enterprise or enterprises of any kind for profit shall be maintained on, in front of, or in connection with Lots in Cedarwood Estates, nor shall any Lots be used for other than strictly residential purposes.

- Section 2.3 <u>Sewage Disposal.</u> No individual sewage disposal system shall be permitted on any Lot unless such system is designed in accordance with the requirements, standards and recommendations of the County Health Department and approved by the County Health Department and the Board.
- Section 2.4 <u>Unobstructed Vision. (10/13/2020)</u> In order to ensure that drivers can see cross-traffic and street signs at intersections in Cedarwood Estates, Lot Owners are restricted from building or planting anything more than three feet (3') high within twenty feet (20') of the corner of the Lot that meets an intersection of two (2) roads or within ten feet (10') of the point where a driveway meets a road. No trees shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines. (grandfathered in before October 13, 2020)
- Section 2.5 <u>Right of Way Reservation</u>. The Association reserves a sixty (60') foot right of way for road purposes, said right of way being thirty feet (30') on either side of the centerline of each road as shown on said plat for Cedarwood Estates with the right of egress and ingress for the owners of Lots (their heirs and assigns and guests, employees, agents and invitees). This sixty-foot (60') right of way includes the right to pave and maintain said roads in said right of way and the right to construct, improve and widen said roads.
- Section 2.6 <u>Inoperable Vehicles and Other Vehicles.</u> The Lot Owners are hereby expressly prohibited from having any junk, inoperable, or unlicensed vehicles on the property. Noisy vehicles are prohibited.
- Section 2.7 <u>Lot Maintenance.</u> In order to maintain property values, safety, and quality of life, the Association requires all Lot Owners to properly maintain their Lots and ensure their Lots are free from debris.
 - (a) The Lot Owners are hereby expressly prohibited from having any junk, junk materials or building materials which are unsightly, or the storage of any debris on the property or on their deck(s) driveway, or yard.
 - (b) Dead trees and plants shall be removed from the front and sides of the Lot facing the street.
 - (c) Any dead tree on a Lot that could potentially fall on a neighbor's Lot or house shall be removed.
 - (d) Any tree on Lot Owner's Lot that is drastically leaning towards the street whereby it could potentially fall and injure a driver and/or vehicle parked or driving on that street during a storm or other weather event shall be removed.

- (e) Any tree on Lot Owner's Lot that is drastically leaning towards another house whereby it could potentially fall on that Lot Owner's house during a storm or other weather event shall be removed.
- (f) Each Lot Owner shall remove any dirt or mud in the road in front of their Lot, to what would be the middle of the road, as grass and weeds growing on the asphalt will eventually damage the road.
- (g) No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage, and all waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.
- (h) Each Lot Owner is to keep his or her home in a good state of preservation and cleanliness, and should not sweep, throw, or permit to be swept or thrown, any substance from his home onto the community's common property.
- (i) Lot Owner will not cause or permit any unusual or objectionable noises or odors to emanate from their homes or common areas.
- (j) No resident will initiate or permit anything to happen that would interfere with the rights, comforts, and convenience of other residents.
- Section 2.8 <u>Pets and other Animals.</u> Owners may have dogs, cats, and other <u>common</u> domestic household pets in their residences.
 - (a) No more than two (2) dogs can be housed outside the residence at any time. (10/13/2020)
 - (b) It shall be considered a nuisance to have an animal exhibiting dangerous or savage behavior to owners, guests or other resident's animals in Cedarwood Estates. Any Lot Owner who causes or permits any animal to be brought or kept in Cedarwood Estates shall indemnify and hold the Association harmless for and from any loss, damage, or liability which it sustains as a result of the presence of such animal in Cedarwood Estates. (10/13/2020)
 - (c) No portion of the Lot may be used to tie up dogs.
 - (d) No dog houses should be visible from the street. When pets are housed outside, they must be kept in fenced areas to the rear of the main residence.
 - (e) Pets must be walked in non-landscaped areas, and all excrement must be picked up. It shall be considered a nuisance to permit a cat or dog to walk upon, sleep on, scratch or otherwise soil or damage other Lots.

- (f) Owners will be held accountable for all damage, destruction, or other problems caused by their pets. Nuisance noise from a dog is defined as barking that is persistent and occurs for an extended period of time or on a repeated basis. Excessive animal noise, animal odors, excrement, cruelty, or animal aggression etc., should be reported to animal control if talking with the neighbor has not provided any favorable/acceptable results.
- (g) Dogs, cats, other **common** household pets may be kept so long as the owners of each animal do not keep, breed, kennel, or maintain such animals for any commercial purposes. No other animals, livestock or poultry of any kind shall be kept, raised, or bred on the property.

Section 2.9 **Nuisances**. (10/13/2020) No nuisances shall be allowed upon Cedarwood Estates and no person shall engage in any use, practice, or activity upon such property which is noxious, offensive, or a source of annoyance to Lot Owners or which reasonably interferes with the peaceful possession and proper use of the property by any Lot Owner. No activities shall be conducted that are detrimental to the use of lots in the vicinity of such activity. The Board of Directors, in its sole discretion, shall have the power and authority to decide what acts or actions constitute a nuisance. All parts of Cedarwood Estates shall be kept in a clean and sanitary condition. No rubbish, refuse, or garbage shall be allowed to accumulate and no fire hazard shall be allowed to exist. Any Lot Owner (or his family, tenants, guests or agents) who shall dump or place any trash or debris upon any portion of Cedarwood Estates shall be liable to the Association for the actual cost of removal thereof and the same shall be added to and become a part of the assessment next coming due to which the Lot Owner is subject; or alternatively the Association may impose a fine against the Lot Owner for violation of this section. No immoral, improper, or unlawful use shall be made of Cedarwood Estates nor any part thereof. All valid laws, zoning ordinances, and regulations of governmental bodies having jurisdiction thereof shall be observed.

Section 2.10 **Prohibition of Time-Sharing**. Time-sharing and time shares as defined in the North Carolina Time Share Act (*N.C. Gen. Stat.* § 93A-39 *et seq.*) of any Lot in Cedarwood Estates is prohibited.

Section 2.11 Signs

(b) With three (3) exceptions, no sign, advertisement, notice, or other lettering shall be exhibited, inscribed, painted or affixed by any Owner on any portion of the exterior of any residence, garage or any other building constructed on any Lot unless expressly approved in writing by the BOD or the Association ARC. Association members can also post "For Sale" signs and signs indicating a security system, as well as house numbers and/or a plaque with house numbers. Further, nothing herein shall be construed to prevent the Board of Directors from erecting an entrance sign or street signs.

- Section 2.12 **Parking & Additional Traffic Exclusions.** Driveways and parking spaces are to be used solely for that purpose. The parking spaces cannot be used for the storage of boats, inoperative automobiles, unlicensed vehicles, or for any purpose other than parking.
 - (a) Owners and lessees may not park or permit their agents or guests to park commercial vehicles, vehicles bearing signs promoting a commercial venture, maintenance or transport trailers, campers, mobile homes, boats, recreational vehicles, or any vehicle other than those used as a regular form of personal transportation, for example: cars, SUVs, minivans, vans (20 feet in length or less), small noncommercial trucks, motorcycles or motorbikes in the parking spaces or in any other Common Elements overnight, on weekends or public holidays without the express permission of the Board. Permission may be granted for specific purposes and periods of time. Any homeowner seeking a variance must get input from their neighbors who reside on either side, front, and behind (if applicable) of where the vehicle is to be parked. The neighboring homeowner input, the vehicle dimensions, a picture of the proposed vehicle, and a location photo of where the vehicle will be parked on the property must accompany the variance request. (10/13/2020)
 - (b) No Lot shall be used for automotive or other exterior repair business, whether performed by the Owner or other parties.
 - (c) No commercial tractors, trailers, or large trucks shall be parked on a regular basis anywhere on the property or its streets except for the purpose of delivery or pickup of an item(s) from said single family residence or being used in the course of work being done on that Lot. Commercial is defined as any self-propelled or towed motor vehicle used on a highway in interstate commerce to transport passengers or property when the vehicle (i) has a gross vehicle weight rating or gross combination weight rating, or gross vehicle weight or gross combination weight, of 10,001 pounds or more, whichever is greater; or (ii) is designed or used to transport more than eight (8) passengers (including the driver) for compensation; or (iii) is designed or used to transport more than fifteen (15) passengers, including the driver, and is not used to transport passengers for compensation; or (iv) is used in transporting material found by the Secretary of Transportation to be hazardous under 49 U.S.C. 5103.
 - (d) (10/13/2020) Any Lot Owner that has a car, pickup truck, and/or van that is used as part of a business and is advertised as such by placards on the side of the residential car, pickup truck, and/or van, should make a reasonable effort to park said vehicle in the garage or "out of sight" to the road area and other neighbors at all times. This also applies to a van(s) and pick-up truck(s) that are carrying business materials on them, but don't have a placard displayed on the outside of the vehicle. For example, but not limited to, a pickup truck or van that is being used in the commission of a plumbing

business where pipes are exposed while being hauled. If it is not possible for the vehicle to be out of sight from the road or neighboring homeowners, the vehicle must not be unsightly.

- (e) Residents of Lots shall not be allowed to park vehicles on the streets or adjacent shoulders except in emergencies or for short term driveway repair work. Unless otherwise posted, on-street parking shall be allowed to visitors and guests of the owners of the Lots for short durations (no longer than one (1) week), so long as the health, safety, and convenience of other residents within Cedarwood Estates are not impeded in any way and that the road and road shoulder are not damaged.
- (f) Lot Owners hosting events are responsible for informing neighbors and making provisions to prevent damage to neighbors' yards. Event parking should be done only on one (1) side of the road so that thru traffic can still occur on the other side.
- (g) (10/13/2020) No "in home" operated business can generate additional traffic or parking into or out of CWE. For example, but not limited to:
 - No additional FEDEX, UPS, USPS or other type "pickup and delivery" vehicles are allowed because of the "in home" business; and
 - No additional vehicle parking is allowed for an "in home" operated business.
- (h) (10/13/2020)At no time can there be more than (1) Lot Owner business vehicle parked in the Lot owner driveway on a daily basis.
- Section 2.13 <u>Common Elements Property Damage.</u> Owners will be required to pay for the repair of all damage to roads, landscaping, etc., caused by the vehicles of people visiting them or making deliveries to their residence.
- Section 2.14 <u>Vehicle Speed.</u> The speed limit in Cedarwood Estates must be strictly observed. Currently the speed limit is twenty-one (21) miles per hour, but is subject to change. Cedarwood Estates has many walkers including pets and many different types of wildlife that may be on the streets.
- Section 2.15 <u>Use of Roads.</u> The Association consists of private maintained roads. The normal, intended use of these roads and streets is for access to and from the homes for vehicle and pedestrian traffic. As such, the private roads are restricted only to properly and currently licensed/registered vehicles and pedestrian walking.

Skateboarding, roller blading, skating, flying personal drones are strictly prohibited on our

Cedarwood Estates private roads. Additional restrictions may be passed by the Board as deemed necessary.

Section 2.16 <u>Outdoor Lighting.</u> Outdoor lighting (including, but not limited to landscape and security lighting) should be designed and installed so as not to be an annoyance to the surrounding Lot Owners. The Architectural Review Committee ("ARC") reserves the right to require removal of, or revisions to the location, intensity or design should the outdoor lighting not meet the Architectural Guidelines.

- (a) Low voltage lighting to illuminate only your landscaping/driveway, located no closer to the street than the right of way, providing the lighting does not adversely affect the neighbors in any way.
- (b) One (1) walkway/entrance light on a post is allowed. The light is not to exceed seven feet (7') in height.
- (c) Other lighting on ARC approved structures, outside the home or deck, or additional landscape spotlights will be considered, providing the lighting does not adversely affect the neighbors in any way. ARC may seek neighbor approval regarding the request.
- (d) Motion sensor lighting is preferable for outside lighting on your home or deck.

Section 2.17 **Outdoor Play Equipment Structures.**

- (a) Outdoor Play Equipment structures are allowed but must receive prior written approval from the ARC and should be located at the rear of the house.
- (b) If the topography of a Lot does not allow for play equipment to be anywhere but the front or side yard, the Lot Owner must seek ARC approval to determine if a variance will be allowed.
- (c) ARC will require play equipment to:
 - (i) fit into the natural terrain of the Lot and surroundings; and
 - (ii) be sized appropriately so as not to interfere or hinder views from other Lot Owners.
- (d) Play equipment shall be made primarily of high-quality materials in earth-toned colors including, but not limited to, any slides, swing seats, awnings, and other play equipment sections or details.
- (e) Metal play equipment is not permitted.
- (f) Tree Houses are not permitted.

Section 2.18 Mailboxes.

- (a) Mailboxes and posts shall meet USPS Standards.
- (b) Mailbox posts shall be upright and secured in the ground properly. Propping up a mailbox with rocks is prohibited.
- (c) Plantings of flowers and shrubs around the mailbox is acceptable so long as it does not hinder the USPS mail truck delivering mail.
- Section 2.19 (10/13/2020) **No Lot or Road Pass Thru.** Lot Owners are prohibited from utilizing their lot as a pass-thru to connect to another road and/or Lot and/or subdivision outside of the Cedarwood Estates. Association prohibits any roads from being added and/or extended to another road and/or Lot and/or subdivision outside of Cedarwood Estates.
- Section 2.20 <u>Basketball Goals.</u> Movable basketball goals are acceptable. Consideration should be given to the times when basketball play is underway, as sound travels in the mountains. In no instance shall the sound of the basketball play become a nuisance to neighbors.
- Section 2.21 <u>No Storage Sheds, etc.</u> Without limitation thereof, no storage sheds, outbuildings, tents, trailers, shacks, or barns, are permitted on the property. The primary residence home is the only structure authorized on any Lot. ARC written approval is required for any structure or improvement on a Lot (including fences).

Section 2.22 **Drones.** (10/13/2020)

- (a) These drone regulations shall apply to any type of unmanned aircraft, either with or without cameras, and shall govern their use by all Lot Owners and their family members, tenants, guests and invitees on, over or from any Lot or Common Elements within the community, except for the following exemptions:
 - (i) An owner flying a drone over their own Lot, or over any other Lot with the prior written consent of the other Lot Owner;
 - (ii) An owner flying a drone over the Association's Common Elements so the owner or its authorized agent can periodically inspect the owner's Lot or home, or take photographs or videos to be used solely for the purpose of marketing the Lot or home for sale or lease, or as otherwise permitted by the Board from time to time.
- (b) Drones must be operated in accordance with federal, state, and local regulations, all as amended from time to time.

- (c) In no event shall an operator of a drone be permitted to take photographs or videos of any person without that person's prior written consent, or invade the privacy of another person on any lot or Common Elements.
- (d) No Lot Owner, family member, tenant, guest, or invitee shall be allowed to operate a drone in any manner that constitutes a danger to persons or property, that constitutes a nuisance, or that harasses, annoys, or disturbs the quiet enjoyment of another person, including without limitation, another owner or their family members. lessees, guests or invitees.
- (e) The Association prohibits drones from being used and landing in the road or the road right of way.
- (f) Drones can be used from 10:00 a.m. to 8:00 p.m. so as not to disrupt anyone during the "quiet times."
- (g) Any party operating a drone within the Cedarwood Estates shall be deemed to have agreed to:
 - (i) Assume all risks and liabilities associated with such activity (including but not limited to liability for injuries to themselves and others, damage to property, claims of invasion of privacy, nuisance, harassment, etc.).
 - (ii) Indemnify the Association and its Directors, Officers, and other representatives against any claims that may be asserted against them on account of the operator's activities (including but not limited to reasonable attorneys' fees and costs).

The Board shall be vested with the exclusive authority to adopt other rules and regulations concerning the operation of drones on, over or from Lots for Common Elements with the community.

Section 2.23 Other General.

- (a) Air Conditioning units installed in windows are prohibited.
- (b) Clotheslines are permitted only if they are out of sight of the road and other neighbors. (10/13/2020)
- (c) Fuel storage tanks which are two hundred fifty (250) gallons and over, such as propane gas tanks, must be buried. Smaller tanks, if not buried, must be enclosed and out of sight from the road. (10/13/2020)

Section 2.24 <u>Water Retention/Irrigation Systems.</u> Water retention/irrigation systems including rain barrels, cisterns, ponds, etc. will be allowed in the development subject to:

- (a) Any water retention system constructed upon the lots within Cedarwood Estates must be constructed in such a manner as to not create any potential man-made erosion, flooding or disaster scenarios within Cedarwood Estates or surrounding area or endangering any Lot Owner's Lot situated below the elevation of the subject Lot.
- (b) Any water retention system shall be maintained in such a manner as to ensure no potential mosquito breeding and/or population within the water retention device or surrounding area.
- (c) Any water retention system must be placed on the Owner's Lot in such a manner as to not adversely impact, interrupt, or disturb any other Lot Owner's viewscape within the development. Viewscape is defined as the 360-degree view from any Lot within the development.

It is the Lot Owner's responsibility to obtain any required building permits, licenses, or related approval certificates and shall also meet all applicable building codes and restrictions.

Section 2.25 **Snow and Ice Emergency.**

- (a) Despite the Associations' best efforts to keep the roads reasonably free of snow and ice, the Association does not guarantee protection against snow and ice hazards. The Lot Owner should always proceed cautiously when dangerous road conditions are present.
- (b) Part of the Association assessments are utilized for snow removal/clearance of snow off of the roads. If Cedarwood Estates receives a significant snowfall, it may take several days before the roads are cleared for use, dependent on the availability of the contractor, the ice conditions, and the snow volume. Lot Owners may consider parking their cars at a lower elevation parking area (items c and d below) or staying at a location outside of Cedarwood Estates if needed. This is particularly advised if Lot Owner has a medical condition where Lot Owner may need to seek attention unexpectedly or which would make walking to their vehicle impossible. If a Lot Owner cannot leave Cedarwood Estates, the medical services units may not be able to get in to a home in Cedarwood Estates either. Lot Owners acknowledge that there are inherent risks to living on a mountain in winter.
- (c) The following shall be followed to provide snow removal by the Association contractor to allow the safest conditions for Lot Owners and to exhaust all means to open and/or try to keep open roads for emergency access for police, fire, EMS vehicles and other emergency vehicles.
 - (i) All cul-de-sacs must be clear of vehicles to allow plowing equipment to turn around and to remove the snow. Parking in any cul-de-sac is prohibited.

- (ii) Vehicles parked on the road due to inability to get home or in the drive must be parked on the same side of the road:
 - On Cedar Summit Road, park on the right side of the road as if one was leaving Cedarwood Estates. Parking in the cul-de-sac on Cedar Summit Road is prohibited.
 - On Azalea, park on the left side of the road as if one was leaving Cedarwood Estates. Parking in the cul-de-sac is prohibited.
 - On Laurel Trail, park on the left side of the road as if one was leaving Cedarwood Estates. Parking in the cul-de-sac is prohibited.
 - On Skyview Court, park along the downward slope of Cedar Summit as if one
 was leaving Cedarwood Estates beyond the intersection of Skyview and
 Cedar Summit. Parking is prohibited at the intersection of the two (2) roads,
 since the snowplow utilizes this area to maneuver and pile large amounts of
 snow.
- (iii) If parking on the road, allow at least forty (40') feet between vehicle and the nearest intersection or switchback.
- (iv) When entering Cedarwood Estates, if a Lot Owner cannot get up the hill past the four (4) way stop sign, Lot Owner can temporarily park by the swimming pool and tennis court in the condominium area.
- (v) When entering Cedarwood Estates, if a Lot Owner cannot get up the hill at all, Lot Owner may temporarily park along the road in front of Buildings 3 and 4.
- (d) Certain vegetation such as scrub pines and Leyland cypress trees are very susceptible to bending and/or breaking under heavy snow or ice. If a Lot Owner has such vegetation on their Lot and it blocks or impacts the roadways during a snow, ice, or other weather-related storm event, the Lot Owner shall remove the blockage immediately so the road continues to be passable. If said Lot Owner is not home during the storm occurrence, and the tree(s) are removed by the Association, it is the Owner's responsibility to remove any debris left as soon as possible following the event. The Association is not liable for removing trees on Lots to allow the road to be passable for all residents. The Lot Owner is responsible for the payment of the expenses incurred related to removing tree and other debris from the blocked road and if the Lot Owner fails to reimburse the Association for such expenses, the Association is authorized to levy a specific assessment.

Section 2.26 <u>Tree Removal on Lots.</u> In addition to the restrictions laid out in Section 2.8 above. Lot Owners shall not cut down, without written ARC approval in advance, any tree having a tree trunk size of greater than sixteen inches (16") in circumference as measured at two (2') feet off the ground level, unless said tree is diseased and dying or already dead.

- Section 2.27 <u>Trash Removal and Recycling.</u> (10/13/2020) Trash and recycling pickup in Cedarwood Estates is handled through a Buncombe County contract that is renewed from time to time.
 - (a) Lot Owners shall not put their garbage/recycling cans on the curb for pick up earlier than the <u>evening before</u> said pickup is scheduled.
 - (b) Lot Owners shall not leave their garbage/recycling cans on the curb for more than twenty-four (24) hours after garbage/recycling pickup has completed for the week.
 - (c) Lot Owners must follow the stated contract service guidelines when placing trash and/or recycle materials in their respective containers and curb placement of the containers.
 - (d) Lot Owners must follow the stated contract service guidelines for day/date and holiday schedule pickups.
 - (e) Lot Owners must be prepared to clean up any refuse spread by animals or the weather.

Section 3 ARCHITECTURAL GUIDELINES

Section 3.1 General Residence Restriction and Size of Lots.

- (a) No building or structure of any kind whatsoever other than a single-family residence shall be erected on any Lot, and any such single-family residence shall be used for single family residential purposes only.
- (b) The term "single family residence" shall <u>not</u> include Mobile/Manufactured homes or any home that is brought to a lot on wheels and is intended to remain on frame and wheels. (10/13/2020)
- (c) The term "single family residence" shall include Modular homes, including but not limited to off-frame Modular Homes and Modular Log Cabins, and site-built homes. Modular homes must conform to all state, local and/or regional codes that apply for the Lot location in Cedarwood Estates. Modular homes must be joined together on a permanent foundation on the Lot. (10/13/2020)
- (d) All Lots shall be not less than three-quarters (3/4) of an acre. No Lot owner shall further subdivide any of the Lots.
- (e) Nothing contained herein shall prevent any Lot Owner from merging two (2) or more contiguous Lots into a single Lot with Buncombe County. Even if Lots are combined

- with Buncombe County, the Lot Owner's assessment obligations and voting rights with relation to the Association shall remain the same.
- (f) No construction can be undertaken upon the Lot which shall have the effect of diverting or increasing the water flow from the property to any other Lot Owner in Cedarwood Estates, unless the builder of the single family residence being constructed shall take such steps as shall be necessary to ensure that the property of other Lot Owners shall be protected from flooding, siltation, and other damages caused by the increased flow of water.

Section 3.2 **Garages and Driveways.**

- (a) Each single-family residence shall have an enclosed garage, and there shall be no limitation on the number of cars which may be housed in the garage, but such garage must be erected as a part of the single-family residence on the Lot.
- (b) Each single-family residence shall have an accommodation for at least one (1) automobile. The parking area for such automobile shall be contiguous to the residence, shall be paved, and shall have at least one hundred eighty (180) square feet of parking area.
- (c) Guest quarters may be constructed over or under said garage.
- (d) Garage doors shall remain closed at all times when not being used for the entry or exit of vehicles.
- (e) All driveways and outdoor parking areas on the Lots shall be paved as part of the building of the single-family residence on the Lot.
- (f) Changes to driveways or parking pad additions require written ARC approval.
- (g) Owners may request ARC written approval in order to expand their driveway. Driveway expansions must be a paved hard surface and match existing parking pad and must connect at all points to the existing driveway. Applications will require measurements of existing driveway, measurements of proposed addition, a picture of the existing driveway with a drawing to show the addition location and how it will attach to the existing driveway, etc., as determined necessary by the ARC.
- (h) Gravel driveways or parking areas ARE NOT permitted.

Section 3.3 Plans and Specifications – Written Approval Before Construction.

- (a) No building shall be erected on any Lot, nor shall any substantial change or addition be made to any single-family residence on Lot without the written approval of the ARC of Cedarwood Estates.
- (b) The ARC shall be charged with the responsibility to assure that all such buildings are basically compatible with the designs of surrounding areas and with other buildings previously built and/or under construction.
- (c) All buildings shall be constructed with high quality materials and workmanship to ensure that no single-family residence shall present an unsightly appearance.
- (d) All fuel tanks and containers shall be covered or buried underground consistent with normal safety precautions and local government regulations.
- (e) Without limitation thereof, no towers, wind turbines, or other antennae shall be erected on homes or Lots.

Section 3.4 Plans and Specifications - When Single Family Residence is Destroyed or Damaged.

- (a) In the event the single family residence, or any improvement thereof on a Lot, shall be destroyed by fire or other casualty, any substitute of new building constructed in its place, or any reconstruction of the remainder of the existing building, must be approved by ARC in writing prior to new construction beginning.
- (b) Any rehabilitated structure shall be of similar design, workmanship, and materials as the partially destroyed building so as to seamlessly blend into the remaining construction when completed.
- (c) In the event the single-family residence was totally destroyed, the structure being rebuilt can be a different design from the original so long as the ARC approves the design in writing prior to any construction taking place.
- (d) In order to assure that the destroyed or damaged structure will be rebuilt or restored within a reasonable time, all owners of buildings within Cedarwood Estates, shall have an up-to-date valid Homeowners Property and Casualty Insurance Policy at all times.
- (e) In the event of total destruction of a single-family residence, the Lot Owner has one (1) year to completely clear the Lot and begin new construction. In the event new construction is not underway within the first year, the Lot Owner shall seed the lot within that first year to help contain soil erosion. If the Lot Owner intends to reuse the foundation for the new single-family residence build, this is the only part of the original single-family residence that can remain when clearing the lot. (10/13/2020)
- (f) In the event of a partially destroyed single family residence, reconstruction shall begin within one (1) year and be completed within year two (2) of the partial destruction

- occurring. ARC must approve reconstruction in writing before reconstruction begins. (10/13/2020)
- (g) In the event of a totally destroyed single family residence, the new build shall begin, only after ARC written approval, within two (2) years of the total destruction occurring. (10/13/2020)
- (h) Should the Lot Owner decide not to rebuild at all, the foundation and any other debris on the Lot must be totally removed, and to mitigate soil erosion, the lot must be seeded and native seedling trees planted which complement the natural landscape within six (6) months of the total destruction of the single-family residence. (10/13/2020)
- Section 3.5 <u>Plans and Specifications Minimum Floor Plan Size.</u> The heated square footage of the single-family residence, exclusive of one-story open porches and garages, shall be not less than one thousand five hundred (1,500) square feet in the case of one-story structures. The main floor of single-family residences which contain more than one story shall have a minimum of seven hundred fifty (750) square feet on the main floor.
- Section 3.6 <u>Building Line and Height Restrictions.</u> Pursuant to a general plan for the protection and benefit of all the property in Cedarwood Estates, and of all persons who may now or hereafter become Owners of any part of the subdivision, and as a part of the consideration for this conveyance, each Lot herein described is subject to the following conditions and restrictions:
 - (a) No single-family residence or appurtenance shall be constructed within fifteen (15') feet of any property line which meets another Lot.
 - (b) No portion of any single-family residence or appurtenance shall be less than twenty (20') feet from the edge of the road pavement.
 - (c) No single family residence shall be more than three (3) stories in height, and shall not exceed thirty (30') feet in height from the top of the floor of the first story to the underside of the ceiling of the second story exclusive of basement and attic.
 - (d) No single-family residence shall be closer than forty (40') feet from the outside line.
 - (e) For the purpose of this covenant, eaves, steps and open porches shall not be considered as a part of a building provided, however, that this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.
- Section 3.7 <u>Additions above Structure to be Built.</u> No addition to or alteration of the existing single family residence, nor any new building, nor any other structure or sign shall or will be constructed or erected above the dwelling home that is built or to be built on the land herein, conveyed without the written approval of the ARC.

Section 3.8 **Building Placement, Alterations, Etc.**

- (a) Utility and drainage easements affecting all Lots in Cedarwood Estates are reserved ten (10') feet in width along each side of common interior Lot lines and over the rear twenty (20') feet of each Lot for installation and maintenance of utilities and drainage facilities. Neither the Association nor any utility company using the easements herein referred to shall be liable for any damage done by them or their agents, assigns, employees to shrubbery, trees, or flowers, or to the Lots of the Owners situated on the lands covered by said easements.
- (b) The Association reserves easements for themselves and for the benefit of any public authorities and utility companies to which the Association may choose to grant such easements, over and through all areas designated as roads, buffer areas, and such additional portions of the property as may be necessary in order to provide water, sewerage, power, gas, television and internet cable, surface water drainage and other utility and common services to Owners of any portion of the property. All numbered Lots within Cedarwood Estates are also subject to a surface water drainage and utility easement ten (10') feet in width along and inside all property lines.
- (c) The easements reserved to the Association above, and the easements which the Association has granted and shall grant to appropriate public authorities and utilities, shall include the right to go upon, over, across, and under any area of the property for ingress, egress, erection, maintenance, installation and use of electrical and telephone poles, wires, cables, conduits, sewers, water mains, gas lines and other suitable equipment for the conveyance, movement, and use of electricity, telephone equipment, television and internet cable, gas, water, sewer, surface water, and other public conveniences and utilities. Said easements shall also allow the Association or any appropriate utility or other authority to cut drain ways for surface water wherever and whenever such action may be necessary in order to maintain reasonable standards of health, safety and appearance. Said easements include the right to cut any trees, bushes, or shrubbery, and to make any gradings of the soil to take similar actions reasonably necessary to provide safe and effective utility installation and maintenance.
- (d) Each Lot Owner shall afford to the Association, and when necessary to another Lot Owner, access through the Lot Owner's Lot reasonably necessary for any such maintenance, repair, or replacement activity. NCGS § 47F-3-107(a).

Section 3.9 Fencing Guidelines. The ARC refers to Section 3.9 Fencing Guidelines hereinafter as "Fencing Guidelines". No fence of any kind shall be installed on any Lot without prior written approval of the CWE ARC. The ARC will consider the design, location and specifications to ensure that all elements are consistent with the architectural styling and visual aesthetics of the community. No approved fence shall be higher than six (6') feet and may be lower, at the ARC recommendation. The goal of the ARC is a consistency in the quality of the design, the materials and the placement of any fence. Therefore, it will establish the materials,

height and appearance of each type of fence according to its location, purpose, durability and the desired visual effect.

- (a) In general, fences are not encouraged within the community except where they are integrated with the design of the dwelling and enhance the overall character of the community.
- (b) Invisible, underground pet fences are acceptable and preferred fences.
- (c) Hedges and lot clusters of trees, berms, shrubs and other landscape alternatives are preferred.
- (d) Complete enclosure of rear yards by fencing is also discouraged as the feeling of open space and the unity of the surrounding area is an important part of reinforcing the natural character of the community.
- (e) Where a proposed fence is deemed by the ARC to be unnecessary or unsightly and detracting from the character of the community, a landscape screen in lieu of a fence may be approved.
- (f) A fence on a Lot may be approved to help provide for safety, security or a place for pets.
- (g) The ARC's approval of any fence may be conditioned upon (without limitation) the installation and continued maintenance of hedges, continuing maintenance of the fence, and landscaping in addition to those guidelines set forth herein. Should a fence or the required accompanying landscaping not be maintained as stated herein, or as required by the ARC's approval, the Association may require the Owner of the fence to remove it upon thirty (30) days written notice. Nothing stated in this section shall be interpreted to mean that the ARC is required or obligated to approve a fence for, or installation on any Lot, or that because a fence has previously been approved on a specific Lot, that it will be approved for installation on any other Lot.
- (h) All fences must be built in accordance with the Buncombe County zoning rules. The Lot Owner shall be responsible for making certain that any required and necessary governmental permits are obtained.
- (i) Lot Owners shall avoid building anything, including fencing, on easements, because the Lot Owner may be ordered to take it down, at the Lot Owner's expense, or find it destroyed by a public utility that has easement access to the property.
- (j) Boundary Fences: North Carolina General Statutes Chapter 68 and Spite Fences: *Austin v. Bald II*, 658 S.E.2d 1 (N.C. Ct. App. 2008) are prohibited.
- (k) Lot Owner shall be responsible for making certain that the location of the fence does not encroach onto any other Lot, and does not block, obstruct or otherwise impede the designed drainage flow on his or any adjoining Lots.

- (l) Notwithstanding any other governmental regulations, any side fencing on a typical or regularly shaped corner Lot shall be located no closer than fifteen (15') feet from the road edge. Fence setbacks on irregularly-shaped corner Lots will be reviewed on a case-by-case basis.
- (m) All fences shall be maintained by the Lot Owner and kept in good order and repair, clean and in "like" new condition.
- (n) Without limitation thereof, the following type fences are strictly prohibited: plastic white fences, galvanized chain link fences (any galvanized fences prior to October 13, 2020 are grandfathered in, however, new sections after this date must not be galvanized), barbed wire fences, electric fences. (10/13/2020)
- (o) Where fencing is allowed and approved in writing by the ARC, the finished side of the fence shall be oriented towards the street or towards neighboring property.

The Board may, from time to time, revise, amend, alter or otherwise change these Fencing Guidelines per the authority given it in the Association's governing documents.

Section 3.10 **Exterior House Painting.**

- (a) Each single-family residence shall be kept in good repair with no peeling, chipping, cracking or discoloration on the trim or siding, whether wood or vinyl or some other approved material.
- (b) Provided the material and color remain the same, no ARC approval is required for standard maintenance of the single-family residence exterior.
- (c) If Lot Owner is changing the exterior color from the original color, prior ARC written approval is required. This includes the siding, decks, fences, etc. Applications will require a picture of the single-family residence to show the existing color and a description of the proposed plans with color samples and with the identifying name of the color(s) to be used.

Section 3.11 **Grading and Clearing.**

- (a) Major changes to the topography of a Lot require prior written approval by the ARC and may require city and/or county approval as well. The Lot Owner shall get all permits as needed.
- (b) Drainage and water flow patterns shall be taken into consideration prior to the start of any grading.
- (c) There shall be no clearing or grading on any Lot more than fifteen (15') feet away from the house, driveway, or septic field area on a Lot without the prior express written consent of ARC.

Section 3.12 Retaining Walls, Decks, Patios, and Screened Porches.

- (a) ARC must be notified and approve in writing any retaining wall plans, whether stone, brick, treated lumber, or another type of material prior to building or modifying the retaining wall.
- (b) ARC must be notified and approve in writing any deck, patio, or screened porch plans prior to building or substantially modifying an existing deck, patio, or screened porch.
 - (i) The deck and/or patio materials used should be designed specifically for patio and/or deck designs.
 - (ii) The deck and/or patio shall not create drainage problems in CWE.
 - (iii) All decks, patios, and screened porches must blend in with the natural terrain. Deck stains and/or paints must blend in with the natural terrain also.

Section 3.13 Process for New Single-Family Residence Build Approval.

- (a) Currently, a One Thousand Dollars (\$1000.00) non-refundable fee (\$500 to Cedarwood Estates Master Association ("CEMA") and \$500 to CWE) is due when the building permit is pulled. These amounts are subject to change by the Board of Cedarwood Estates.
- (b) The Cedarwood Estates Architecture Review Committee (ARC) shall be notified by the Lot Owner and an ARC "New Build Request Form" must be filled out by the Lot Owner/Builder in order for ARC to determine what the Lot Owner intends to build. This is a first critical checkpoint before the building process gets underway.
- (c) Submittals to the ARC should be complete, accurate, and thoroughly reviewed by the applicant while adhering to the city and county zoning ordinances and building codes, as well as the Cedarwood Estate, ARC guidelines, amendments, Declaration, and Bylaws.
- (d) Prior to receiving ARC approval, the single-family residence foundation, driveway, and Lot lines shall be staked and strung, and any trees proposed for removal marked with ribbon or tape.
- (e) No clearing, grading, landscaping or construction shall begin until formal receipt of ARC approval and the payment of fees in (a) listed above.

Section 3.14 Compliance to all Building Modifications.

(a) The ARC seeks to assure all modifications to properties comply with the aesthetic guidelines set forth in the Bylaws, Declaration, and Amendments. The Committee

makes no recommendations, suggestions, or is otherwise responsible for structural, engineering, AIA Architectural standards, or other details which are the sole province of architects, engineers, and contractors.

- (b) The local city and/or County may not issue a permit without the written approval of the ARC. The ARC's approval IS NOT a substitute for approval by the city and/or County. It is the Lot Owner's responsibility, whether themselves or through a builder, contractor, or other agent, to acquire appropriate approvals, permits, etc., from the city and/or County.
- (c) Any contracted residential work whether new construction, remodel/upfits, and repairs which exceeds Thirty Thousand Dollars (\$30,000.00) per project (Reference NCGS § 87-1) requires a N.C. General Contractor License.

Section 3.15 **Exterior Design and Materials.**

- (a) Approved siding materials include:
 - (i) Wood: Cedar, cypress, mahogany, redwood, and pressure treated pine siding. Wood sided homes must be painted or stained.
 - (ii) Vinyl
 - (iii) Natural or simulated stone
 - (iv) Brick (natural or painted)
 - (v) Cementitious siding
- (b) The following siding materials ARE NOT approved for use in Cedarwood Estates:
 - (i) Metal siding
 - (ii) Decorative concrete block or concrete block (except sub-surface wall)
 - (iii) Siding made of fiberglass, plastic, asphalt
 - (iv) Certain types of imitation stone and brick, as well as flagstone used as siding
- Section 3.16 <u>Exterior Colors on New Build.</u> Exterior colors should be in harmony with the style of the single-family residence and provide variety among the nearby homes.

Section 3.17 **Driveways**. Acceptable driveway and walkway materials include:

- (a) Brick
- (b) Concrete pavers
- (c) Cast-in-place concrete or colored concrete
- (d) Stamped or decorative concrete
- (e) Asphalt

Section 3.18 **Grading and Filling.** No earth moving or clearing of trees may begin until a site plan showing the nature, kind, shape and location of work is approved in writing by ARC.

(a) Grading and filling:

- (i) Cuts and fills should be kept to a minimum.
- (ii) Fill will not be deposited at any location without prior written ARC approval.
- (iii) Cut or fill areas must be replanted with plant materials, which will blend with native vegetation.

(b) Swale areas:

- (i) Altering or interfering with the functioning of existing swale areas abutting a site must be avoided.
- (ii) If the site development will impact the functioning of such areas, a solution must be proposed and implemented.

(c) Erosion control:

- (i) It is the Lot Owner's responsibility to ensure that sediment runoff is retained on site and not go onto the adjacent homesites, road or Common Elements.
- (ii) The applicant Lot Owner/builder will provide construction devices, silt fences, stepped terraces, or other forms of erosion control to accomplish the above.
- Section 3.19 **Storm Water Drainage.** As necessary, the Lot Owner shall require the landscape architect and builder to install a storm water drainage system designed to:
 - (a) Comply with all applicable laws, regulations and permits regarding storm water management.
 - (b) Handle all drainage from the improvements on the Lot on site, or through the use of demonstrated easement rights to drain off site.

Section 3.20 <u>Solar Energy.</u> The Board adopts these guidelines to promote the use of solar energy for heating and cooling and to ensure uniform installation and design of solar energy systems.

- (a) All plans must obtain prior written approval from the ARC prior to installation.
- (b) Preferred location of solar panels is a rear-facing, roof-mounted array. Flush-mounted panels (i.e. the plane of the array is parallel to the roof) on a roof facing a street will be allowed if documentation is provided from the solar contractor indicating this is the

- only feasible location for a solar array. If panels are installed on a side or rear roof, the array may be tilted or raised if a variance is granted.
- (c) All components of the solar heating and cooling system should be integrated into the design of the single-family residence. The color of the solar heating and cooling system components should generally conform to the color of the roof shingles to the extent practical. Solar "shingles" that mimic the look of a composite shingle are acceptable but should match the color of the current roof shingles as much as is practical.
- (d) Pursuant to North Carolina law, the installation of all solar heating and cooling systems shall only be done by a licensed installer or journeyman plumber. Applications submitted to the ARC should include the following:
 - (i) A diagram "drawn to scale" by the licensed contractor installing the system showing where the system will be installed;
 - (ii) Photos of the roof area where the array will be mounted;
 - (iii) Material to be used and/or manufacturer's description of the system, photos and/or pictures of the system and color of the system.
 - (iv) Where possible, provide photos of similar existing systems as examples.
- (e) Piping and electrical connections will be located directly under and/or within the perimeter of the panels, when possible, and placed as inconspicuously as possible when viewed from all angles.
- (f) The highest point of a solar panel array will be lower than the ridge of the roof where it is attached.
- (g) All surfaces will be kept in good repair.
- (h) Changes to adjacent property should not impede an existing or soon-to-be-installed solar heating and cooling system or interfere with any existing solar energy easement.
- (i) Any noise generated by the solar power generation equipment shall conform to applicable noise ordinances and laws as described by Buncombe County noise level rules, restrictions, and laws.
- (j) Any solar power generation equipment shall be placed on the Owner's Lot in such a manner as to not adversely impact, interrupt, or disturb any other Lot Owner's viewscape within the development, except for roof top based solar heating equipment. Rooftop solar power equipment shall be installed using proper equipment and in such a manner that no reflective rays, beams, or images are created which negatively impact surrounding Lot Owners or denigrate the viewscape of other Lot Owners within the development. Viewscape is defined as the 360-degree view from any Lot within the development.

- (k) The removal of trees in support of solar installation is allowed. However, the ARC shall approve, in advance, the removal of any tree having a tree trunk size of greater than sixteen (16") inches in circumference as measured at two (2') feet off the ground level.
- (l) It is the Lot Owner's responsibility to obtain any required building permits, licenses, or related approval certificates for any green energy alternative installations. Said installations shall also meet all applicable building codes and restrictions.

A variance to certain sections of these restrictions may be granted if a written request is submitted and granted in writing by the ARC. If a Lot Owner seeks a variance the Owner must provide a minimum of two (2) bids; one bid (1) depicting the cost of installation in the location that these restrictions stipulate, and a second bid depicting the desired alternative location for the ARC to consider. The ARC may require bids or estimates from a second contractor in order to make an informed decision.

Section 3.21 Limitation of the Committee's Liability. (10/13/2020) Neither the Board of Directors, the ARC, the Association, nor any representative(s) thereof, nor its or their successors or assigns, shall be liable in damages to anyone submitting specifications for approval, or to any Owner, by reason of any mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval, disapproval or failure to approve any such plans and specifications. Every person, corporation, partnership or organization which submits plans and specifications to the ARC or the Association for approval agrees, by such act, and every Owner agrees by acquiring title to any Lot or an interest therein, that it will not bring any action, proceeding or suit against the ARC, the Association or any representative to recover any such damages. The ARC's and Association's approval of any plans, specifications, landscaping or elevations or any other approvals or consents are given solely to protect and preserve the appearance of the Lot, and shall not be deemed a warranty, representation or covenant that the proposed work complies with any applicable laws, rules or regulations or any standard of due care regarding structural design.

Section 4 Leases and Sales

In order to assure a Community of congenial resident Owners and thus protect the value of the Home, the sale or leasing of a Home by an Owner shall be subject to the following provisions:

Section 4.1 <u>Renting or Leasing of Home.</u> (10/18/2020) Homes may be rented only in their entirety; no fraction or portion may be rented. No Home Owner shall rent his/her home or a room in his/her home, for transient or hotel purposes, which includes, but is not limited to, Airbnb and VRBO. All leases must be for a term of not less than twelve (12) months except by written permission of the Board of Directors in its sole discretion. Before leasing a Home, the Homeowner must:

- 1) Have lived in the home permanently for two years before applying to the Board to become a rental property; and
- 2) Receive the approval of the Association through its Board of Directors. This requirement is necessary because of the restrictions on leasing including the percentage of Homes leased at any one time as set forth below.

No more than 10% of Homes in Cedarwood Estates are permitted to be leased at any time. Upon presentation of a proposed lease for approval, the Board of Directors shall determine the number of Homes leased at that time and shall not approve any lease which causes the number of Homes leased to exceed the maximum percentage allowed. The Board, however, shall have the option in its sole discretion to allow leasing of more than 10% of the Homes at any time to avoid undue hardship. The Owner of a Home who believes that leasing is necessary to avoid undue hardship shall make written application to the Board setting forth the pertinent circumstances and giving other notice as required herein. Circumstances which the Board may determine to impose undue hardship may include, for example, (i) where a Home Owner must relocate and cannot, within ninety (90) days from the date the Home was placed on the market, sell the Home for the current appraised market value, having made reasonable efforts to do so; (ii) the death of the Owner; and (iii) where the Owner is required by his or her employer to relocate temporarily, and intends to return to reside in the Home.

All leases and lessees are subject to the provisions of the Declaration, Bylaws, and Rules and Regulations. The Home Owner must make available to the tenant copies of the Declaration, Bylaws, and Rules and Regulations. The Board shall not discriminate against any prospective tenant on the basis of race, religion, national origin, age, disability, familial status or for any other unlawful purpose.

"Leasing" for purposes of this Declaration is defined as regular occupancy of a Home by any person other than the Owner for which the Owner receives any consideration or benefit, including a fee, service, gratuity, or emolument.

Any lease for a Resident in Cedarwood Estates shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner Declaration and agrees that any lease of a Home shall contain the following language and agrees that if such language is not incorporated into a lease such Declaration nevertheless applies to the Home through the existence of this covenant. Any lessee, by occupancy in a home, agrees to the applicability of this covenant and incorporation of the following language into the lease:

Section 4.2 <u>Compliance with Declaration, Bylaws, and Rules and Regulations</u>. (10/18/2020) Lessee agrees to abide by and comply with all provisions of the Declaration, Bylaws, and Rules and Regulations adopted pursuant thereto. Owner agrees to cause all occupants of his or her Home to comply with the Declaration, Bylaws, and the Rules and Regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of the Residence are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and Rules and Regulations adopted

pursuant thereto. In the event that the lessee, or a person living with the lessee, violates the Declaration, Bylaws, or Rules and Regulations for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, if the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines constitute a lien against the Home in accordance with the Planned Community Act and Declaration – 1999 Retroactive laws applied to all HOAs. Any lessee charged with a violation of the Declaration or Bylaws, or Rules and Regulations adopted pursuant thereto, is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction as set forth in the Bylaws and NC Retroactive laws applied to HOAs in 1999. G.S. 47F-3-107.1 (Procedures for fines and suspension of planned community privileges or services) and § 47F-3-116. (Lien for sums due the association; enforcement).

Any violation of the Declaration or Bylaws, or Rules and Regulations adopted pursuant thereto, is deemed to be a violation of the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with North Carolina law.

Within five (5) days of leasing of a home, the Home Owner will complete a CWE Home Rental Notification Form and send to the Secretary.

Section 4.3 <u>Undeveloped Lots.</u> Renting or leasing undeveloped or unimproved lots is expressly prohibited.