POLICIES AND PROCEDURES OF WATERFORD HOMEOWNERS ASSOCIATION

USE RESTRICTIONS

Section 1. Rules and Regulations.

The Board of Directors of the Association shall have the power to formulate, publish and enforce reasonable policies and procedures concerning the use and enjoyment of the Common Areas. Such policies and procedures, along with all policy resolutions and policy actions taken by the Board of Directors, shall be recorded in a Book of Resolutions, which shall be maintained in a place convenient to the Owners and available to them for inspection during normal business hours.

Section 2. Use of Property.

The Common Areas shall be subject to the following restrictions in addition to the restrictions set forth in the By-Laws and Section 3 below:

- a. No immoral, improper, offensive, or unlawful use shall be made of the Properties, or any part thereof, and all valid laws, ordinances, and regulations of all governmental agencies having jurisdiction thereof shall be observed. All laws, orders, rules, regulations, or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Owner or the Association, whichever shall have the obligation to maintain or repair such portion of the Property.
- b. No person shall undertake, cause, or allow any alteration or construction in or upon any portion of the Common Area without the consent of the Association.
- c. In keeping with the single-family, residential restrictions of Section 3, the Association strongly recommends that rental contracts be a minimum period of six (6) months.

Section 3. Residential Restrictions.

a. All Lots shall be used for single-family, residential purposes only. No building shall be erected, placed, or permitted to remain on any Lot other

than one detached single-family dwelling and customary accessory buildings used in connection therewith for customary purposes.

- b. No residence of a temporary character shall be erected or allowed to remain on said property and no trailer, basement, tent, shack, garage, barn, or other outbuilding erected on said property, shall be used as a residence either permanently or temporarily, except that construction vehicles and construction trailers of a temporary nature may be authorized in writing by the Board of Directors.
- c. No one-story dwelling shall be built, erected, or used unless it shall contain at least 1,200 square feet of heated and finished floor space on the ground level. No dwelling of more than one story, including "split-level" dwellings, shall be built, erected, or used unless it shall contain at least 650 square feet of heated and finished floor space on the ground level.
- d. No numbered Lot as shown on the recorded plat of any section of Waterford shall be subdivided except that two Lot owners may subdivide a Lot between them, but only one residence shall be built on the combined original Lot and the subdivided portion of any Lot; provided, however, the conveyance of a strip of land no more than ten (10) feet in width off any Lot shall not constitute a subdivision of the Lot if the minimum square footage required by the City of High Point or other applicable governmental authority is met by the reduced Lot.
- e. No building or part of a building other than steps, open porches, overhanging eaves, or cornices shall extend nearer to corner Lot, no building may be placed within fifteen (15) feet of the side-street property line.
- f. Every dwelling erected on the Property shown on any recorded plat shall have two (2) side yards with a total footage of not less than fifteen (15) feet, and in no case shall the width of either side yard be less than five (5) feet.
- g. No swine or other livestock shall be kept on the premises. Household pets may be kept for non-commercial purposes on the Property if they are properly confined and do not constitute a nuisance.
- h. No abandoned or unlicensed vehicles shall be parked on any Lot unless kept in an enclosed garage, and no tractor-trailers shall be parked on any Lot except for the temporary loading and unloading of household goods.

- i. The discharging of firearms of any type on any Lot or part thereof is prohibited.
- j. No portions of any building erected on any Property shall have exposed concrete blocks on the exterior. Stucco or sure wall foundations are acceptable. The roof style of building erected on any Property shall be limited to mansard, hip and/or gable; and flat roofs are specifically prohibited.
- k. No building may be moved from another location and placed on any Lot, it being specifically required that any dwelling-house built on any Lot shall be of new construction and constructed on the premises. Mobile homes, manufactured homes, modular homes, and kit houses are specifically prohibited, except for construction or sales trailers used by developers or builders during construction.
- I. All driveways shall be paved either with asphalt or concrete.
- m. No drainage ditches or swales constructed within the rights of way of streets bordering any Lot may be filled or altered in such a manner that impedes the flow of water within the right of way and/or which impedes the flow of water to a catch basin, drainage easement or stream and/or which results in water flowing from any Lot onto the adjacent street pavement.
- n. No TV or Video Satellite dishes or CB and radio antennas may be placed or installed on any Lot except those which can be installed on the interior of the dwelling.
- No solar panels may be installed on any Lot unless its design and location on the Lot has been approved by the Board of Directors of the Association or architectural committee.
- p. All fencing on a Lot shall meet the following requirements:
 - 1. All proposed fencing must be submitted for approval as to height, materials, and location by the Board of Directors of the Association or the architectural committee established by the Association.
 - 2. Fences must comply with applicable local ordinances.
 - 3. Fencing shall be restricted to the yards beside and to the rear of the dwelling and shall not be nearer the front property line than the front corners of the dwelling.
 - 4. Barbed wire, chain-link and metal fabric fences are prohibited.

- 5. The "smooth" side of the fencing material shall be facing the outside of the Lot upon which the fence is located.
- 6. Fences shall not exceed six (6) feet in height.
- 7. If painted, fences shall be painted white, and if stained, shall be stained "weathered gray."
- q. Any Lots which contain any portion of the Plantation Pipeline easement as shown on the recorded plat shall be subject to the following additional restrictions:
 - 1. The fences, shrubbery or similar items shall not be placed longitudinally down or parallel to Plantation's Pipelines within the easement corridors.
 - 2. Ornamental shrubbery or other similar vegetation or plant growth shall be restricted to a type having a shallow root base with no tap root and a mature height no greater than four feet. All trees are deemed detrimental to the pipelines and shall not be placed within the easement corridor or on Plantation property (fee owned or leased).
 - 3. Permanent structures or any type shall not be placed within Plantation's easement corridor. Structures deemed "temporary" shall have a time limit imposed commensurate with the type of structure and the time frame shall be at the discretion of Plantation's representative.
 - 4. Plantation has the right to install pipeline markers on each side of the roads or streets.
- r. The foregoing covenant, restrictions and conditions shall run with the land. Enforcement of these restrictions shall be by proceedings at law or in equity against any person or persons violating or attempting to violate the covenant, either to restrain or to recover damages. Invalidation of any one of the covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

EASEMENTS

Section 1. Walks, Drives, Parking Areas, and Utilities

All of the Properties, including Lots and Common Areas, shall be subject to such easements for driveway, walkways, parking areas, water lines, sanitary sewers, storm drainage facilities, gas lines, telephone and electric power lines, cable television lines, and other public utilities as shall be established prior to subjecting the properties to this Declaration. The Association shall have the power and authority to grant and to establish

in, over, upon, and across the Common Areas conveyed to it such further easements as are requisite for the convenient use and enjoyment of the properties.

MAINENANCE OF PROPERTIES

Section 1. Maintenance of Lots.

If, in the opinion of the Board of Directors, an Owner fails to maintain his Lot in a neat and orderly condition or otherwise neglects his Lot and allows unsightly conditions to develop, the Board, after thirty (30) days written notice to the Owner, may, but is not obligated to, take steps to remedy the problem. Such remedy may include, but shall not be limited to, the removal of debris or junked cars, the mowing of grass or cutting of brush and the painting or repair of structures located on the Lot. The Board may bill such Owner for all expenses incurred in correcting the problem. Every Owner by acceptance of a deed covenants to pay said bill. Failure to pay said bill shall allow the Board to file an action to collect the unpaid amount and such action may result in a lien against the Lot.

Section 2. Maintenance of Common Area.

The Association shall or cause to be maintained all areas designated as Common Area. The cost of such maintenance shall be a Common Expense which shall be paid from the funds supplied from the annual assessment.

ARCHITECTURAL CONTROL & INSPECTION

No construction, erection, or installation of any improvements, including, but not limited to, residences, outbuildings, fences, walls, and other structures, shall be undertaken upon the Properties unless the plans and specifications therefor, showing the nature, kind, shape, height, color, materials and location of the proposed improvements all have been submitted the Board of Directors of the Association or architectural committee elected by the Association and is expressly approved in writing. No subsequent alteration or modification of any exiting improvements nor construction, erection, or installation of additional improvements may be undertaken on any of the Properties without prior review and express written approval of the Board of Directors of the Association of the Association, or by an architectural committee.

In general, no exterior alterations, including painting and additions to building or garages, shall be considered for approval unless such alterations or additions are in harmony with existing structures, as to style, shape, color, and size. However, this section shall not be

construed to mean that the architectural committee or Board shall have to approve a proposed alteration or addition that meets the above criteria.

Generally, approval or disapproval should be issued within thirty (30) days. In the event that the Association fails to approve or disapprove the site or design of any proposed improvements within sixty (60) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Article will be deemed to have been fully met; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Association if they contain erroneous data or fail to present adequate information upon which the Association, can arrive at a decision.

The Association shall have the right, at its election, but shall not be required, to enter upon any of the Properties during site preparation or construction, erection, or installation of improvements to inspect the work being undertaken and to determine that such work is being performed in conformity with the approved plans and specifications and in a good and workmanlike manner utilizing approved methods and good quality materials.