

OCEAN DUNES HOMEOWNERS ASSOCIATION, INC. RULES AND REGULATIONS

To enable the Association and the Board of Directors to maintain the common areas and facilities in a good state of repair, thereby minimizing the maintenance costs to the owners and to prevent overcrowding of the common areas and facilities, thereby preserving the health and safety of each owner and their guests, the Board of Directors of Ocean Dunes Homeowners Association, Inc. has approved, adopted, and implemented the following Rules and Regulations.

BE COURTEOUS - Owners and guests will treat the staff of Ocean Dunes with respect and courtesy. Failure to do so and the board will:

- Have a meeting with you to discuss the issue; if you are found to have violated this policy the Board can levy a fine up to \$100.
- Failure to pay the fine will cause the Board to consider suspension of your privileges for a period not to exceed 90 days. This applies to your guests and renters.
- Owners will be held responsible if their renters violate this policy.
- This policy takes effect June 22, 2013.

PASSES -The recreational common areas and facilities of Ocean Dunes Condominiums are for the common use and enjoyment of the owners of Ocean Dunes and their guests. The Association shall issue an owner's pass to each individual or entity that is the owner(s) of record as shown on the Deed to each unit as recorded in the office of the Register of Deed of New Hanover County, North Carolina. Homeowner passes are issued annually in the month of May.

All other persons are deemed as guests of the owner and must obtain guest passes to permit them to use the recreational common areas and facilities. The guest passes will be issued only for such periods of time that the guest intends to stay in the homeowner's unit. Homeowners who have guests that are not staying in the unit overnight must accompany said guest at any and all times that the guest is using the common area or facilities. The Association recognizes that some homeowners have rented their units through the rental agencies on a seasonal basis. The renters of those units will be issued a guest pass by the rental agency and or homeowner renting the unit; these passes expire upon check-out time.

All owners, guests, and renters must have their passes in their possession at all times when using the recreational common areas and facilities (including outdoor pools). Authority is given to the management and the Board of Directors to insist that any person using the recreational common areas and facilities without an owner or guest pass in his/her possession leave the facility immediately. If necessary, this regulation may be enforced by local law enforcement.

If a guest comes to the recreation center or an outdoor pool without a fully completed guest pass, they will not be permitted to use the facility until such time as management staff can verify that they are indeed a guest. Then, the management staff will notify the owner of the violation. If the owner wishes, he/she may request a hearing before the Board of Directors. Subsequent violations of the pass regulations will result in a fine of \$50 per occurrence applied to the owner's account without appeal.

If necessary, this regulation may be enforced by local law enforcement.

OWNER AND/OR GUEST REGULATIONS

- Everyone must abide by Ocean Dunes Declaration and By-laws.
- No skateboarding or rollerblading on Ocean Dunes HOA property.

PARKING -Most units have ample parking in the designated carport area for (2) vehicles. Some units have designated spaces in the parking lot. Any additional parking at the condo unit is on a first-come basis where there is visitor parking.

At no time should any vehicle be parked on the grass, landscaping, in another unit's space, or any area not specified as designated parking. Do not block access to stairs. People squeezing by may scratch or dent your vehicle, and Ocean Dunes is not responsible.

Parking permits issued to each owner, with a sticker. Permits for short-term renters will have an expiration date. This is so that we can tell which cars parked here actually belong to owners and guests.

Extra parking is available at the south end of the Rec. Ctr. Oversize vehicles may be parked there, space permitting. As a reminder, boats and boat trailers can only be parked in carports, and only if they completely fit.

Any vehicle reported that is without a parking pass will be towed at the owner's expense, as will any vehicle violating any of these rules.

TOWING -Ocean Dunes has contracted with a private towing company to tow vehicles parked illegally in non-spaces, in other owners' spaces or carports, or blocking access. Contact the Rec. Ctr. Office to report violations. The towing company will only respond to requests from OCEAN DUNES personnel. The towing costs will be charged to the owner of the vehicle in violation.

PETS - Owners of Ocean Dunes units are allowed one dog or cat. No pets are allowed by renters of units. Violators will be asked to board the animal immediately or leave at once. The Board may levy a fine of \$100/day. The fines are the responsibility of the unit owner. Dogs must be kept on a leash at all times.

Any owner wanting to add a second dog or cat must obtain prior board approval before acquiring a second dog or cat (for a total of 2 pets), which approval shall not be unreasonably withheld. Any homeowner with two 2 pets in residence prior to March 14, 2016, is not required to receive Board approval for those pets.

All residents, owners and tenants are required to carry with them a means of disposal and required to clean up after their pets. Failure to do this is a violation of the Town Ordinance. Ocean Dunes provides receptacles on the premises. The Town of Kure Beach does not allow dogs on the beach from April 1st through September 30th. Dogs must on a leash be when they are allowed on the beach. The KBPD will issue a summons otherwise.

PARTIES -Ocean Dunes will not tolerate loud music, disturbing parties, or fireworks (the Town of Kure Beach has a noise ordinance).

FIREWORKS -Fireworks (except sparklers) are illegal in Kure Beach, even on the beach, which is under the jurisdiction of the Town of Kure Beach. The fireworks themselves or their embers can blow back onto OCEAN DUNES buildings and start fires.

EXTERMINATING -Regularly scheduled visits by an approved exterminating company are scheduled once a month. Owners will be notified in advance of the schedule of the exterminating company. During the summer season it is most important that the exterminator is allowed entry to the units to prevent infestation. The exterminator is provided with keys and will enter after knocking and receiving no response. If no one is home, we have asked the exterminator to leave a notice with the date of the visit. Please make sure that if you have changed any of your locks that we have an updated copy of your key so they can spray your unit during scheduled visits. (Please check with the office for exterminating days).

GARBAGE -The Town of Kure Beach picks up trash every Monday (except Holidays). Trash cans will be pulled out by Ocean Dunes maintenance employees to the side of the street. Please make sure the trash is properly bagged and placed in any garbage cart in the carport under the unit. Do not place trash on the ground beside the garbage cart. If an additional cart is needed, please call the office. Also please make certain that vehicles are not blocking the cart so we can easily roll it out for pickup. No disposal of fish or bait is allowed on the premises.

RECYCLING -Waste Management picks up recycle bins each Monday. Recycle bins will be pulled out by Ocean Dunes maintenance employees to the side of the street along with the trash cans. If your building does not have adequate recycle bins, you may call the office and request one. Do not put trash in recycle bins (or recyclable items in trash bins). What can be recycled is marked on the cans. For example, plastic bags are not acceptable.

SECURITY -Ocean Dunes cannot be responsible for theft or acts of vandalism. Please turn the carport light on at night and lock vehicles. We do not have a security person on staff.

EMERGENCIES -For emergency medical, fire, or police assistance, dial 911. If we receive calls from people trying to get in touch with renters, we cannot assist them as we do not take care of the rentals from this office. Therefore, do not have the needed information.

DECKS -No signs, balloons or towels can be displayed on any exterior area.

FEEDING BIRDS -prohibited from decks and in all common areas.

GRILLING -is not allowed on any deck, in carports or within fifteen (15) feet of any structure. There are some grills provided throughout the compound. Please dispose of ashes properly in containers.

DUNES -Please do not walk on or throw garbage on the dunes. They are protected by town ordinances.

BEACH EQUIPMENT -Kure Beach Town ordinance Sec.12-43 states that all personal items and beach equipment be removed from the beach each evening. There is a copy of the ordinance in the office.

UNIT/BUILDING MODIFICATION GUIDELINES

Owners can modify their units, and, to some extent, the carport/garage/storage closet area. A unit is defined in the Declaration as being bounded by the interior surfaces of walls/ceiling/floors. Any modification, as defined by the Architectural Review Committee, requires permission from the Board of Directors. No units can be subdivided or combined.

To apply for permission, submit the *ARC Application form* and wait for approval before starting any work. If you fail to do so:

- The Board will call a meeting with you to discuss the issue. If you are found to have violated this policy, the Board can levy a fine of \$100.
- If you have already done an unapproved modification, the Board can tell you to remove the modification.
- Failure to comply within 10 days will result in an additional \$100 fine being levied. Additionally, \$100 fines will be levied daily until compliance.
- Failure to pay the fine may result in late fees. The fine will be automatically added to your monthly assessment, and payment of fines is prioritized to be deducted first from any monthly payment you make.
- All work must be done by a licensed/insured contractor.
- Any damage to HOA property is the financial responsibility of the unit owner.

OCCUPANCY OF CONDO UNITS -The maximum allowed number of persons including children staying in a unit is as follows: One (1) Bedroom = Four (4) Two (2) Bedroom = Six (6) Three (3) Bedroom= Eight (8)

RECREATION CENTER -GENERAL RULES

Business Office Hours: Monday through Friday 9:00 am to 5:00 pm Recreation Center Hours:

Summer Season (April 1-Oct. 31)

9:00 am – 9:00 pm – every day of the week

Off Season (Nov. 1-March 31)

9:00 am – 8:00 pm – every day of the week Tennis, basketball, and shuffleboard courts are open during Rec. Ctr. hours.

- Children should not use the facility without adult supervision.
- Before using the facility, all visitors must sign in the logbook and present your Homeowner or Guest Pass and, if required, a driver’s license.
- Please clean up after you use the facility.
- All doors leading from the pool area to the outside are to be closed and used in an Emergency only. The authorized entry and exit is the front door of the recreation center.
- Do not wear wet swim attire into lounge or fitness room.
- No alcoholic beverages of any kind are allowed in any area except the lounge when authorized and only individuals 21 years of age with valid identification.
- Smoking is prohibited anywhere in the facility.

SWIMMING POOL RULES

- Shower before entering the pool -it helps to keep the pool clean.
- There are no lifeguards -please swim at your own risk.
- No diving.
- Lap swimmers have priority in the left lane.
- No running, jumping from sides or horseplay.
- No food or beverages in the pool area.
- No rafts, balls, boards, or large flotation devices allowed. Noodles, water wings, life vests and infant safety devices are permitted.
- No diapers in the pool, swim pants only. We have spares in the office.
- Only swim attire allowed in pool.
- Pool furniture cannot be reserved -first come basis.
- Do not remove pool furniture from pool areas.
- Children should not use the pool without adult supervision.
- No electrical or audio equipment is allowed.
- Please use trash receptacles.
- Please do not throw any objects.
- Buoy rings are for emergency only.
- Do not exit the pool area from the exterior doors.
- Do not enter the lounge from pool area or vice versa.
- All personal items and equipment must be removed from the pool area each evening.
- Persons using the indoor pool and hot tub must exit 15 minutes prior to closing time. This allows time to shower and dress.

HOT TUB RULES

- We cannot be responsible for any problems associated with the use of the hot tub.
- Pregnant women, elderly persons and persons suffering from disease, HIV, diabetes, high or low blood pressure should not use the hot tub without the express permission of a doctor.

- Do not use the hot tub while under the influence of alcohol, tranquilizers or other drugs or prescription medications that can cause drowsiness or that raise or lower blood pressure or would be counter-indicated by a physician.
- No person with a communicable disease transmitted by water shall use the hot tub.
- Unsupervised use by children is prohibited.
- Enter and exit slowly to prevent slipping or falling.
- Observe reasonable time limits (usually 10 to 15 minutes) then leave water and cool down before returning for another brief stay.
- Long exposure can lead to dizziness, nausea or fainting.
- Keep all breakable objects out of hot tub area.
- No food or beverages are allowed in the hot tub area.
- Only swim attire is allowed in the hot tub.
- Persons using hot tub area should exit 15 minutes prior to closing to shower and dress.

SAUNA RULES

- We cannot be responsible for any problems associated with the use of the sauna.
- Pregnant women, elderly persons and persons suffering from disease, HIV, diabetes, high or low blood pressure should not use the sauna without the express permission of a doctor.
- Do not use the sauna while under the influence of alcohol, tranquilizers or other drugs or prescription medications that can cause drowsiness or that raise or lower blood pressure or would be counter-indicated by a physician.
- Unsupervised use by children is prohibited.
- Observe reasonable time limits (usually 10 to 15 minutes).
- Long exposure can lead to dizziness, nausea, or fainting.
- Do not pour water on the rocks for safety reasons.
- No food or beverages are allowed in the sauna.
- Please do not use sauna room as a dressing area.
- Persons using sauna areas should allow 15 minutes to shower & dress prior to closing time.

FITNESS ROOM RULES

- Dry off before entering.
- No wet swim attire allowed.
- No food or beverages are allowed in fitness room.
- Unsupervised use by children is prohibited.
- Wipe down equipment after use.
- Use fitness equipment at your own risk. Check with your doctor for physical symptoms or ailments that may present a danger with the use of these machines.
- Appropriate shoes must be worn at all times.

OUTDOOR POOL RULES

- Shower before entering the pool -it helps to keep the pool clean.
- There are no lifeguards -please swim at your own risk.
- Guest passes are required and will be checked.
- No diving.
- No running or horseplay.
- No food or beverages in the pool area.
- No rafts, balls, boards, or large flotation devices allowed. Noodles, water wings, life vests and infant safety devices are permitted.
- No diapers, swim pants only.
- Pool furniture cannot be reserved -first come basis.
- Do not remove pool furniture from pool areas.
- Children should not use the pool without adult supervision.
- No electrical or audio equipment allowed.
- Please use trash receptacles.
- Do not throw balls or other objects.
- Buoy rings are for emergency only.
- Do NOT climb over gates around pool under any circumstance -violators will lose their privileges.
- Pool hours are 9 am – 8:45 pm (or dusk, whichever is earlier).

- We are not responsible for persons whose health may be comprised by sun and activity not prescribed or healthful to an adult.
- Only swim attire is allowed in the pool.

TENNIS, BASKETBALL & SHUFFLEBOARD COURTS RULES

- Absolutely no skateboarding, rollerblading or riding bicycles on the courts.
- Please observe the instructions posted near the tennis, basketball, and shuffleboard areas. Equipment and game rules are available for checkout at recreation center office.
- You must have a valid driver's license to check out recreation equipment.
- Tennis courts must be reserved. Upon checking in a driver's license must be left with the staff. Appropriate tennis shoes must be worn. Courts must be locked up at the end of the day.
- Basketball courts are on a first come basis. Upon checking in a driver's license must be left with the staff until the key is returned. Appropriate basketball shoes must be worn. Courts must be locked up at the end of the day.
- Tennis, basketball, and shuffleboard court hours are the same as the recreation center hours and will close at the specified time every day.

LOUNGE FACILITIES RULES

- Homeowners may reserve the Lounge for meetings or other functions; these rules are set forth in the Homeowner Rental agreement. It includes an hourly fee and a refundable deposit. All rental agreements and funds must reach the office 10 days prior to the agreement to be valid.
- An adult must accompany and remain in the Lounge with children at all times.
- The owner must be present during the event.
- The pool and fitness center are not part of the rental agreement.
- Persons using lounge area should allow appropriate time to clean up prior to closing time.
- Please leave lounge area in the same condition prior to use.
- Room capacity is 30 persons.
- No wet bathing suits or towels allowed in the Lounge.
- Pool may not be accessed from the lounge doors.

COLLECTIONS POLICY

The Board deems it to be in the best interests of the Association and its members to adopt a policy for the collection of late assessments, late interest, and/or late fees that is consistent with the Declaration of Covenant, Conditions and Restrictions for Ocean Dunes Homeowners Association, Inc. and North Carolina State Statute 47F, also known as the North Carolina Planned Community Act.

ASSESSMENTS

- Each homeowner will be billed assessments in advance for their specific unit size and location, calculated each year when the budget is determined.
- Payment will be due monthly.

DELINQUENCY ASSESSMENT CHARGES

- Late Fee: For each month that a homeowner is delinquent, the homeowner will be charged a late fee of 10% of that owner's assessment amount.
- Late Interest: For each month that a homeowner is delinquent, the homeowner will be charged late interest in the amount of 18% per annum or 1.5% per month.

DELINQUENCY CONTROL PROCESS

- For every elapsed thirty (30)-day-period for which an assessment is delinquent, a Delinquency Notice will be sent to the homeowner. The sequence of Delinquency Notices shall be as follows:
 - Courtesy Notice
 - Fifteen (15)-day-demand letter
- If the delinquency assessment amount remains unpaid after the time for cure established in the 15-day-demand letter has elapsed, the board authorizes the management company to:
 - Turn the account over to an attorney for the purpose of obtaining a lien against the subject property.
 - Once a lien is obtained and the account remains delinquent, the HOA will authorize the attorney to proceed to foreclosure as allowed by North Carolina law.

PAYMENT PLANS AND LATE FEE WAIVER REQUESTS

- Payment Plans: Upon written request by the homeowner, the board authorizes the management company to establish and monitor payment plans for homeowners, subject to the homeowner's payment of the management's company's administrative fee. Payment plans shall be administered upon the following terms:
 - For delinquent accounts, the approved plan is **25%** of the outstanding delinquent assessment amount owed to be paid immediately upon approval the payment plan, with the remainder due in **no more than 12 equal monthly installments**. This amount shall be

paid **in addition to** any assessments that come due during the payment plan period.

- Payment plan requests that offer better terms for the association than those above outlined shall be automatically approved.
- All payment plans shall be payable via automatic bank draft.
- Late Fee Waivers: Upon written request by the homeowner, the board authorizes the management company to grant the homeowner a waiver of late fees:
 - Only **once per year** as a courtesy to the homeowner.
 - Other: with approval of board.
- This policy shall remain in force and effect until such time as it is either changed or dissolved by the board.

VIOLATION ENFORCEMENT PROCESS

The Board of Directors of the Ocean Dunes Homeowners Association (Ocean Dunes HOA) deems it to be in the best interests of the Association and its members to adopt a process for the enforcement of the Bylaws, Declaration, and/or other duly adopted “Rules and Regulations” of the Association that is consistent with applicable provisions of the governing Bylaws and Declaration.

This process is effective on March 14, 2016 (Effective Date).

Certain violations existing prior to February 1, 2016 (Pre-existing Conditions) as defined in Exhibit 2 will be allowed for the period of time and under the conditions as described. Such violations will be considered ‘Grandfathered’ violations. Owners with these Grandfathered violations must notify the Management Company of the existing violation prior to the Effective Date of this process, or the burden will be on the Owner to prove the violation was a Pre-existing Condition upon receiving a violation notice.

If an Owner has a Pre-existing Condition not listed in Exhibit 2 that they feel should qualify as a Grandfathered violation, the Owner may submit a request to the Board for consideration prior to the Effective Date. If a rule has its own, specific, documented violations process, that process takes precedence over those in this document for that particular rule.

Process:

- Regular inspections of Association property, the purposes of which are to note and cite violations of the Declaration, Bylaws, and/or duly adopted Rules and Regulations, shall be conducted by the management company.
- Barring holidays or other circumstances that make it impossible or impractical to do so, property inspections shall be conducted on a monthly basis.
- The notification, fine and hearing procedure is defined in Exhibit 1.

- The Management Company is authorized to disseminate violation notices.
- Owners being cited or fined for violation(s) will be responsible for contacting the management company upon cure of the subject violation.
- Owners are responsible for the actions of those they either rent their unit to or allow others to use.

EXHIBIT 1

NOTIFICATION, FINE AND APPEAL PROCEDURE

- 1st warning: a Friendly Reminder letter will be issued for violation and no fine assessed with a request for correction within 14 days. Exceptions which must be remedied within 2 days are (1) life-safety issues (2) pet-related violations.
- 2nd warning: a 2nd letter will be issued for the violation which will include a notification of a hearing and a potential fine (pending hearing) assessed of \$100.00.
 - a. The hearing date will be no less than 10 days out.
 - b. If for any reason, an Owner does not attend the hearing scheduled after receiving notification, the Owner waives the right to an appeal or hearing, and the Board of Directors will approve of the fine assessments to continue until violation is rectified. With prior notification to the Management Company, the Owner may attend the hearing by phone or provide a letter of explanation in lieu of attending the meeting.
 - c. As a result of the hearing, a letter will be mailed to the Owner notifying them of the decision of the Board.
 - d. If the Board decides that the violation requires correction, the fine will be assessed, and the Owner will have 14 days to correct the violation.
- 3rd warning: a 3rd letter will be issued for the violation if it has not been corrected upon which a \$50.00 weekly fine will be assessed until the violation is corrected
- As noted above, the Owner will be responsible for notifying management of the correction of the issue in order to stop the recurring fines.
- A repeat incident of a prior, previously corrected violation by the same Owner will not receive any warnings but will instead immediately be issued a 3rd warning with the commensurate fine(s).
- Fines will be added to the Owner's monthly statement to the normal payment procedures and are subject to the same regulations as other assessments.

EXHIBIT 2

GRANDFATHERED VIOLATIONS PROCEDURE

- Declaration Article VIII (f) and Rules and Regulations “Pets”

Regarding owners with a second pet (cat or dog), such Grandfathered pet may remain until such time as the pet becomes deceased or otherwise no longer resides with the owner. Owners wanting to acquire a second pet after March 14, 2016, must obtain board permission.

- Declaration Article VIII (d, g) – Regarding modifications to the exterior of the building or to the common area, such Grandfathered changes may remain unless they interfere with property maintenance by the Ocean Dunes HOA or infringe on another Owner’s ability to enjoy their property. If such modifications are removed or fall into serious disrepair, they may not be replaced. Furthermore, if the modifications fall into disrepair, the Board may require their removal.

Although technically a violation, unobtrusive exterior wall decorations will normally be permitted if they are contained entirely within your unit’s ocean side (i.e., opposite street/parking side) deck area.