

**RULES AND REGULATIONS OF
CAROLINA COVE HOMEOWNERS ASSOCIATION, INC.**

Carolina Cove Homeowners Association, Inc. (the "Association"), acting through its Board of Directors has adopted the following Rules and Regulations ("Regulations").

GENERAL

1. Wherever in these Regulations reference is made to "Unit Owner(s)", such term shall apply to the Co-Owner of any Unit, of his family, tenants, whether or not in residence, servants, employees, agents, visitors, and or any guests, invitees or licensees of such Unit Owner, his family or tenant of such Unit Owner. Therein these Regulations reference is made to "tenant"; such term shall be limited to the tenant of a Unit Owner for a Unit in the Condominium. Wherever in these Regulations reference is made to the Association, such reference shall include the Association and the Managing Agent (if any) when the Managing Agent is acting on behalf of the Association. Unless the context otherwise requires, all other definitions in the Master Deed and in the Act are incorporated by reference herein.
2. The Unit Owners shall comply with all the Regulations hereinafter set forth governing the Buildings and Common Elements, including, but not limited to, the parking areas and other appurtenances. The Board of Directors may, from time to time, establish fines or penalties for violation of these Regulations.
3. The Association reserves its right to alter, amend or modify these Regulations with the consent or approval of the Association as required to alter, amend or modify the By-Laws.

VIOLATION POLICY

4. The violation of any provision of the rules and regulations shall be grounds for assessment by the association, acting through its duly constituted Board of Directors, of a monetary fine against the involved Unit Owner. Such Unit Owner is ultimately responsible for such violations whether they occur due to his personal actions or the actions of his family, guests, tenants, or any other person admitted through such owner to the premises. Upon any such violation being alleged by the Board, the following procedures will be followed:
5. Notice of the violation, including the rule violated, together with a description of the factual nature of the alleged offense set forth with such reasonable specificity as will place the Unit Owner on notice as to the violation, and shall be sent by first class mail and/or electronic email.
6. The offending Unit Owner shall have seven (7) calendar days from the date of the violation in which they may offer evidence in defense of the alleged violation. The evidence must be submitted in writing to the Board of Directors or Managing Agent.
7. Failure to respond to the notice of violation within seven (7) calendar days from the date of issue constitutes a default.
8. Upon written response by the Unit Owner to the Board and presentation of evidence of defense, or, in the event of the Unit Owner's default, the Board shall, by majority vote of a quorum of the Board, decide whether a violation has occurred. The Board's decision is final.
9. Upon any violation of any provisions of the Governing Documents, Rules, Regulations, and Policies after default of the offending Unit Owner or upon the decision of the Board as recited above, the following fines shall be levied:
 - First Offense: A fine of \$100.00 shall be levied.
 - Second Offense: A fine of \$200.00 shall be levied.
 - Third Offense: A fine of \$400.00 shall be levied.
 - Fourth Offense and Each Subsequent Offense: A maximum fine of \$500 shall be levied.
 - Legal action pursued per the Board's request.
10. Violation of the Pool and Gym, rules can result in the entire household being banned from use of that facility depending on severity and/or fined.
11. Unit Owners will be automatically fined a fifty-dollar (\$50) fee, without appeal and without a first warning, for violation of the dog "pick-up" requirements.
12. Improper Trash disposal, bulk or household items left on the property are an immediate fifty-dollar (\$50) removal fee and a fine based on the violation policy.
13. For purposes of this policy, the number of the offense (i.e. first, second, etc.) is determined with respect to the number of times that a Unit Owner or tenant violates the same provision of the rules and regulations and is not based upon time or violations of entirely different provisions. In the case of continuing violations, a new violation will be deemed to occur each time during which a violation occurs. Nothing in this policy shall be construed as to prevent the Association from pursuing any other remedy under the Governing Documents for such violations, or from combining a fine with any other remedy or requirement to redress any violation.

14. The fines levied pursuant to the above stated rules and regulations shall be assessed against the Unit Owner and shall be due and payable within 60 days of the notice of violation. Failure to pay the fine will subject the Unit Owner to all liabilities set forth in the Governing Documents and will include, but not be limited to, amenity access being restricted, key fobs deactivated, and a lien being placed on the unit. If the fine(s) are not paid within sixty (60) days, a certified letter will be sent stating a five-dollar (\$5) per month late fee is being added plus the cost of the certified mail.
15. For purposes of the violation fine policy, All Unit Owners will start each calendar year with no warnings and no offenses or violations independent of whether warnings, violations, or offenses occurred in the previous calendar year.
16. Any and all fines resulting from offenses and violations will accrue each calendar year until the fines and late fees are paid in full.

GENERAL

17. The agents of the Association or any contractor authorized by the Association may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Condominium Instruments or the Act, including but not limited to, for purposes of providing pest extermination services for the Association. Except in the case of an emergency, entry will be pre-arranged with the occupant of the Unit or upon no less than twenty-four (24) hour notice.
18. All persons shall be properly attired when in the common areas of the Property.
19. For safety reasons, all children under 10 years of age must be accompanied by an adult in all General Common Areas, including, but not limited to, parking lots, sidewalks, the playground, and open common areas.

CONSIDERATION IN USE OF UNITS

20. No noxious or offensive activity shall be carried on in any Unit or on the Common Elements, nor shall anything be done therein which may become an annoyance or nuisance to the other Unit Owners or occupants. No Unit Owner shall make or permit any disturbing noises or odors in the Building or do or permit anything which will interfere with the rights, comforts, or convenience of other Unit Owners. All Unit Owners shall keep the volume of any radio, television, or musical instrument in their Unit sufficiently reduced at all times so as not to disturb other Unit Owners and occupants in the Building.
21. No industry, business, trade, occupation, or profession of any kind, commercial, religious, educational or otherwise, designed or profit, altruism, exploitation or otherwise, shall be conducted, maintained or permitted on any part of the Condominium except incidental home-office use of a Unit, but only to the extent permitted by applicable laws. Solicitors are not permitted in the Buildings.
22. No part of the Condominium shall be used for any purpose except housing and the common purpose for which the Condominium was designed. Each Unit shall be used as a residence in accordance with applicable law.
23. Each Unit Owner shall keep its Unit in a good state of preservation, repair, and cleanliness and shall not sweep or throw of permit to be swept or thrown therefrom any dirt or other substance.
24. Nothing shall be done in any Unit or on the Common Elements which may impair the structural integrity of the Building, nor shall anything be altered or constructed on or removed from the General Common Elements, except upon the prior written consent of the Board of Directors.
25. No radio, television, or other type of antennae may be installed outside of a Unit without the prior written consent of the Board of Directors.
26. All radio, television, or other electronic equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the Board of Fire Underwriters and the public authorities having jurisdiction over the Condominium. The Unit Owner alone shall be liable for any damage or injuries caused by any radio, television, or other electrical equipment in a Unit.

EXTERIOR APPEARANCE

27. One standard eight-inch by eleven-inch (8" x 11") "For Sale", "For Rent" or "For Lease" sign is allowed in the window of the Unit. Other window displays or advertising may not be maintained or permitted in any Unit or on the Common Elements unless approved by the Board of Directors.
28. The view of any Units from the exterior and all exterior areas associated with, appurtenant to, or connected with a Unit shall not be painted, decorated, or modified by any Co-Owner in any manner without the prior written consent of the Board of Directors in accordance with the terms of the Master Deed and the By-Laws, which consent may be withheld on purely aesthetic grounds within the sole discretion of the Board of Directors. This provision shall apply without limitation to doors, windows, door frames, glass, windowpanes, and window frames. Any window treatment used must

be white on the outside as seen from the street or General Common Elements, as the case may be. Flags, towels, or sheets may not be used as window treatments.

29. 2 well-tended planters are permitted near the front door, a small university or decorative flag on the lawn, and a door wreath are permitted. Limited holiday decorations are permitted to be put up at most 30 days before a holiday and removed within seven (7) days after the holiday ends. All other decorations must be approved by the Board of Directors.
30. No article shall be hung or shaken from the doors or windows or placed upon the outside windowsills or other areas of a Unit. This prohibition includes, without limitation, towels, laundry, clothing, rugs, radio or television, and antennas.
31. No awnings, window guards, light-reflective materials, hurricane or storm shutters, ventilators, fans, or other devices visible from the outside of the Building shall be used in or about a Unit except as shall have been approved by the Board of Directors, which approval may be held on purely aesthetic grounds within the sole discretion of the Board of Directors.
32. All damage to the Building, a Unit, and/or Common Element areas caused by removing or carrying of any article herein shall be paid by the Unit Owner or other person responsible for the presence of such articles.
33. The Unit Owner shall not be allowed to put its name on any entry to its Unit or mail receptacle appurtenant thereto, except in the proper places and in the manner prescribed by the Board of Directors for such purposes, if any.

SATELLITE DISH POLICY

34. Satellite dishes shall not be mounted onto the Buildings including the brick, siding and roof.
35. Satellite dishes shall not be installed or visible from the Front side of the building.
36. Satellite dishes shall be at or below the height of the courtyard fence.
37. The wires from the satellite dishes shall be hidden, covered, and secured while being minimally visible.
38. All Satellite dishes or similar devices shall be approved in writing by the Board of Directors prior to being installed.
39. Any violation to this policy would be subject to the adopted violation and fine policy. This policy will be effective for all satellite dishes installed after May 7, 2012.

COMMON ELEMENTS

40. There shall be no obstruction of the General Common Elements. Nothing shall be stored on or in the General Common Elements without the prior written consent of the Board of Directors except as expressly provided herein or in the By-laws.
41. The walkways, entrances, and stairways shall not be obstructed or used by Unit Owners for any purpose other than ingress and egress from its Unit and the Common Elements.
42. Nothing shall be done or kept in any of the Common Elements which will increase the rate of insurance for the Building or contents applicable for residential use without the prior written consent of the Board of Directors. No Unit Owner shall permit anything to be done or kept in his Unit or on the Common Elements which will result in the cancellation of insurance on the Building or contents thereof obtained by the Association or which would be a violation of any public law, ordinance, or regulations.
43. No gasoline or other explosive or inflammable material may be kept in any Unit or Common Element area. No waste shall be committed on the Common Elements.
44. Articles of personal property may not be left unattended in public areas of the Building or passageways, parking areas, or elsewhere on the General Common Elements. No bicycles, scooters, baby carriages or similar vehicles or toys, or other personal articles shall be allowed to be or remain in any of the General Common Element areas.
45. All garbage and trash must be placed in proper receptacles purchased by each Co-owner until transferred to the Association's trash receptacle. All breezeways must be kept clear of litter and garbage. Garbage bags may not be stored in the breezeways or outside Unit doors. The Association shall provide a trash receptacle for the members of the Association at a designated location in the General Common Elements.
46. The use of the Association trash receptacle is for securely bagged household garbage only. Digging and scavenging is prohibited. The following items are not permitted in the trash receptacles: flammable or toxic materials, furniture, appliances, mattresses, etc. These items must be placed in front of the Association near the street by Buildings 1 and 19 on the designated day stated by the Association. Nothing may be left outside the trash receptacle. If the Association must pay the trash company or an outside party to take anything left outside of the trash receptacles to the landfill, this fee will be charged to the responsible Unit Owner.
47. Any damage to the Building, recreational facilities, or other Common Areas or equipment caused by any Co-owner of its tenant, guest, invitee, or licensee shall be repaired at the Co-owner's expense.
48. Food and beverages may not be prepared or consumed in the General Common Areas except in accordance with the regulations which may be promulgated from time to time by the Board of Directors.

49. The water closets and other water and sewer apparatus shall only be used for the purpose for which they are designed. No sweepings, matches, rags, ashes, or other improper articles shall be placed therein.
50. No Unit shall use or permit to be brought onto the Property any hazardous materials or articles deemed extra hazardous to life, limb, or property. The display or discharge of fireworks is strictly prohibited.
51. Cigarette and cigars may not be discarded, and ashtray containers may not be stored or seen in the General Common Areas.
52. Written permission is required from the Board of Directors for ALL changes to the Building exterior, landscaping, fencing, existing structures and General Common Areas.

PET RULES

53. No reptiles, farm animals, including but not limited to cows, pigs, horses, chickens, or other animals of any kind shall be raised, bred, or kept in any Unit or on the Common Elements, except orderly dogs and/or cats, not to exceed two (2) per Unit, without the prior approval of the Board of Directors, subject to compliance with the By-Laws and these Regulations.
54. Subject to the immediately preceding rule, a pet may only be allowed in a Unit so long as it is not a nuisance. Actions which will constitute a nuisance include but are not limited to abnormal or unreasonable crying, barking, scratching, or unhygienic offenses.
55. All pets must be registered and inoculated as required by law and registered with the Association office.
56. Pet owners are fully responsible for personal injuries and/or property damage caused by their pets.
57. All pets must be secured by a leash or lead any time they are permitted outside a Unit.
58. Owners of pets walked on the General Common Elements must promptly clean up their pet's droppings in all areas.

PARKING AND STORAGE

59. Any vehicle or personal property item placed in any portion of the Building or any place appurtenant thereto, including without limitation any General Common Element areas, shall be at the sole risk of the Co-owner. The Association shall in no event be liable for the loss, destruction, theft, or damage to such property.
60. If any vehicle owned or operated by a Unit Owner, any member of his family, tenants, guests, invitees, or licensees shall be illegally parked or abandoned on the Condominium property, the Association shall be held harmless by such Unit Owner for any and all damages and losses that may ensue, and any and all rights in connection therewith that the owner or driver may have under the provisions of state or local laws and ordinances are hereby expressly waived. The Unit Owner shall indemnify the Association against any liability which may be imposed on the Association as a result of such illegal parking or abandonment and any consequences thereof.
61. Only two (2) non-reserved parking spaces are available for use from time to time for each Unit in the Building. Each Co-Owner may only park one automobile, motorcycle, pick-up type truck, or small van in each of the non-reserved parking spaces in the parking lot of the Property on a first-come-first-serve basis.
62. Each unit is allowed two (2) parking decals. Parking decals must be displayed on either the front dashboard, hanging from the rearview mirror, or attached to the vehicle's front windshield.
63. No buses, trailers, recreational or commercial vehicles, or boats may be parked in the parking areas without the prior written approval of the Board of Directors. A "commercial vehicle" shall include all equipment, automobiles, trucks, and vehicles - including station wagons or SUVs - which bear a sign, magnet, lettering, graphics, logo, or equipment or have printed on a reference to any commercial undertaking or enterprise. If the Board of Directors permits parking of such vehicle, this vehicle must have a vehicle cover or magnets covering logos/graphics between 6pm-6am Monday-Friday and all hours during the weekend. Magnets the same color as the vehicle may be used to hide logos, wording, or other markings.
64. No vehicle may park in one spot for more than fourteen (14) consecutive days or longer. All vehicles must have a current license plate and be in operating condition. Parking in such other manner as to block sidewalks, driveways, or other Unit Owners' parking areas shall not be permitted.
65. No mechanical or other repair work may be performed on a vehicle in a parking area. Washing vehicles in the parking area is strictly prohibited.
66. The Association may, by the action of the Board of Directors, assign reserved parking spaces in certain areas of the parking lots.
67. All Unit Owners shall observe and abide by all parking and traffic regulations as posed by the Board of Directors or by municipal authorities. Vehicles parked in violation of any such regulation may be towed away at the Unit Owner's risk and expense.

THE ASSOCIATION

68. All assessments imposed by the Association are due and payable in monthly installments on the first day of each month for which assessments are made unless otherwise specified. Payment shall be made at the Association's office or such other location designated by the Association by check or money order, payable to the Association. Cash will not be accepted.
69. Failure to pay the Association fee will subject the Unit Owner to all liabilities set forth in the Governing Documents and will include, but not be limited to, amenity access being restricted, key fobs deactivated, and a lien being placed on the Unit.
70. Complaints regarding the management of the Condominium or regarding actions of other Unit Owners shall be made in writing to the President of the Association or its Managing Agent (if any). No Unit Owner shall direct, supervise, or in any manner attempt to assert control over or request favors of any person of the Association or its Managing Agent.

LEASING PROVISIONS

71. Units may be leased only in their entirety; no fractional portion may be leased without the prior written approval of the Board. All rentals must be for an initial term of no less than six (6) months unless otherwise stated in the bylaws. All leases shall be in writing and in a form approved by the Board prior to the effective date of the lease. The Board may maintain and, upon request, provide a form that is deemed acceptable.
72. Within seven (7) days after executing a lease agreement for the lease of a Unit, the Unit Owner shall provide the Board with a copy of the lease and the name of the lessee and all other people occupying the Unit.
73. The Unit Owner must make available to the lessee copies of the Master Deed, By-Laws, and the Rules and Regulations. The Board may require that no adult Person be allowed to occupy any Unit subject to a lease unless they are signatory to and obligated by the lease.
74. Except where the owner occupies the Unit, the Owner transfers and assigns to the lessee, for the term of the leases, any and all rights and privileges that the Owner has to use the Common Elements of the Regime, including, but not limited to, the use of any and all recreational facilities.

POOL RULES

75. There will be no lifeguard on duty at any time. Swim at your own risk. The pool hours are as posted at the pool. The maximum number of swimmers allowed is twenty-five (25). Residents may have a maximum of two (2) guests per Unit and must accompany guests at all times. Residents must always have verification of residency.
76. There shall be no solo swimming, no diving, and no one under the age of sixteen (16) shall be allowed in the pool without supervision. Persons shall take a shower before entering the pool. Persons with diarrheal illness, nausea, skin, eye, ear or respiratory infection are not allowed in the pool. Proper swimwear must be worn while swimming; cutoffs and thongs are prohibited.
77. There shall be no running, boisterous or rough play, and no spitting or blowing nose in the pool. No person under the influence of alcohol or drugs shall use the pool. There is no smoking permitted in the pool area. No animals or pets are allowed inside the pool area.
78. No glass shall be allowed in the pool or on the pool deck. Persons found bringing and/or breaking glass in the pool area can be charged for expenses if the pool requires draining and refilling. Music must be kept at a minimal volume level and must not be offensive to others. All trash must be disposed of properly.
79. Pool furniture must be covered with a towel. All pool furniture, including umbrellas, must be returned to its original state. No standing, sitting, or playing with the safety rope. If lap swimming, the safety rope must be reattached before exiting the pool area.
80. The Association will not be responsible for any lost and/or stolen items. The Association reserves the right to refuse admittance to and/or eject from the pool premises any person(s) failing to comply with any of the above health and safety rules and policies.

FITNESS CENTER RULES

81. Use of all fitness center equipment shall be at the sole risk of the user. The fitness center hours are as posted at the fitness center. Residents are allowed to have a maximum of two guests per Unit and residents must accompany guests. Residents must always have verification of residency. There shall be no one under the age of sixteen (16) in the fitness center unless accompanied by an adult.
82. No person under the influence of alcohol or drugs shall use the fitness center. Suitable workout gear must be worn inside the fitness room. Flip flops or sandals are not permitted.
83. Music and the television must be kept at a minimal volume level and must not be offensive to others. Equipment must be wiped down after use. Weights must not be dropped and need to be placed in weight racks after use.