

NPOA

RULES

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REGULATIONS

National Property Owners Association, Inc.

2350 Midland Road

Pinehurst, NC 28374

910-235-4217

www.theNPOA.org

The National Property Owners Association, Inc.
“Rules & Regulations of the NPOA, Inc.”

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Introduction

Effective June 5, 2001, The National Golf Corporation, Inc. (Declarant), registered with the State of North Carolina, the Amended and Restated Declaration of Covenants and Restrictions (DC&R) which is and remains the governing document for the use of the property of the National Golf Corporation, Inc. This document also established the National Property Owners Association, Inc. (Master Association) responsible for the execution of the articles set forth in the DC&R. See Article IV, Section 4.5. Effective on April 1, 2009, the Declarant relinquished the responsibilities of the Master Association to the Board of Directors (BOD), National Property Owners Association, Inc. (NPOA, Inc.) for the management and execution of the DC&R.

Purpose

It is the purpose of this document to inform the residents and members of the National Property Owners Association, Inc. of their rights and privileges as defined by the DC&R. It is also the intent of this document to clarify misconceptions and other misunderstandings of the rules governing the "land use" of Pinehurst National Community. Of specific note is that the rules governing the property are separate and distinct from the rules governing the Pinehurst National #9 golf course. While the two entities share the property in common harmony, they remain distinctly separated. Likewise, property ownership does not automatically convey golf course membership to the Lot owner or owners, nor does golf club membership imply any privileges to the use of either the private Lot Owners or common property of the NPOA, Inc.

Pursuant to the DC&R, (Section 4.5), the Board of Directors may promulgate rules and regulations consistent with the DC&R regarding the use of the Common Property by its Members and Owners. Pursuant to the DC&R, the Association is created to enforce the DC&R which are designed to preserve and enhance property values, contribute to the personal and general health, safety and welfare of the property owners and residents and to maintain the land and improvements located within the Pinehurst National Community. Rules duly adopted by the Board of Directors, and capable of change or amendment from time to time in order to ensure consistency with the DC&R and the law by the Board of Directors are published for your reference.

Compliance to the DC&R

This document is intended to summarize those Articles of the DC&R and/or ARB Guidelines that control the use of the land and the authority vested in the Master Association to enforce compliance with those Articles. For that purpose, the BOD has established the position of Executive Director whose is authorized to investigate non-compliance issues and report the results of the investigation and submit recommendations for action to the BOD. In addressing the issue of compliance, it is not the intent of the BOD to set neighbor against neighbor so as to destroy the harmonious nature of living at Pinehurst National Community. It remains however, the responsibility of all residents to adhere to the DC&R so occurrences of non-compliance are infrequent and do not necessitate the execution of the Penalty and Procedures Guide which will govern the actions of the BOD for non-responsive Lot Owners after notification in writing of the cause and required corrections to the non compliance issues.

Architecture Review Board (A.R.B)

The ARB is a standing committee of the Board of Directors. The responsibility of the Board of Directors of the ARB has been and remains limited to the execution of the ARB Guidelines which govern both new construction and major renovations to existing properties. The ARB, in executing its authority granted by the DC&R, remains under the direction of the BOD. While most provisions of the ARB Guidelines are extracted from the DC&R, it remains the authority of the ARB, with approval of the BOD, to revise and modify the ARB Guidelines as necessary, to maintain and enhance the quality and architectural diversion of the homes constructed at Pinehurst National Community. The actions of any new property owners, following the final review and approval of the construction of new home or of current property owners making major renovations, will be addressed by the BOD as non-compliance issues and treated as such.

Due Process

The DC&R specifically permits any property owner to appeal any decision of the ARB or action of the Compliance Committee to the Master Association. Rules governing the appeal process are defined in the DC&R.

[To simplify the summarization of the DC&R (Articles 11 and 12); Unimproved and Improved Properties are set out in two (2) categories. It must be noted however that the while it was the decision to define these characterizations for simplification, the Articles address both categories of properties.] Quotations are limited to the specific subject and extracted from sentences or paragraphs within the specific Sections or the ARB Guidelines.

I. Unimproved Properties

A. Drainage (Section 11.1.3): "...proposed improvements sealed by an architect licensed in the state of North Carolina or an AIA member in good standing so that the A.R.B. may be able to adequately make the determination required of it pursuant to this Declaration, a surface water drainage plan showing existing and design grades, and/or contours relating to the predetermined ground floor elevation as established by the Declarant". In executing this Section, the ARB Guidelines require a site plan which identifies the existing contours of the property and the final grading plan in one (1) foot increments. The ARB insures that drainage from impervious surfaces (driveways, down spouts, etc.) is not directed toward neighboring properties. It remains however that the in many instances, the natural contours of the property result in the drainage of non impervious water flow across properties for which the ARB has little control (See Swales).

B. Grading/Lot Filling (Section 11.1.3): as stated above and to include (Section 12.1.18): "No lot may be filled for any reason until the ARB has reviewed and approved the preliminary application for a Single Family Residence. The site plan along with the tree survey and other documents required by the ARB must clearly delineate the extent of the filling".

C. Maintenance (Section 12.1.10): "All Lots shall be kept in a clean and Sanitary Condition and no rubbish, refuse, or garbage shall be allowed to accumulate or any fire hazard to exist. All Lots and areas between Lot lines and pavements shall be maintained by the Owners in the manner required by the Master Association. In the event an owner fails to maintain his Lot as aforesaid, the Master Association shall have the right, exercisable in its sole discretion, to mow, burn, or clear any weeds, grass, underbrush or unsightly debris and /or growths from and Lot deemed by the Master Association to be a health menace, fire hazard, or a detraction from the aesthetic appearance of the Pinehurst National Community provided however, that at least seven (7) days prior notice shall be given by the Master Association to the Owner of such Lot before any such work is done by the Master Association".

D. Swales (Section 12.1.15): "Each individual Lot Owner shall maintain all swale areas abutting his Lot and located between said Lot and a street or lake within Pinehurst National #9 in the same condition and manner as the Lots are required to be maintained pursuant to Section 12.1.10 of this Declaration". As noted above (Drainage), the ARB will require swales to be constructed when and where such swales can control the flow of non impervious water across and unto a neighboring property.

E. Trash and Debris (Section 12.1.10): as noted above and (Section 12.2.4) "Garbage and Trash Containers: "No Condominium Resident or Lot shall be used as a dumping ground for rubbish, trash, or other waste. All and other waste shall be kept in sanitary containers and, except as required during trash collection, all containers shall be kept within an enclosure which the ARB shall require to be constructed on each Lot or Condominium Residence.

F. Tree Cutting: (Section 11.1.3) as noted above and (Section 12.1.5): Clearing and Removal of Trees: "... No Lot may be cleared for any reason without the prior written approval of the ARB. No trees of four (4) inches or more in diameter (at breast height) * above the natural grade shall be cut or removed without the prior written approval of the ARB. When such a tree is removed, the Owner will replace it with a similar tree of equal value on another portion of the Lot is so directed by the ARB".

* This was changed from the previous definition of two (2) feet by the ARB Guidelines.

II. Improved Properties

A. Additions and Renovations (Section 11.1): "The Architecture Review Board (ARB) shall have the right to approve or disapprove all architectural, landscaping, and locating of any proposed Improvements, as well as the general plan for the development of all Units within the Property. Subject to the Board approval, the ARB may impose standards for construction and development which may be greater or more stringent than standards prescribed in applicable building, zoning and other government codes."

B. Awnings (ARB Guidelines Pg. 15): "Awnings and canopies shall not be permitted or affixed to the exterior of the residence without prior approval of the ARB."

C. Boats, Trailers and Motor Vehicles (Section 12.2.7): "No commercial vehicles, boats, boats trailers, buses, house trailers, motor homes, trucks, camping trailers, vans, motorcycles, motor scooters, go-carts, motor bikes, or other similar vehicles, whether of a recreational nature or otherwise, with the exception only of four-wheel passenger automobiles, shall be placed, parked, or stored upon Condominium or Lot." This reference is to outside storage and/or parking.

D. Driveways (Section 12.1.16): “All driveways and parking areas shall have hard, impervious, dustless surfaces such as tinted* concrete, brick, or uncrushed stone. Driveways may connect to the Street at only two (2) points for each Lot, and such connection shall provide continuity of any drainage swale or curb and shall blend into the Street pavement. No curb side parking areas may be created by extending any portions of Street pavement, except as approved for the Village Lot Home Association”.

* The use of asphalt was discontinued by the ARB Guidelines and changed to “tinted”.

E. Exterior Lighting (Section 12.1.14, c): Landscape, pool, recreation, and security lighting shall be directed so as to not be an annoyance to the surrounding Single Family Residences. ***illumination of the American Flag is an exception to this provision.***

F. Fences, Walls and Hedges (Section 12.1.13): “The composition, location, and height of any fence, wall, or hedge to be constructed on any Lot shall be approved in advance by the ARB*. The ARB shall require the composition of any fence, wall or hedge to be consistent with the material used in the surrounding Single Family Residence.”

* The ARB guidelines further state that fences will not be used to define property Lot lines or Lot perimeters.

G. Flag Poles (ARB Guidelines, Pg. 20): “A flagpole shall be permitted, subject to ARB approval of the size, placement, color, finish and design. No flagpole may be uses as an antenna”.

H. Four Walled Structures (Section 12.1.9): “Temporary Structures; no structure or object of a temporary character, such as but not limited to trailers, construction trailers, tents, shacks, sheds and garages, barns, **dog house**, or other temporary or other outbuildings shall be erected, kept, or maintained on any Lot for any use whatsoever, either temporarily or permanently.....”

I. Garages (Section 12.1.4): “Each Single Family Residence shall have sufficient enclosed garage space for any and all family owned or lease vehicles, and each garage shall contain as at least two (2) spaces for said vehicles. Garage doors shall be kept in closed position when the garage is not being used. No car ports are permitted. The ARB shall be the sole judge on whether detached or attached garages shall be permitted in each use”.

J. Mailboxes (Section 11.1.10): “Subject to Board approval before they take effect, the ARB is empowered to publish or modify from time to time design and development standards for the entire Pinehurst National Community or for one or more of the developments or *for* the Single-Family Lots including but not limited to the following:

(5) Signs and graphics, mailboxes, address numbers, and exterior signs.”

K. Playground Equipment (ARB Guidelines, Accessory Structures, Pg. 19): “All playground equipment shall be placed to the rear or side of the residence only with prior approval of the ARB*. Playground equipment shall be subtle and designed to blend with the landscape”.

* The ARB selection of the location of all playground equipment will consider the safety of the children as the first priority. Lots which are adjacent to the golf course and may be potentially within the range of stray golf balls will necessitate the selection of locations for the equipment so as to take maximum advantage of trees and other shrubbery with the greatest potential to deflect the flight of stray golf balls onto that section of the Lot.

L. Pets (Section 12.4): “No animals, livestock, shall be bred or kept on any Lot or on the common areas. However, dogs, cats, and other common household pets may be kept on Lots subject to such rules and regulations as may be adopted by the Association, so long as they are not kept, bred or maintained for commercial purposes. No animal shall be allowed to run loose at any time”.*.

* Unleashed and free roaming pets are subject to the laws of Town of Southern Pines in addition to the DC&R.

M. Pool Installations (Section 12.1.14): “Any swimming pool to be constructed on any Lot shall be in ground and subject to the requirements of the ARB which shall include, but not limited to, the following:

N. Propane Tanks (ARB Guidelines, Pg. 20): Utilities (Electric, LP tanks, water and sewer); the building code of the Town of Southern Pines requires that all LP (propane) tanks be buried and be a minimum of ten (10) feet from the residential structure.

O. Satellite Dishes (Section 12.2.5): “No radio, television, or other electronic antenna, aerial, or satellite receiving dish, or other reception or transmission device may be erected or maintained anywhere on the Common Property or on the exterior of any Condominium Residence or Single Family Residence (unless installed by the Declarant or the Master Association) without the prior written approval of the ARB.....”

P. Signage (Section 12.2.3): “The size and design of all signs, numbering for Unit, mail boxes, and other such material shall be approved by the ARB, and shall display continuity and conformity throughout Pinehurst National Community.” This provision is applicable during the design and construction period.

III. Sections of General Interest and Information

A. Nuisances (Section 12.2.6): “No use or practice which is either an annoyance to Owners or an interference with the peaceful possession and use of the Property by Owners shall be allowed..... For greater clarification, no Owner shall knowingly or willfully make or create any unnecessary, excessive, or offensive noise or disturbance which destroys the peace, quiet, and/or comfort of the Owners, or allow any such noise or disturbance to be made on or about his Unit”

B. Easements (Section 5.1.1): “Easements for the installation and maintenance of utilities are granted for a width of ten (10) feet across the front and rear of Lot lines and of a width of ten (10) feet along each side Lot line, other than Village Home Lots

(Section 5.1.2): “Easements for the installation and maintenance of drainage facilities are granted to the Master Association and the Golf Club as shown on the recorded subdivision plats of the property and for a width of ten (10) feet across the front and rear Lot lines and for a width of ten (10) feet along each side Lot line, other than Village Home Lots

C. Transfer Subject to Right of Refusal (Section 10.1.1) Sale or Lease; “No Unit Owner may dispose of a Unit or any interest in a Unit by sale or lease without first offering said Unit to the Declarant (or Master Association if the Declarant has relinquished control) as provided in Section 10.2.1 hereof.....”

D. NPOA On-Site Camera Policy: The NPOA employs the use of surveillance cameras in the common areas of the front and back gates. The purpose of the surveillance cameras is to monitor ingress and egress, deter criminal activity (to the extent possible given the limitations of passive cameras), record infractions of NPOA Rules & Regulations (such as tailgating) and provide law enforcement with video resources for criminal investigations.

The video footage from our surveillance cameras is monitored frequently (but not continuously) by our Guard Force and occasionally by NPOA Board members. Video footage of gate activity is monitored from the Guard House as well as remotely. Footage will also be turned over to police in cases of criminal investigation, Pinehurst Country Club management if a compelling need is demonstrated, or to other parties in the event of a subpoena. The video footage is a tool of the NPOA and not a service provided to the members. Video footage is kept on file for no longer than 30 days, after which it is destroyed.

Since surveillance cameras are no guarantee of security, when you are on the property, residents need to take prudent measures to ensure the safety of themselves, their family and their homes.

IV. Rules Affecting Health and Safety

A. Burning Trash and Debris: No outside burning of limbs, brush, trees, grass, or any item is allowed within the Pinehurst National Community Development. This rule complies with the City Ordinance of Southern Pines. In addition, contractors and subcontractors at building sites are prohibited from having fires for the purpose of warmth or any other purpose.

B. Collection of Trash: Property owners will abide by the trash collection times and dates set by the contractor assigned to the City of Southern Pines. The manner of trash, debris and waste storage will be consistent with section 12.2.4 in the DC&Rs.

Trash containers and/or debris piles must not be kept at the curb an excessive amount of time as follows:

Household Trash: Trash containers or bulk trash of any kind are to be placed to the curb no earlier than Tuesday afternoon, the day prior to the Wednesday trash pickup day. All containers, or bulk trash not collected for any reason, must be removed no later than Thursday morning.

Yard Debris: If you use a service or individual for landscape maintenance, that service or individual must remove all yard debris from National or face fines and/or other penalties (yard maintenance policy details are available at the Security Gatehouse). Residents doing their own yardwork are encouraged to use a yard debris container. However, if it's necessary, or you wish to pile your yard debris, it must be placed at the curb, clearly within your property lines, no earlier than the weekend prior to the yard debris pickup day (the yard debris pickup schedule is available at the Security gatehouse). Note, yard debris container timing is the same as household trash.

Failure to properly adhere to the community's trash and debris policy will result in the following actions:

- 1st Offense: Written Warning**
- 2nd Offense: Written Warning**
- 3rd Offense: \$100.00 fine.**
- 4th Offense and Thereafter: \$250.00 fine for each occurrence**

Notes:

- a) Residents are ultimately responsible for the payment of any fines levied against the landscape services or individuals they use.
- b) If a resident has given permission to another to pile yard debris on their property, the resident giving that permission will be responsible for any fines or penalties levied for non-compliance to the above policy.
- c) An occurrence is defined as any one violation that takes place between trash and yard debris pickup dates.

C. **Domestic Pets:** Dogs and cats are required to be registered with the Security Office and a photo provided. This rule adheres to the City Ordinance of Southern Pines governing the requirement to have all dogs, cats, and other pets kept on their owner's property and a leash controlled by the owner or assigned person on the pet if off the owner's property. Stray dogs and cats are to be reported to Moore County Animal Control. Owners are responsible to walk their pets along the common areas on property only and to pick up pet waste.

D. **General Traffic Rules:** Operators of motorized vehicles, whether two-wheeled or multi-wheeled within the premises of the Pinehurst National Community are to abide by the road signs and posted speed limits. Speed limits are 15 mph in front of the Pinehurst National #9 Clubhouse and in parking areas; 20 mph on all Development side roads; and 25 mph on National Drive with the exception of areas immediate to blind curves and golf cart crossings. Speeding in excess of the aforementioned limits is prohibited on property and will be enforced by the Security Office personnel trained in the use of certified and calibrated radar equipment. Digital speed monitors on loan from Moore County Sheriff's Office, reasonable observations and collaborating reports from third parties may also be utilized in the enforcement of speeding on property. The following fines/restrictions may be imposed:

- (1) PROPERTY OWNERS/RESIDENTS; PINEHURST NATIONAL #9 MEMBERS; GUESTS OF PROPERTY OWNERS AND MEMBERS:
 - 1st Offense: Written Warning.
 - 2nd Offense: \$30.00 and/or deactivation of controlled entry access tag for 60 days.
 - 3rd Offense: \$60.00 and/or deactivation of controlled entry access tag for 90 days.
 - 4th Offense: \$90.00 and/or deactivation of controlled entry access tag for 180 days.
- (2) GUESTS: A Member may be held accountable for its guest violations and repeated violations of guests may result in prohibition of driving privileges upon the Pinehurst National Community.
- (3) Employees:
 - 1st Offense: Written Warning.
 - 2nd Offense: \$30.00 fine and/or park vehicle at front gate parking area for 30 working days.
 - 3rd Offense: Suspension of driving privileges on property for period of time as determined by the Board.
- (4) All Others:
 - 1st Offense: Written Warning.
 - 2nd Offense: \$50.00 fine and/or 30-day suspension of driving onto property.
 - 3rd Offense: \$90.00 fine and/or suspension of driving onto property as determined by the Board.
- (5) Flagrant Violators:

If the 1st Offense is 15 MPH or more over the posted speed limit, the warning is by-passed and the 2nd Offense penalty may be imposed, in the discretion of the Board.

Anyone speeding 25 MPH over the posted speed may be charged with careless and reckless driving. The operators of these motor vehicles may be penalized with an additional fine, up to \$100.00, restrictions and/or possible denial of access onto property. These cases will be presented

to the Board for its determination of penalties commensurate with the degree of the violation and the status of the offender. Residents and property owners shall not be deprived of reasonable access to their property.

Regardless of speed, any driver observed operating a vehicle in such a manner as to endanger life or personal property will be charged with careless and reckless driving. The operators of these motor vehicles may be penalized with an additional fine, up to \$100.00, restrictions and/or possible denial of access onto property.

(6) Entering through or Tailgating in our automatic gates without a valid AWID sticker and unauthorized exiting the back gate are considered as trespassing and therefore the following fines/restrictions may be imposed:

1st Offense: \$100 fine.

2nd and each subsequent offense: \$100 fine and for non residents possible restriction of driving privileges on property for period of time as determined by the Security Committee.

There are posted warning signs at the back gate entrance which should be ample cautionary notice to potential offenders.

(7) All violations remain active for a period of two (2) years from the date of the offense to assess the proper penalty. Additional violations bring increased penalties.

(8) Failure to "Pull Over": In enforcing our traffic laws, for safety purposes, our Security Officers are instructed not to give chase to drivers of vehicles who disregard instructions to pull over. Instructions to pull over can be by means of flashing lights, hand signals and other methods. Any driver of a vehicle who disregards a Security Officer's instructions to pull over will be fined \$250.00 for a first offense. A second offense will result in a \$500.00 fine and a loss of AWID privileges for 1 year.

E. Prohibited Parking: Property owners/residents will park their vehicles in their garage or on their driveway. Vehicles are not permitted to be parked on any other part of property owner's lot except for temporary guests and vendors who are staying on a short term basis. No vehicles are permitted to be parked overnight other than in driveway or garage.

The following fines/restrictions may be imposed for parking violations:

(1) PROPERTY OWNERS/RESIDENTS; PINEHURST NATIONAL #9 MEMBERS; GUESTS OF PROPERTY OWNERS AND MEMBERS:

1st Offense: Written warning

2nd Offense: \$25.00 fine and/or deactivation of controlled entry access tag for 30 days

3rd Offense: \$50.00 fine and/or deactivation of controlled entry access tag for 60 days

(2) GUESTS: A Member may be held accountable for its guest violations and repeated violations of guests may result in prohibition of driving privileges upon the Pinehurst National Community Property.

(3) EMPLOYEES:

1st Offense: Written warning

2nd Offense: \$30.00 fine and/or park vehicle at front gate parking area for 30 working days.

3rd Offense: Suspension of driving privileges on property for period of time as determined by the Security Committee.

(4) ALL OTHERS:

1st Offense: Written warning.

2nd Offense: \$50.00 fine and/or 30-day suspension of driving onto property.

3rd Offense: \$90.00 fine and/or suspension of driving onto property for period of time determined by the Security Committee.

Violators of the parking rules on property are subject to be towed at the vehicle owner's expense.

F. Motorcycles: Operators of any motorized two-wheel vehicle on property must be at least 16 years of age and have a valid North Carolina driver's/motorcycle license. All operators of these vehicles must wear certified safety helmets while operating vehicle within the property. Violators are subject to restrictions and/or suspension of use of vehicle on property.

G. With the exception of Pinehurst Country Club maintenance equipment, all motorized or assisted power vehicles entering our neighborhood through our gates must have a valid DMV license plate, including National Resident's owned golf carts. Maintenance vehicles, Resident's owned golf carts and club owned golf carts may operate exclusively within our residential gates without a DMV license plate. All vehicle operators are required to hold a valid driver's license.

H. Littering: This is a criminal offense (G.S. 14-399C) and is prohibited anywhere on property. Violations are subject to the imposition of fines and/or restrictive use of entry onto property.

I. Discharge of Firearms: This rule adheres to the City Ordinance of Southern Pines and is prohibited on property.

J. Discharge of Fireworks: The discharge of fireworks on property is prohibited and follows the guidelines as set forth under the City Ordinance of Southern Pines.

K. Solicitations: The National Property Owners Association prohibits any solicitations by persons other than residents. Additionally, residents must register in advance with security where they will receive a "Solicitation ID Badge" which must be visible to homeowners as they solicit in the Community. Residents of the National Golf Club Community are urged to immediately call security if and when they are approached by persons not wearing this identification.

L. Estate and Liquidation Sales: Any sales of entire households conducted from the property owner's residence must be approved by the Association at least 10 days in advance. A permit from the Association to conduct this activity must also be obtained prior to any sale. No partial sales are permitted.

M. Real Estate Sales/Open Houses: All potential buyers of real estate within the Pinehurst National Community must be accompanied by a licensed real estate agent. All real estate sales involving an open house must be approved by the Association at least 10 days in advance. A permit from the Association to conduct this activity must also be obtained prior to any sale.

N. Signs. No temporary or permanent signs are allowed on any lot.

O. Security Lists of Attendees. All events which take place on the Development which allow non-residents access to the community shall require a guest list to be provided to Security Gate personnel.

P. Use of Golf Carts. Only persons who hold a valid driver's license are permitted to operate golf carts on National's streets. Golf carts operating on our streets must have a side or rear view mirror, proof of liability insurance in an amount of at least \$300,000.00 and if being driven one hour before sunrise or one hour after sunset, must possess front and rear lights. Golf carts entering or exiting our neighborhood through our gates must be "street legal" and have a valid NCDMV license plate and state registration. All Golf Cart owners must bring their carts to the security guard house for an annual safety inspection as well as presenting the required certificate of insurance and if nonresident owner must present NCDMV state registration in order to receive their National registration decal. Registrations expire at year end and must be renewed annually. The annual registration fee shall be \$20.00 with the NPOA reserving the right to raise that fee as it deems appropriate. The use of golf carts will be subject to the same traffic rules and regulations as are any other vehicles permitted on National's streets. Private carts must meet appearance guidelines established by the NPOA which may be amended from time to time. Violations of these rules would warrant the issuance of a warning for the first incident. Second and subsequent violations will result in fines of \$100 per incident, loss of golf cart privileges on our roads and the loss of the household's AWID sticker for a prescribed period of time as determined by the NPOA Board.

Q. AWID Gate Operating System Regulations. These regulations take into account that the National Golf Club golf course and related properties have been acquired by Pinehurst LLC, with our community now known as Pinehurst National #9.

The purpose of these regulations is to maintain the integrity of the security provided by a restricted access gated community paid for by our property owners as part of their annual National Property Owners Association, Inc. ("NPOA") dues. Entrance through the locked front and back gates is controlled by use of an automatic windshield identification device, commonly known as an "AWID sticker." The locked gate at the front entrance is the one designated for "RESIDENTS" on the directional sign. The sign at the locked back gate states its use is only for "MEMBERS," the term used to describe property owners in the Declaration of Covenants and Restrictions (the "DCRs"), which remains in effect despite the change in the name of the community. The use of the AWID system is a privilege and may be withdrawn from any individual or organization when, in the sole discretion of the NPOA, its continued use undermines its principal purpose of creating a secure and safe environment for the property owners and residents of our community.

- A. Property owners with improved property are eligible for one operating device for each full-time household resident with a driver's license, plus one additional operating device. (As an example, a household with three full-time residents that each has a valid driver's license would be eligible for four operating devices). A motorcycle or SUV may be included as one of the allowed vehicles.
- B. Property owners with unimproved property, and regardless of the number of such properties that they own, are eligible for two operating devices.
- C. Dependent children (must be under 18 or a full-time student under the age of 23) are considered full-time residents and their vehicles may be issued operating devices in accordance with these rules.
- D. Absent compelling circumstances no operating device will be issued to a non-dependent family member who does not reside with the property owner or to a friend or an employee of the property owner.
- E. Cottage Owners are eligible for operating devices.
- F. Renters may obtain operating devices with the written permission of the property owner with the understanding that the operating device/device(s) would take the place of the property owner's. The property owner is responsible for his renters.
- G. The NPOA has allowed exceptions to these regulations some of which emanated from the time when the golf course properties were owned by the National Golf Club and others of which arose from compelling circumstances or hardships (for example, see sections D and K) as determined by the NPOA in its sole discretion. Those exceptions shall remain in effect until such time as the NPOA determines in its sole discretion that the circumstances giving rise to them are no longer applicable.
- H. A copy of the current vehicle registration in the property owner's name is required for each vehicle (a bill of sale will only be accepted if the vehicle is new).
- I. Any time a member or property owner with an operating device changes or eliminates a vehicle, such member shall be responsible to notify Security so that the vehicle operating device can be removed from our system or otherwise updated, as appropriate. Each vehicle change requires issuance of a new AWID sticker, at a charge of \$25 per sticker.
- J. There will be a \$45 annual fee for renewal of each operating device shown on our records. This fee will be waived if you contact Security each year to verify your devices and to insure that everything in your file is in order. This will help us police the system and keep it updated and efficient. You can make this contact either by phone or mail.
- K. If a property owner feels that an undue hardship is caused by any of the above, they have the right to appeal their case to the Board of Directors.

V. Penalty Process and Procedure Guide

The Board of Directors has formulated policies, procedures and penalties for violation of the DC&Rs, which address due process concerns, including a hearing and appeal process.

Information is available on the NPOA website at www.thenpoa.org in regard to penalty & process procedures for violation of the DC&R's, the Architecture Review Board Guidelines, and for violations of the rules and violations set forth in this document, the NPOA Rules & Regulations or by request to the Board.

Security Officers issuing a Notice of Traffic Violation shall attach to the Notice a "Due Process Notice" in the following form:

Due Process Notice

Any resident, property owner, member, or person who, with regard to a traffic or related violation, receives a warning (first violation), no fine imposed, or a subsequent notice of violation resulting in a fine or other action (suspended AWID, etc.), has the following options:

1. Within 7 days of the date of issuance, write the words "no contest" on the warning or subsequent notice of violation and submit it to the NPOA Security Office at the main gate.

You may mail the Notice of Violation and the fine, if any, payable to the NPOA, Inc.:
NPOA, Inc.
2350 Midland Road
Pinehurst, NC 28374

Payment may be made by check or money order, payable to the NPOA, Inc.

-or-

2. Write the words "I contest this notice" (a warning may be contested since it is the basis for a fine or other action for a subsequent offense) and submit it to the NPOA security office. A hearing will be scheduled before the NPOA Board at a date convenient to the Board at which the resident, member or person must appear. The hearing will be held at a regular meeting of the Board but in any event, no earlier than seven days after delivery of the notice of hearing. A notice of the hearing date will be sent to the address of the ticketed individual. A reasonable adjournment of the hearing date for a sufficient reason will be granted in the sole discretion of the Board. A non-appearance on the date set for the hearing will be considered the equivalent of a "no contest" plea and the Board shall take such action as is required, including a fine or if appropriate, suspension of the controlled entry access tag (AWID).

Any traffic violation which results in the suspension of driving privileges or the de-activation of a controlled entry access tag (AWID) shall require a personal appearance by the violator at a Board meeting in order to obtain re-instatement.

All violations remain active for a period of two (2) years from the date of the offense to assess the proper penalty. Additional violations bring increased penalties. See the NPOA Rules & Regulations, Article IV, for actions, fines and penalties. This information can also be found on the NPOA website at www.thenpoa.org.

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