

Rules and Regulations

Use Restrictions, Architectural Control & Maintenance

1. General

This document provides important information for each land and homeowner. This document strives to clarify broader rules, regulations, and authority from Association covenants, state and local government laws and regulation. Further, this document attempts to provide abundant and clear definition of Owner responsibilities from pre-construction design, acceptance, and ongoing structural and landscaping requirements of interest to the Association and the community it strives to represent.

This document addresses the roles, rules, and responsibilities of the Architectural Control Committee and Owners in the context of new home construction; external architectural changes to structures, and landscaping. It also describes the procedures and rules, which govern, change requests, their review, approval, deposits and fines.

Finally, this document is organized to assist Owners toward understanding their individual responsibilities for property improvements and those of the Association's Board of Directors who have legal, statutory responsibilities for the administration and operation of the Association.

Amendments

NOTE THAT:

The Board may amend these Rules & Regulations at any time, without prior notice to its Members, but may not change any Rule or Regulation retroactively and apply it to a project underway that has already been conditionally approved by the ACC or the Board.

The Board of Directors of the Association has been granted final authority for any interpretation of these Rules & Regulations by Article VI, Section 1 of the Covenants.

Should any Rule or Regulation contained in this document conflict with the Declaration of Covenants, the Declaration shall prevail.

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2. Architectural Control Committee

The Architectural Control Committee ("ACC") of Megan's Place Homeowners Association has been established by the Board of Directors to administer all rules and regulations consistent with the Declaration of Covenants, and their Conditions and Restrictions for Megan's Place as established June 25, 2002 to assist:

- Builders selected by lot owners in building a home that will conform to the general appearance of the neighborhood,
- Current homeowners who wish to make exterior changes to completed construction and/or landscaping.

2.1 ACC Responsibilities

The ("ACC") has the responsibility of review, acceptance, conditional acceptance, and denial of any proposal and plan, where, in the ACC's majority opinion, either the plan, specification, or completed result fails to comply with the standards as outlined in Article VI of the Covenants.

The ACC shall be responsible to the best of its ability, to represent and protect community interests, and reflect consistent standards, judgment, and application of standards to all Owners.

However, failure by the Association to enforce any covenant, rule, or regulation shall in no event be deemed a waiver of the right to do so thereafter. (Article VII, Section 3).

2.2 Written Response

A written response from the ACC shall be provided to the Owner as quickly as possible after receipt of any proposal, but must be provided no later than 30 days following submission or the proposal shall be deemed automatically approved, provided however, the homeowner can establish proof of delivery of the proposal.

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3 Owner Responsibilities

Owners have the following responsibilities relating to new construction and structural and lot improvements:

3.1 Regulatory Compliance

The Owner shall be responsible for any/all permits, licenses, insurance, inspections, and approvals that may be required by government law, regulation, or other rule, and the ACC, without exclusion.

3.2 Project Completion

The Owner shall be responsible for completion of construction in compliance with approved blueprints, specifications and materials list.

- 3.2.1 No construction shall begin without ACC conditional approval, in writing, based on plans, designs, material and color selections presented by the Owner/Builder to the ACC.
- 3.2.2 Compliance shall be at the sole judgment of the ACC and the HOA based upon the existing written standards and accepted practices and variances expressly approved by the ACC.
- 3.2.3 The owner shall assume responsibility for all costs for design, presentation, review, and compliance costs (or non-compliance).
- 3.2.4 Costs borne by the Owner shall also include any legal fees, court costs, or other expenses that may be incurred by the HOA and ACC to defend its decision(s), regardless of which party may prevail in any dispute of the conditions outlined in the Covenants Article VI Section 2 (b) i.e. detrimental effects on privacy, view, preservation of important trees and other vegetation, etc.

3.3 Project Proposals

Proposals are required from Owners, in writing, to the ACC mailed to the address of the Administrator, for any new construction, modification, or improvement to buildings, driveways, and lots, including landscaping, trees, irrigation, and other related improvements.

NOTE THAT NO proposals are required:

- To remove damaged trees or other vegetation resulting from storms or other acts of nature.
- For interior changes to new or existing homes

3.3.1 Submittal Documents for Architectural Review

As appropriate, the following documents shall accompany any proposal submission to the ACC.

- Cover letter outlining plan

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- Estimated dates of work start and completion
- Photographs and drawings of area(s) to be changed
- Written specifications

3.3.2 Additional Information

The ACC may require additional information if it deems such are appropriate:

- Landscape submission to be accompanied by drawing and description of plants, materials to be used, including sizes and spacing.
- Materials to be used.
- Presentation to the ACC members at the time of submission to explain and clarify proposed changes. Contractor may also attend.

3.4 Reviews and Acceptance:

The ACC must review plans and completed projects for all related items as outlined in Article VI Section 2(d) to preclude causing an unsightly view from roadways and other residences.

- No plan shall be approved that exceeds the North Carolina mandated maximum limitation of 5,000 sq. ft total of impervious surfaces per lot.
- Preconstruction approvals granted by the ACC shall be deemed "conditionally approved" until final acceptance inspection by the ACC.
- The owner must notify the ACC in writing within 10 calendar days after completion of the work in order to request final inspection and approval.

3.5 Schedule of Deposits and Fines

Deposits are refundable upon successful completion and ACC compliance review.

Deposits and fines may be required of an Owner by the ACC and/or the Board for one or more of the following:

- **New Home Deposit** - a new home construction deposit of up to \$10,000 depending on its assessment of the project.
- **Structural Modification Deposit** - for major external structural modifications a deposit amount up to \$500 may be required by the ACC depending on its assessment of the project.
- **Landscaping Modification Deposit** - for major landscaping changes deposit amount up to \$500 may be required by the ACC depending on its assessment of the project.
- **Owner Non-Compliance** - Should at anytime during the proposed project, the ACC notify the Owner that the project is in non-compliance with the previously approved plans, and the Owner fails to correct such non-compliance within 30 calendar days, the ACC may, at its discretion charge the Owner \$150 per day for each day of non-compliance up to a maximum of \$4,000.

Article VII, Section 2(a) provides for the following:

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- **Construction Damage** – to streets, curbs, or other common areas will be repaired or replaced within 30 business days at the Owner's expense.
- **Un-repaired Damage** – The HOA reserves the right to repair any and all Construction Damage should the owner fail to have it repaired within the stated 30 day period, and expense of doing so shall be borne solely by the Owner responsible

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4. Minimum Standards

4.1 General

The following minimum standards shall apply for new home construction and exterior modifications to existing homes and the land and improvements thereon.

- 4.1.1 No plan shall be approved that exceeds the North Carolina mandated maximum limitation of 5,000 sq. ft total of impervious surfaces per lot.
- 4.1.2 Each new dwelling shall be reviewed to conform to the enclosed heated dwelling area requirements as outlined in the Covenants, Article VI Section 2(a).
- 4.1.3 The ACC must approve the site location of the dwelling to assure the community of the conditions outlined in the Covenants Article VI Section 2 (b) i.e. detrimental effects on privacy, view, preservation of important trees and other vegetation, etc.
- 4.1.4 All dwellings must be completed within 12 months once construction commences.
- 4.1.5 The ACC must approve all related items as outlined in Article VI Section 2(d) to preclude causing an unsightly view from roadways and other residences.
- 4.1.6 All plans must conform to the off street parking requirements of Section 2(e) and lighting restrictions of Section 2(f).

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4.2 New Home Construction

New construction exterior designs, blueprints, specifications, and external brick, window, door, and color selections shall be reviewed and conditionally approved by the ACC before a building permit has been approved, and before commencing actual construction.

The ACC shall inspect completed construction before any closing or occupancy. The Owner shall notify the ACC, in writing, when construction is completed. Any item deemed non-conforming by the ACC resulting from the ACC's post construction or pre-closing inspection, shall be corrected, at the expense of the Owner to the satisfaction of the ACC before any closing or occupancy.

The Association shall have final, exclusive rights to interpret these standards and their compliance.

All new construction shall comply with the following general specifications:

- 4.2.1 Plot plan or scale drawing. Such plan must show the house placement on the lot and show lot drainage around the house, what trees will be saved and or removed.
- 4.2.2 All dwellings must be completed within 12 months once construction commences.
- 4.2.3 Each new dwelling shall be reviewed to conform with the enclosed heated dwelling area requirements as outlined in the Covenants Article VI Section 2(a).
- 4.2.4 One hundred percent tumble brick exterior, using a color unlike any of four surrounding homes on both sides of any street or intersection.
- 4.2.5 Windows, trim, garage doors, roofing materials and colors shall be consistent with other homes within Megan's Place.
- 4.2.6 Underground sprinkler system shall be provided for each lot.
- 4.2.7 Landscaping, consistent and uniform with the community, shall be provided, including sod for front, rear, and side areas of each finished lot. Exceptions shall be made for non-rectangular lot shapes, and those adjoining Association lands, otherwise sod shall be laid and maintained to the property lines on the front and sides, and to the ten foot buffer zone in the rear.
- 4.2.8 An attached garage for two cars shall be provided with each home with driveway of aggregate materials matching existing driveways and sidewalks.

4.3 Exterior Architectural Changes

Architectural changes are defined as changes to the exterior of existing homes or other site improvements on an already built upon lot.

- 4.3.1 No building, fence, exterior wall, or other structures or exterior changes to any existing structure, or additional structures, or major landscaping including trees shall be commenced or made until given prior written conditional approval signed by the majority of members of the ACC.
- 4.3.2 For any exterior changes to a homeowner's property, such as paint color, decks, shade covers, privacy screens, exterior lighting or awnings, or any modification to

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the land that would affect lot drainage patterns or major landscaping including trees, the owner must submit a plan to the Architectural Control Committee prior to the beginning of any work.

- 4.3.3 Preconstruction approvals granted by the ACC shall be deemed "conditionally approved" until final acceptance inspection by the ACC.
- 4.3.4 The owner must notify the ACC in writing within 10 calendar days after completion of the work in order to request final inspection and approval.

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5. Contractor Practices & Behavior

The following rules and regulations shall govern the practice, behavior of contractors and subcontractors resulting from new construction and/or changes by the Owner. The Owner shall be responsible for contractor compliance to the following standards:

- 5.1 The contractor or subcontractors and their employees shall not operate generators, saws or other loud equipment that may be a nuisance to neighbors earlier than 7:00 AM or later than 6:00 PM (Monday through Saturday). Exceptions to this rule would be work which may be temperature related, such as pouring concrete, which may be performed when necessary.
- 5.2 The contractor or subcontractors and their employees shall not play radios so loud that adjacent neighbors can hear them, or become a nuisance. The contractor shall also direct his subcontractors and their employees to refrain from using loud, abusive or profane language, or any other socially objectionable or offensive behavior.
- 5.3 The contractor, subcontractor and their employees are discouraged from bringing dogs or other pets to the construction site. If necessary to do so, the pets must be kept quiet and on a leash.
- 5.4 The contractor and subcontractors shall not store or park construction equipment, backhoes, dump trucks, etc., when they are not being used, on the construction site. The kind of equipment shall be removed within five (5) working days of its last usage.
- 5.5 The contractor shall insure that all subcontractor and employee vehicles shall be parked such that they do not block any neighbor's driveway access, and that existing driveways are not to be used for turning around or parking.
- 5.6 The contractor shall provide an on-site dumpster, trailer or other enclosure in which all scrap materials, cans, sacks, papers and other debris shall be contained until such materials are hauled off the site.
- 5.7 The contractor shall continuously clean up and keep the construction site in an orderly fashion and sweep and/or hose away any dirt that may have been deposited on the street or sidewalk.
- 5.8 The contractor shall immediately pick up/clean up any building materials or other materials that blow off the immediate site onto adjacent properties.
- 5.9 The contractor shall remove all left over building materials, including bricks, trash, brush, tree branches, tree roots, debris, etc., from the building site and adjacent lots within 24 hours of passing the final building inspection.
- 5.10 The contractor shall assure all employees and subcontractors wear work-appropriate shirts and shorts or pants while on Megan's Place.
- 5.11 The contractor shall provide proof of liability and workers compensation insurance for all employees and independent contractors.
- 5.12 The contractor shall provide proof of liability insurance with coverage in force sufficient for any damage(s) to any property located within the legal boundaries of Megan's Place and assure repairs are completed in a timely manner to the satisfaction of the ACC and the property Owner(s).
- 5.13 If the contractor has any problems complying with any of the above guidelines due to hardship or extenuating circumstances, the ACC must be contacted to consider an exception to these requirements.

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Terms & Definitions

- **Administrator** – a business or group appointed by the Board to provide administrative services to the Association that include but not limited to collection of fees, maintaining accounts, providing written notices, mailings, and other communications on behalf of the Board and its Members. [currently CAMS]
- **ACC** – Architectural Control Committee of the HOA
- **Association** – see HOA.
- **Board** – the Board of Directors of the Association.
- **Contractor** – any individual or business performing services for or within the community, including, but not limited to, building construction, repair, landscaping.
- **HOA** – Megan's Place Homeowners Association.
- **Lot** - one of the 33 numbered portions of the planned community designated for separate ownership by a lot owner.
- **Major Landscaping** - those landscaping changes which substantially alter the appearance of the lot in question by any reasonable person. For example, Installation of flowers purchased at a garden center and installed in an existing bed, is not a major landscaping change. However, purchase of loads of dirt, rearrangement of flower beds and sod, and the additional/removal or relocation of plants and trees would be a major landscaping change. Generally, removal of a tree would not substantially alter the appearance of a lot. However, should the single tree be a major tree which provides shade over a substantial portion of a lot, its removal may alter the lot appearance. Installation or removal of a single tree or shrub would not alter the lot appearance, where installation or removal of several/many trees and shrubs could alter the lot appearance.
- **Members** – see Owner.
- **New Construction** - the construction of a home on a vacant lot, or, additions or modifications to an existing home.
- **Owner** – the deeded owner of any property within the governance of the HOA. A homeowner is synonymous with an Owner. An owner is a member of the HOA and subject to all benefits, terms and conditions of its covenants.