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GATES FOUR TOWNHOUSE ASSOCIATION, INC.

POLICY AND PROCEDURE

DATE ISSUED: May 14, 2003

(Supersedes Rules and Regulation Dated March 13, 2001) Revised: September 12, 2006; May 8, 2007; November 2010; June 21, 2011; July 19, 2011; January 17, 2012; April 16, 2013; January 10, 2016; February 15, 2017.

RULES AND REGULATIONS

POLICY

Declaration of Covenants, Conditions and Restrictions, Article I thru XI

Bylaw Article **VII** Section 1. A.

The Board of Directors shall adopt and publish rules and regulations governing the use of the Common Areas and facilities, and personal conduct of the members and their guest thereon, and to establish penalties for the infraction thereof.

SCOPE

Association -wide

PROCEDURES

A. Annual Assessments

1. The following is taken from the Bylaws Article XI Assessment:

"As more fully provided in the Declaration, each member is obligated to pay the Association annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessment, which is not paid when due, shall be delinquent.

If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate set in the Declaration (currently 1 1/2 percent per month), and the Association may bring action against the Owner personally obligated to pay the same or foreclosure of the lien against the property, and interest, costs and reasonable attorney's fees of such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by any nonuse of the Common Area or the abandonment of his lot".

2. The Annual Assessment is due and payable in four (4) equal installments **and is due on the first day of each quarter** (Jan 1, Apr 1, Jul 1, Oct 1), and **the first installment** will be considered past due if not received by **January 31, of each year. The second, third, and fourth installments** will be considered past due if not received by **April 30, July 31, and Oct 31 respectively of each year.** Payments received after the due date noted above will have automatic **Twenty-five (\$25.00) dollar** late fee applied to each payment in addition to the 1 1/2 percent interest each month as noted in the previous paragraph.

3. The initial assessment notice will be mailed December 1. This notice will include an assessment letter and payment coupons. The payment coupons will include, as a minimum, the amount owed, payment due date, pay by date, and payment mailing address.

4. **A reminder notice will be sent to you for past due assessments.** If payment is not received within ten days of the notice, all unpaid assessment installments will be taken to Small Claims Court for the collection of the assessments. You will be responsible for any past due fees, interest due, fees and costs of liens and collection costs.

5. If your check is not received by the Association before the past due date, you will be charged a late fee of the current delinquency rate as indicated above in A1.

B. Parking

1. Residents (Owners or Tenants) shall have the right to the exclusive use of two (2) personal vehicle parking spaces together, with the right of egress and ingress upon said parking area. Commercial vehicles shall not be permitted to park in the parking areas, or on common property or in front of residential units except for making service calls.

2. Visitor parking will be allowed for a limited amount of time not to exceed 72 hours where space is available in the parking area.

3. Parking of any vehicle to include motor bikes, motorcycles, tricycles, bicycles etc., are not allowed in or on the landscaped common area.

An exception will be granted for a social gathering (e.g. a party) of short duration. Parking of vehicles will be allowed on the common area adjacent to a street or road, as long as it does not obstruct traffic, and they do not remain over night

4. Parking of Recreational vehicles to include, boats, motor boats, motor homes, trailers or any similar type vehicle shall be permitted in the parking areas, as long as space is available, for a period not to exceed 72 hours.

5. Vehicles parked in the common areas of the Gates Four Townhouse Association with expired tags will be towed at the owner's expense after a 30-day notice to the owner.

C. Common areas

1. Motor bikes, motorcycles, bicycles, tricycles, etc. shall not be permitted to park over night in the landscaped areas. These vehicles shall not be ridden in the landscaped area, children's tricycles excepted.

2. No personal property signs (i.e. vehicles, furniture, etc.) marked "FOR SALE" shall be allowed to be displayed on the common areas. Professional Real Estate "For Sale or for Rent" signs shall be allowed on the common area. Hand-made signs are not acceptable.

3. No basketball standards, fixed athletic equipment or recreational apparatus shall be erected on the common areas.

4. No personal use item, play equipment, picnic table, lawn furniture, etc. shall remain in the common area overnight unless they are resting on a temporary patio built at owner's expense and approved by the Townhouse Association Board prior to construction. The temporary patio must be built next to the back of the owner's townhouse or deck/patio and can be no larger than 15' x 15'. Temporary patios must be built using brick or concrete patio pavers and include a weed blocking base. Written requests shall be submitted with a plan drawing to the Board of Directors for approval. Keep in mind that the item should be conducive to the aesthetics of the area. Maintenance and upkeep of the temporary patio is the responsibility of the townhouse owner or his tenant.

5. Anyone wanting to place seating benches, swings, birdbaths, statuary, birdhouses, birdfeeders, etc. in the common area close to their residence shall submit a request in writing to the Board of Directors. Keep in mind that the item should be conducive to the aesthetics of the area.

6. No building of a fence, wall or other structure shall be erected or maintained on the common area.

7. All shrubbery and foundation plantings become the property of the Townhouse Association. Residents must obtain prior approval from the board to plant or remove plantings or shrubbery. No food bearing plants shall be permitted in the common areas. No vines or other plantings shall be permitted to grow on exterior surfaces of any unit. Shrubby and plantings will be trimmed to allow a minimum of twelve (12) inches from the exterior of any unit, deck or fence. The Landscaping contractor will do the major trimming of shrubbery throughout the year as directed by the Grounds and Appearance Officer. Owners of owner occupied units may elect to trim all of the shrubbery around their respective unit. Owners electing to do their own trimming must notify the Board in writing and the Board will notify the landscaping crew personnel to avoid that individual unit.

(Reminder that the landscaping contractor is not our personal gardener. If you have a specific request, please refer it to the Grounds and Appearance Officer in writing for Board consideration and action.)

D. Repair and Maintenance

1. All units are scheduled for preventive maintenance every five (5) years and painting as needed every ten (10) years. All requests for incremental repair and maintenance shall be submitted in writing to the Townhouse Maintenance Officer for consideration. The Board of Directors will then schedule the action at the Board's next regularly scheduled meeting. Request for emergency repairs needed to prevent injury, loss of life or damage to property, will be reported without delay to the Townhouse Maintenance Officer and followed by a required written request to the board.
2. No member of the Gates Four Townhouse Association has the authority to commit the association to any action or expenditure of any funds that have not been first approved by the Board. The president of the Townhouse Association may approve the Maintenance Officer to expend up to \$100.00 for the emergency repair of external damage caused by a storm i.e. roof leak, or to prevent further property damage. Any further additional work will require the approval of the Board.

E. Residential Appearance

1. All window coverings on the individual units shall be uniform in color and shall be white or some other neutral cover, i.e. beige, cream or light tan; this includes blinds, draperies, and curtains. All window treatments must be maintained in good repair.
2. Garbage or trash receptacles shall be permanent proof containers, and shall be kept behind the townhouses, except on trash pickup days when they may be placed at the curbside. The receptacles must be returned behind the townhouses the same day.
3. No more than one cord of firewood may be stored behind the unit. Such firewood should be neatly stacked no closer to the building unit, deck or fence than six feet and except where impossible should not be visible from the street. Firewood is not to be stored on the patio, deck or next to the walls of the townhouse.
4. Existing outside antennas that were installed prior to the installation of cable TV shall be allowed to remain. No new TV antennas, radio antennas or TV dishes shall be permitted without approval of the Board. Repair of damage caused by these devices shall be the responsibility of the owner or resident.

F. Alterations, Additions or Changes

1. Owners of units wanting to make alterations, additions or changes to the appearance of the exterior of any townhouse must submit a request in writing to the Architectural Committee. The Board will review the request at the next regular board meeting and inform the owner within 30 days. Included in the request should be an architectural plan, describing the size and use of the change, the materials that will be used and how long the project will take to accomplish.

Changes are items such as:

- Adding a sunroom on a deck or patio
- Attaching gutters to the fascia board
- Replacing front or rear doors or adding storm doors
- Changing the color of the door and frame
- Adding electric attic fans
- Adding tube lighting into rooms

Any alteration, addition or change shall be at the owner's expenses as well as any future repairs or maintenance of the changes made. Changes made should provide an ingress and egress that does not infringe onto the common property.

Note: A. If a roof or cover is placed over a deck or patio the owner is responsible for the roof and the supporting columns and where it connects to the unit. The association will be responsible for the deck.
Note: B. If a sunroom is placed over a deck or patio but does not cover the entire area the owner is responsible for the area the sunroom encompasses including its roof and the association is responsible for the remainder.

G. Pets

1. Dogs and cats (animals) when outside and in the common areas shall be on a leash and should not be permitted to run loose at any time. Owners of animals are responsible for removing the refuse that their animals leave after relieving themselves in the common area. You are also responsible for any damage caused by the animal. Animals are not allowed to be tethered in or on the common area.
2. The loud and/or frequent barking of a dog infringes on the right to quiet enjoyment of others. This constitutes a nuisance and is in violation of the restrictive covenants and is the responsibility of the owner to control.

H. Homeowners Insurance and Pest Control Contract

1. Each owner will maintain a current Homeowners or fire and dwelling insurance policy with a company authorized to practice in the State of North Carolina, with sufficient coverage to protect against the following:

Damages resulting from casualties, or peril, or any hazard such as fire, wind, lightning, and other occurrence deemed as an act of God, to protect the real property interests and values of all Gates Four Townhouse owners, and to insure that replacement, and/or repair of damages caused by the above are provided for.

2. Each unit owner will maintain a current Pest (termite, woodborers etc.) infestation contract on his or her unit that provides for an annual inspection to detect active pest infestation. The owner is responsible for treatment, annual inspection and for any and all damages wherever located on that unit resulting from pest infestation.
3. Owners shall have their Insurance Company and Pest Control contractor submit a letter, to the Association board of Directors stating that they have the required coverage.

I. Owners, Residents, Tenants and Guest

1. All units in this Townhouse Association are single family units as provided for in the Restrictive Covenants. More than one family living in a unit is in violation of these Covenants. The subletting of rooms to others is therefore, strictly forbidden.

2. It is the responsibility of each townhouse owner to insure those residents, tenants and guest adhere to and comply with the Gates Four Townhouse Association Rules and Regulations. A townhouse owner of a unit that is to be occupied by a tenant and managed by the owner will insure that:

- a. The prospective tenant is informed of the rules and regulations.
- b. The prospective tenant understands that the unit is a single-family unit as provided in the restrictive covenants.
- c. A copy of the rules and regulations will be present in the unit at all times for the tenants reference and guidance.
- d. The lease agreement includes a statement that the tenant has read and understands the provisions of the Gates Four Townhouse Rules and Regulations and agrees to comply with them.
- e. Townhouse owners are required to conduct a criminal background check and sex offender check on any potential renters, to include any additional occupants age 18 and older, prior to entering a lease agreement and allowing any renter or occupant to occupy a townhouse residence.

3. In cases where a unit owner has placed a management authority in the hands of other than the owners, the owner will insure that:

a. The company or person responsible for management is thoroughly informed and knowledgeable in the requirements imposed by the rules and regulation.

b. The provisions contained in paragraph I – 2: a, b, c, d, and e for the owner managed units are complied with.

4. All property owners leasing or renting their home are liable to the Gates Four Townhouse Owners Association for the conduct of their tenants. This means that if a tenant should violate the Restrictive Covenants, By-Laws or Rules & Regulations of the Gates Four Townhouse Association, the property owner may be fined up to \$100 per day for such a violation. These fines are a lien upon the owner's property which can be foreclosed upon by the Association if not paid. We strongly encourage recommend a background check on all renters.

J. Penalties for non-compliance.

1. Where not already noted The Association Board of Directors has set penalties for non-compliance with this Policy as follows:

a. A penalty of \$5.00 per day for the first 30 days

b. An increase of \$10.00 per day for the next 30 days

c. Penalties not paid after 60 days, will be taken to small claims court.

Where Tenants are involved it will become the responsibility of the townhouse owner to insure payment.

Last revision February 15, 2017