

Holden Beach West Phase I Property Owners Association, Inc.

Association Rules and Regulations

Adopted by the Board of Directors October 23, 2014

Preamble and Source of Authority

Holden Beach West Phase I is a planned residential community created pursuant to the Declaration of Covenants, Restrictions and Conditions dated 16 October 1978 (Book 410, Page 914) and as amended on 6 September 1988 (Book 751, Page 561) and recorded in the Brunswick County Public Records.

These Rules have been adopted effective as of the date written above, by the Board of Directors pursuant to Article IV, paragraph 8 (e) of the By-Laws of the Association.

The Subdivision is located within a natural ocean front environment subject to substantial regulation under applicable North Carolina and United States environmental laws and related Town Ordinances, by North Carolina agencies, without limitation, the Coastal Area Management Authority (CAMA) and the Division of Fish and Wildlife.

The Subdivision is located within the Town and is subject to the Town of Holden Beach Ordinances and related North Carolina Laws. The Subdivision is located within the R-1 Zoning District of the Town and is subject to the zoning provisions of the Town Ordinances for the R-1 Zoning District.

Although the Declaration and the Town Ordinance expressly prohibit all business and commercial enterprise activities within the Subdivision, they provide a specific but narrow exception for the rental of Houses as single-family vacation homes, while prohibiting other types of commercial lodging and hospitality activity. As such, many Owners rent houses, primarily on a weekly basis. Such rentals constitute an expressly commercial activity that does not convey to the renter all of the legal rights of the Owner, but only the limited right to use the house as a single-family vacation home within the meaning of the Declaration and the Zoning Ordinances.

The purpose of these Rules is to effect the purposes of the Declaration, including implementation of the Ordinances and Zoning Ordinances within the Subdivision, and to amplify, clarify and coordinate those provisions to achieve the purpose of maintaining the

Subdivision as a private, gated residential community of single family homes and excluding all business and commercial activity and to preserve the family oriented environment of that community and of the Town.

Moreover, these Rules have been adopted by the Board of Directors in light of concerns expressed by numerous members of both Associations with respect to the adverse impact on the family and natural environment of the Subdivision, and ultimately property values within the Subdivision, caused by: (i) an increasing trend for a house to be rented with an express view to hosting parties, weddings and other events; (ii) an increased influx of both invited and uninvited persons who are guests at such events sponsored by persons renting such houses; (iii) a corresponding increase in vehicle traffic and parking in violation of restrictions in the Declaration; (iv) an increase in complaints about noise, disturbances, trash and litter and offensive conduct related to such events; (v) an increase in the rental of houses, particularly larger houses, by non-family groups; and (vi) an increase to and intervention by the Town police department and/or the Brunswick County Sheriff. These rules represent a preliminary effort to address these adverse impacts and maintain property values within the Subdivision, with the recognition that additional rules or modifications of these Rules may be required if these issues persist, and as such the Rules represent a balance between the ability of Owners to rent their houses as single family vacation homes as contemplated by the Declaration and Ordinances and necessary to preserve the family and natural character and environment of the Subdivision.

ACCESS and SECURITY

A. General Access. The only persons permitted access to the Subdivision at any time are the following (Permitted Persons):

"Owner(s)" --- meaning any person designated as an owner for Association membership purpose, together with the members or his or her immediate family and other persons who are guests of the Owner on a residential basis.

"Renters": --- meaning any person renting a house from the Owner or otherwise authorized by the Owner to use the house on a residential basis.

"Invited Day Guest" --- meaning any person who is an invited guest of any Owner or Renter at a house or the adjacent Beach on a non-residential basis; provided that such Owner or Renter is present at the house throughout such guest's visit;

"Official(s)" --- meaning government officials, public safety officers, school bus drivers, postal workers, electric, water, sewer, telephone, cable, garbage and other utility workers, provided such workers enter the Subdivision in such official capacity.

"Vendor(s)" --- meaning commercial businesses and workers delivering goods or providing services in the Subdivision, including, without limitation, taxis and transport shuttles, and real estate agents, together with their clients to whom they are showing Houses or Lots, Property Management personnel, house keepers, repair and maintenance workers, landscape, pool and similar workers, FedEx, UPS, store and other delivery workers, construction workers building or remodeling a House only pursuant to an Architectural Permit (defined below), event caterers and entertainment providers and other businesses and workers, provided such businesses and workers enter the Subdivision in such commercial capacity.

B. Time of Access Owners and Renters are permitted access through the Security Gate, on a 24 hour per day basis. Day Guests are not permitted access to the Subdivision between 11:00 pm and 7:00 am. Officials are permitted access on a 24 – hour per day basis, but only in their official capacity. In general, Vendors are not permitted access to the Subdivision between 9:30 pm and 7:00 am , except for emergency repair services, deliveries of food not later than 11:00 pm and registered Vendors providing services to a permitted Large Event (defined below) not later than 11:00pm.

C. Security Gate Owners, Renter, Officials and Vendors may only access the Subdivision through the Security Gate by either using an access key or a code provided by the Association or by having the Security Gate opened by an Owner or Renter using the remote open function. Invited Day Guests may only access the Subdivision through the Security Gate by having the Gate opened by Association Security or by having the Gate opened by an Owner or Renter using the remote opening function of the Gate. The Association may restrict keys and codes provided to Vendors in a manner consistent with the time of day access restrictions set forth above.

D. "Vehicles" including autos, trucks, motorcycles, golf carts, RV and other motor vehicles and trailer or towed camper , in all cases whether or not licensed, operated by any Owner, Renter, Invited Day Guest, Official or Vendor (collectively "Authorized Vehicles") are permitted access to the Subdivision only through the Security Gate, subject to all applicable requirements with respect to Gate keys and or codes, and subject to all applicable parking, speed limit and other provision of these Rules. Without limiting the forgoing, Vehicles of construction Vendors building or remodeling a House are permitted access only pursuant to an Architectural Permit. Without limiting the forgoing, no bus or similar Vehicle with a seating capacity of more than 12 passengers shall be permitted access to the Subdivision at any time, except for a Vendor's Vehicle providing transportation or parking shuttle services in connection with a Large Permitted Event

E. Enforcement Any person who enters the Subdivision in violation of this rule is subject to removal by Association Security or the Police and may be cited for trespass. Any un-authorized

Vehicle brought into the Subdivision, including without limitation any un-authorized Vehicle parked on the street, right-of-way or vacant lot or at any unoccupied House may be towed at the owner's expense and the owner may be cited for trespass.

PARKING AND SPEED LIMIT

A. Speed Limit. The speed limit for all Vehicles in the Subdivision is 25MPH [see Chapter 71 THB Ordinances]

B. No Parking. Except as otherwise provided for in this Rule, no unauthorized Vehicle shall, at any time, be parked anywhere in the Subdivision, and no authorized Vehicle shall, at any time, be parked unattended:

[i] with one or more wheels on any Street or the 10' right -of-way adjacent to any Street (including, without limitation, any portion of that right-of-way comprising part of the driveway of any House);

[ii] on any Vacant Lot; or

[iii] on the driveway or yard of any unoccupied House, without express permission of the Owner.

C. Exceptions. The forgoing prohibition shall not apply to:

[i] any construction Vendor's Vehicle parked on a Lot in connection with building, modifying, maintaining or repairing a House pursuant to an Architectural Permit;

[ii] any Vendor's Vehicle parked on the driveway of a House in connection with providing services at that House; or

[iii] any Official's Vehicle parked in connection with providing services or performing official functions.

D. No Bus Parking. No bus or similar Vehicle with a seating capacity of more than 12 passengers shall be unattended anywhere in the Subdivision.

E. Enforcement Any Vehicle parked unattended in violation of this rule may be:

[i] towed and impounded at the expense of the owner; provided, however, that no Vehicle displaying a currently valid HBW Member sticker may be towed and impounded, unless it is blocking a street or driveway or is otherwise deemed a safety hazard, or immobilized.

NOISE and OTHER NUISANCES

Introduction Town Ordinances provide that, "The Town is recognized as a quiet, family-oriented beach community, and houses in the Town are situated so that they are in close proximity. Residents and visitors come to the beach community to enjoy the relative peacefulness and serenity of the place and excessive noise from one location can disturb the peace and become a nuisance to the public. Any property owner adversely affected by excessive noise from within adjoining or nearby property may notify the Police Department and request immediate corrective action". In particular, this Rule addresses disturbances and nuisances that have been the source of increasing Member complaints; the purpose of this Rule is to establish more definitive standards for such nuisances and to provide the Association and the Police with an additional mechanism for preserving "the peacefulness and serenity" of the Subdivision, and, thereby, maintaining property values within the Subdivision.

A. General Noise Any Owner or Renter adversely affected by excessive noise from adjoining or nearby Houses or Lots or Beach or Marsh areas may notify the Police and request immediate corrective action pursuant to Section 92.20 Town Ordinances, For this purpose, any average noise level measured with a hand held decibel meter from the Street or any adjacent or nearby Lot, at or above 50 dbA from inside any adjacent House with doors and windows closed shall conclusively be presumed to be excessive.

Decibel Level--- any average noise level measured with a hand held decibel meter at or above 50 dbA from the Street or any adjacent or nearby Lot or from inside any adjacent house with doors and windows closed.

B. *Bright or Flashing Lights*---any strobe lights, spot lights, flashing lights or other lights directed off the Lot;

C. No Large Event Exemption. The scheduling of a Large Event does not provide any waiver or exemption from this Rule.

D. Trash. No garbage, trash or refuse shall be stored or permitted to accumulate in the outdoors area of any House or Lot, including, without limitation, garbage, trash or refuse from any Large Event. Empty trash cans should be stored in the piling area under the house, not left street side.

E. Portable Toilets. Except on a Lot that is subject to an Architectural Permit, no 'port-a-potty', outhouse, or similar portable or outdoor toilet or outdoor lavatory is permitted anywhere in the Subdivision, and no RV, camper, trailer or similar Vehicle shall be used as a toilet or lavatory facility anywhere in the Subdivision, without limitation, as a facility for a Large Event.

BEACH, DUNES and MARSH AREAS

A. Vehicles. Except for Official Vehicles, no Vehicle is permitted in any Beach, Dune, Marsh area [see Section 94.02 THB Ordinances].

B. Dogs and Other Pets. Registered Guests and Invited Day Guests are permitted to bring any dog or other pet into the Subdivision or keep any dog in accordance with Section 90.20 THB Ordinances.

[i] *Leash Requirement*: Dogs must be leashed at all times on the Street and in any Beach, Dune or Marsh.

[ii] *Pets on Beach*: From May 20 through September 10, no dog or other pet may be on any Beach between 9:00 am and 6:00 pm.

[iii] *Pet Litter*: All dog and pet litter must be picked up from the Street, Beach, Dune areas and from any House or Lot.

C. Fires. No open fires or recreational fires are permitted on any Beach, Dune or Marsh area [see Section 130.04 THB Ordinances] No grilling (either charcoal or gas) is permitted on the decks of any residence.

D. Instrumental and Amplified Music. No instrumental music or amplified sound is permitted on any Beach, Dune or Marsh area. [see THB Ordinances, Section 92.02]

E. Equipment on Beach. In accordance with Town Ordinances, Section 94.06 all beach equipment must be removed from all Beach areas between 6:00 pm and 7:00 am.

F. Walking on or Disturbing Dunes. In accordance with Town Ordinance Section 94.03, no person may walk on, climb on or otherwise disturb any Dune area (including the plant and/or animal life thereon, and no person shall cross the Dune area to access the Beach, except on designated pathways or beach access ways, and except by Owners accessing the Dune areas of their lots for purposes of planting and maintenance. Under that section, violators are subject to a \$500 fine per occurrence.

G. Beach Access Ways. The Beach Access Ways are for the exclusive use of Owners, Renters, Registered Guests and their Invited Day Guests only.

HOSTING LARGE EVENTS: Large parties, weddings and similar events create congestion and often are an inconvenience and nuisance to other Owners and Renters. Although the occasional holding of such a family or social event by an owner at his house in compliance with parking,

noise, nuisance and other regulations is not inconsistent with the single-family home environment of the Subdivision, the rental of a house for such purposes on a recurring basis is a commercial activity in violation of both the zoning regulations and the THB Ordinances.

These Rules and Regulations may be amended from time to time by the POA Board of Directors, as provided for in the Bylaws of the Holden Beach West Property Owners Association, Article IV, P.8 (e).

October 23, 2014