

THE COTTAGES AT CAROLINA BEACH LAKE HOA, INC.

COMMUNITY RULES

PREFACE

The part of the HOA individually owned by the Owners consists of six (6) Units. The grounds on which these Units are situated are jointly owned by all of the Owners and are in close proximity to each other. In this regard, the actions or inactions of any Owner or their guests or tenants may not only affect each Owner's investment in the HOA, but may also create an environment that is not conducive to the safety or well being of the other Owners and/or their guests and tenants. In order to ensure that all Owners and/or their guests and tenants have the same opportunity to enjoy the benefits of their Unit, the Board of Directors (the "BOD") has established the following rules.

These rules are not intended to supersede any other requirements contained in the HOA's legally recorded documents (Articles of Incorporation, Declaration of Condominium, Bylaws and their Amendments), but are intended to provide clarity.

Rules for Use of Limited Common Elements and Common Elements

1. Limited Common Elements (i.e. driveways and parking areas, decks) are for the exclusive use of the Owners and/or their tenants. An Owner or tenant who wishes to use another Owner's Limited Common Elements will need to make a request to the other Owner, and then is free to use the other Owner's Limited Common Elements upon approval of the request by the other Owner.
2. The walkways in front of the Units; the entrances to the Units, and the Common and Limited Common Elements should remain clear to allow unobstructed ingress and egress to and from the Units.
3. Prior approval from the BOD should be received for any vehicles, including boats and trailers, to stand in the Limited Common Elements only while the Owner or tenant is residing in the Unit.
4. The use of a grill or any open flame for cooking must be more than ten (10) feet from any Building, deck or parking area. When charcoal is used, the debris resulting from burning the charcoal should be disposed of properly in a container designed for such purpose after the embers have stopped burning. (North Carolina Fire Code Sec. 504.8)
5. Only a Real Estate sign (maximum size 24"x24") may be posted on the property for the sole purpose of an Owner selling his/her Unit.
6. Vehicles, including boats and trailers, should not be parked on the Common Elements.

Rules for Occupancy and Safety

1. No more than eight (8) people, including children, are recommended to stay overnight in a three (3) bedroom Unit. Exceeding this recommendation could result in safety and liability exposure for the Owner.
2. Units may be rented, sub rented or leased for a period not less than three (3) days.
3. Two (2) dogs and two (2) cats are permitted within a Unit.

4. Pet droppings should be picked up and disposed of in the trash receptacle.
5. Owners or their tenants with unleashed pets that harm another person are liable for any claim made by the injured person.
6. Should a tenant be evicted for violation of the Community Rules which should be included in rental agreements, the HOA will not assume responsibility for any loss of rental income due to the eviction.
7. Owners should ensure that they and their guests and tenants have knowledge of the parking regulations and waste disposal guidelines issued by New Hanover County and the Town of Carolina Beach.
8. Primary tenants must be 21 years of age or older and be in residence during the term of the rental agreement.

Rules for Insurance and Repair

1. Damage to the Common or Limited Common Elements caused by damage of the interior of an Owner's Unit will be repaired by the HOA. The Owner will be responsible for the cost of any damage up to the deductible amount on the HOA's insurance policy. Damage not covered by the HOA's insurance policy will be the responsibility of the Owner.
2. All repairs to the Common or Limited Common Elements will be made by a contractor chosen by the BOD unless another contractor chosen by the Owner is approved by the BOD.
3. The BOD will notify an Owner prior to the BOD authorizing a contractor or workman to gain access to the Owner's Unit. In case of emergency, access will be permitted by the BOD if the Owner cannot be contacted after an initial attempt to notify the Owner.

Rules for Maintenance

1. Owners should provide a set of keys to the BOD that will allow pest control, HVAC and emergency personnel access to their Unit for maintenance and emergency situations.
2. Owners are encouraged to maintain their Unit in a good state of preservation and cleanliness.

Rules for Conduct and Decorum

Courtesy should be extended among Owners, their guests and tenants. Use of inappropriate language or conduct by an Owner's guest or tenant reported to the BOD will result in the guest or tenant being advised to refrain from such language or conduct. If a second report to the BOD occurs, the guest or tenant may be asked to vacate the property. The Owner will be advised by the BOD of their action, and the guest or tenant will not be welcomed back on the property.