

Property Owners' Association

SHORT-TERM RENTAL ACCESS POLICY POLICIES, PROCEDURES, AND GUIDELINES

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Purpose and General Information

A. Purpose of Policy

This policy is for the purpose of ensuring comprehension of and compliance with all Shipyard POA rules and regulations as they pertain to preserving safety and quality of life standards.

B. Residential Communities

For a listing of all residential communities within Shipyard, please see Appendix A.

C. Applicability

The Shipyard Short-Term Rental Guidelines are applicable to single-family residences, multi-family residential villas, and condos located within Shipyard per Appendix A.

D. Definitions

Guest/Visitor Pass

For the purposes of this policy, the terms guest pass, visitor pass, and rental pass are considered the same and may be used interchangeably with the intended definition of a temporary pass.

Long-Term Rental

For the purposes of this policy, a long-term rental is defined as the renting of any property for more than six months for monetary or other considerations.

Short-Term Rental

For the purposes of this policy, a short-term rental is defined as the renting of any property for less than six months for monetary or other considerations. In addition, any rental which constitutes a "South Carolina Vacation" under SC Code 27-50-210, et seq. is a Short-Term Rental for the purposes of this policy.

Rental Unit

A villa, condo, or single-family home that is rented on a short-term basis.

Owner

The individual or organization that is identified on the property deed. Also referred to as Shipyard Property Owner.

Renter/Guest

The individual or group of individuals who rents a villa, condo, or single-family residence.

Residential Account and Rental Registration

A. Property Owner Residential Account

All property owners are required to meet with the Membership Specialist at the Shipyard Welcome Center prior to receiving owner, guest/visitor, or rental passes. Proper notice when selling the property or transferring the deed is required.

The information contained in the account shall include the property owner name(s), primary/secondary address, Shipyard address, and telephone number(s). It is also recommended that the property owner(s) provide an email address which shall only be used for official correspondence related to security, pass office activities, or Atlantic States. The property owner may also elect to participate in the various programs offered by Shipyard Administrative and Security Staff.

The accuracy of property owner information can be critical in the event of an emergency. As such, property owners should always keep their records up-to-date and check annually for accuracy.

B. Short-Term Rental Registration

The Short-Term Rental Registration is a free confidential registry for owners who rent their property within the short-term rental market in Shipyard. All owners who rent their property on a short-term basis must register two weeks prior to the first rental booking guest.

Why does Shipyard need this registry?

While the Shipyard POA maintains owner information, the current data may not represent the contact information that should be used when addressing high-priority rental situations that are unable to be resolved by SPOA Security Team. A contact can be a property owner or a specific property management company representative. This process allows the Administrative to validate information on who or what company manages their property on their behalf.

What information needs to be provided by Property Owners?

Required information includes property address, owner(s) name, email address, telephone number, and if using a rental management company, a contract validating an agreement between the two parties.

Who responds to complaints and/or helps resolve them?

Security will visit a property under a wide array of circumstances to help address noise, parking, emergencies (such as fires, injuries, etc.), and related topics. Shipyard Security will continue to address these situations without the need for the owner or rental management company's involvement. In most cases, the trained Security personnel can resolve issues without the need for the owner or rental management company's assistance.

With the growing number of rental units, there are more situations where Security is unable to help guests to the best of their abilities. Situations such as guest lockouts require assistance from the rental management company or property owner to resolve in a timely and friendly manner. Missing guest and/or visitor passes, repeated and excessive rule violations, etc. are among the most common within Shipyard. The Shipyard POA team may require assistance from the rental management company or property owner to help resolve these matters.

In those limited situations when a property owner and/or rental management company is contacted by Shipyard POA and Shipyard POA is unable to immediately reach the property owner and/or rental management company, either party must return the telephone call within one (1) hour and provide as rapid of a response as possible within that one (1) hour.

After three (3) separate instances of non-responses within the required one (1) hour period, the property owner or rental management company shall be required to speak with the Shipyard POA Management Team. If the management team is not satisfied with the ability or willingness of the property owner to conform to the one (1) hour policy, the issuance of guest and rental passes to that property may be temporarily suspended.

When to Register

Every property used for Short-Term Rentals must be fully registered two (2) weeks prior to the first rental. If the property has been rented prior to May 1, 2022, please refer to Section C. To find the Short-Term Rental Program (STRP) form, please visit http://shipyardhhi.com

C. Existing Short-Term Rental Properties

Property Owners who currently offer their property for rent and have not signed up for the Short-Term Rental Program already will be required to register as soon as possible.

D. New Short-Term Rental Properties

Property owners who are planning to offer their property for rent in the short-term rental market shall be required to register two weeks prior to their property with Shipyard POA before any guest/visitor passes. To register your property, please visit http://shipyardhhi.com or contact the Membership Services Specialist.

E. Updating Records

If any changes in contact information, ownership, power of attorney, etc. are made Membership Services (membership@shipyardhhi.com) needs to be notified as soon as possible.

F. Expiration

Property owner short-term rental registrations are valid until the property is sold, the deed is transferred, or there is a change of ownership or rental agreement.

G. Penalties

Failure to register a property used for short-term rentals shall result in the non-issuance of guest/visitor and rental passes for said property. Additionally, any other actions that may be applicable based on existing regulations or newly enacted/modified regulations may be enforced.

H. Documentation and Disputes

Registry or non-response violations will result in the Shipyard POA providing a written communication to the property owner and rental management company detailing the incident. Should disputes emerge for the issuance of guest passes to be suspended, the property owner may request a review by the Security Committee, Community Standards Committee, and/or Board of Directors. Failure to comply with the Short-Term Rental Program may result in the owner and/or rental code being frozen until past payments for guest passes are paid in full.

Short-Term Rental Passes

A. Purpose

When renting a property within Shipyard, a guest/visitor pass is required for each vehicle used by the tenants on the roads of Shipyard or parked at the rental property. These passes cannot be used for any other purpose, such as, but are not limited to, rental management company entry, commercial work, or domestic cleaning. Failure to comply with these rules may result in a citation, fine, or suspension.

B. Pass Fees

Visitor/Guest passes are subject to a fee established by the Shipyard POA Board of Directors or Security Committee each year. Should the fees change, the Shipyard POA will make an announcement via email communications with as much advance notice as possible.

C. Requesting Passes

i. Property Owner (Self-Rental)

For property owners to request short-term rental passes, the property owner must have completed the short-term rental registration process. Once this has been confirmed and approved, the Shipyard POA Pass Office shall enable the property owner to request passes. When requesting passes a unique code will need to be given, this is assigned upon registration. Instructions for requesting a pass can be found at http://shipyardhhi.com or by calling the Welcome Center at 843-785-3310 ext. 1000.

ii. Rental Management Company/Property Manager

For rental management companies/property managers to request short-term rental passes, the property owner must have completed the short-term rental registration process. During the process, the owner must designate the rental management company/property manager as an authorized representative of the property and grant them permission to enter requests for the short-term rental passes. This will be completed by submitting a completed signed contract between the Shipyard Owner and the rental management company/property manager.

D. Purchasing and Distributing Passes

i. Property Owner (Self-Rental)

Property owners who rent their property <u>without</u> the assistance of a rental management company/property manager must request their passes in advance for their guests. The property owner may elect to have their rental guest pick up their pass from the Main 278 Gate or Pope Avenue Gate on the day of their arrival. Or the property owner may elect to pick up the pass themselves and provide personal delivery to their short-term rental guests.

Should the property owner elect to have their guest pick up the passes at either gate, it is recommended that the owner notify the guests to provide the last name of the reservation and Shipyard address to expedite the gate process.

The cost of the guest/visitor passes shall be invoiced through a monthly pay-by-pass system. For purposes of invoicing, the owner shall be charged for each rental pass based on the date it was submitted/requested to Shipyard POA (not the date of arrival or stay).

Payment must be made to the Shipyard POA based on the terms specified in the invoice and is accepted by cash or check. Failure to make timely payment may result in the non-issuance of rental passes.

ii. Rental Management Company/Property Manager

Property owners who rent their property with the assistance of a rental management company/property manager shall be invoiced through the rental management company/property manager for all short-term rental passes requested by the rental management company/property manager.

For invoicing purposes, the rental management company/property manager shall be charged for each rental pass on a monthly pay-by-pass system based on the date submitted to Shipyard POA (not the date of arrival or stay).

Payment must be made to Shipyard POA based on the terms specified in the invoice. Payment will only be accepted via cash, money order, or company check. Failure to make timely payment may result in the non-issuance of rental passes for all properties managed by the rental management company/property manager in Shipyard. Failure to make timely payment may also result in the non-issuance of guest/visitor passes for the rental management company/property manager.

All rental management companies/property managers are required to request all rental guest passes by Wednesday, 3:00 pm EST. All passes must be picked up by all rental management companies/property managers by Friday, 3:00 pm EST at the Welcome Center in advance and issues them to their guests.

E. Refunds

Refunds will only be issued if proof of cancellation form and physical pass is presented within 5 days from the date the pass was requested. Presentation of both items will be turned in to the Welcome Center during regular business hours. Please contact the Shipyard POA Welcome Center at 843-785-3310 ext. 1000 for more information or to request a refund.

F. Pass Limits

Single-family residences and multi-family residences may receive no more than two (2) passes at any one time. The number of passes can be increased to three (3) if requested by the owner, rental management company, or property manager for each instance.

Requests must be sent to the Welcome Center via email, at passes@shipyardhhi.com during working business hours.

G. Displaying Passes

Short-term rental passes, or guest/visitor passes, shall be prominently displayed or presented when approaching gatehouses. When driving, guest/visitor passes may, but are not required to be displayed. When parked, guest/visitor passes shall be prominently displayed on the vehicle's driver's side dashboard so that all information on the pass is legible from outside the vehicle.

Failure to comply with these rules may result in a fine, citation, or vehicle immobilization.

H. Requesting Additional Passes

Occasionally, short-term rental guests may need additional passes to accommodate their visit. In some cases, these passes are needed for additional vehicles that were not planned during the rental booking. In other cases, these passes may be needed for persons who are visiting the short-term renter.

In all above cases, additional renter-related passes must be requested and approved through the property owner or rental management company/property manager before submission to Shipyard POA team.

If approved, the property owner or rental management company/property manager must submit the pass request to the Shipyard POA Welcome Center via email, passes@shipyardhhi.com. A pass will be issued if the number of outstanding passes for that property has not already exceeded the limit defined in Section F of Short-Term Rental Passes.

Rules & Regulations

This summary of rules and regulations applies to all who live, visit, or vacation in Shipyard. The complete set of policies, covenants, and Shipyard Rules and Regulations take precedence and can be located at http://shipyardhhi.com.

A. South Carolina Law

The Shipyard POA Security Department maintains law enforcement authority as prescribed by the South Carolina Law Enforcement Division (SLED). Security Officers possess the same authority as a Sheriff's Deputy to enforce certain South Carolina Criminal & Traffic Laws within Shipyard.

i. Traffic Violations

While Shipyard is a private community, the Shipyard POA participates in the SC Uniform Act Regulating Traffic and enforces SC Traffic Law on the roadways. As such, any violations of either may result in a citation. Speed limits within Shipyard vary in certain areas and are no greater than 25 mph.

B. Private Rules & Covenants

Listed below is a selection of important Shipyard regulations, policies, and covenants associated with short-term rentals. For a full listing of all regulations and covenants, please visit http://shipyardhhi.com. Please note that it is the responsibility of all owners, guests/visitors, renters, and commercial vendors to understand and comply with all rules, regulations, covenants, and laws while within Shipyard.

i. Rental Passes

Passes must be prominently displayed when approaching a gatehouse and when parked on the driver's side dashboard.

Rental passes are valid for entry into Shipyard and are intended for travel to and from the rental property listed on the pass and for travel within Shipyard to the beach, tennis, golf, and/or food and beverage establishments.

Rental passes may not be used to travel to other multi-family residential properties within Shipyard unless picking up or dropping off persons who are residing in these areas. If visiting a person in a multi-family residential property, guests must receive a guest/visitor pass.

Rental passes are not valid for parking at the Sonesta Resort, entry to other gated communities in Hilton Head, commercial work (estimates, deliveries, etc.), rental management/property manager usage, and domestic cleaning.

Failure to comply with these rules may result in a citation or immobilization of the vehicle.

ii. Display of Certain Signage

To help educate guests, keep them safe, limit potential interactions with Security and the Community Standards Committee, and foster a positive experience, all short-term rental properties are highly encouraged to prominently display a Shipyard POA designated sign inside their rental property for the purpose of reinforcing certain rules and policies.

iii. Boarding or Rooming House Operation Prohibited

The operation of boarding or rooming house is prohibited in Shipyard. For short-term rentals, the entire property must be rented to the same person or entity, granting such tenant exclusive occupancy of the property for the term of rental. Owners may not rent a room, portion of the property, guesthouse, or accessory building on the property while remaining in occupancy of another portion of the property.

iv. Parking

All vehicles must adhere to all "No Parking" signs and other restricted parking signs as they are posted within Shipyard. Parking must be made on areas specifically designed and approved for motor vehicle parking. Such approved areas include paved cement, or other driveway surfaces and garages. Parking on lawns, landscaping or pine straw is not permitted.

The Shipyard POA may engage in immobilization of vehicles parking in violation of such signs or existing parking policies. In addition to a fine assessed by the Shipyard POA, the owners of any vehicles immobilized will be required to pay the cost of the removal of the immobilization device in cash on site.

v. Bicycles

Bicycle riders are required to abide by all state and local traffic regulations and must obey all posted signs regarding the use of roadways, pathways, trails, and other common property. Bicycle riders are not permitted to ride in prohibited areas, including but not limited to, golf cart paths unless expressly permitted to do so. Vehicles have the right of way. Electric bicycles are allowed but must be used in manual/pedal mode only while riding within Shipyard. Among other South Carolina laws, bicyclists are required to:

- Ride on the bike path where one is available
- Drive or ride on the right side of the path
- Use headlights at night
- Ride with at least one hand on the handlebar
- Stop or yield as indicated by bicycle or road signs and/or stencils

vi. Motorcycles, Golf Carts, and other vehicles

Motorcycles must be pre-approved by the Director of Safety and Security. If approved, they are only permitted to and from residence.

Golf carts are not permitted within Shipyard, except for the Shipyard Golf Course. Golf carts cannot be driven on the roadways and streets in Shipyard, except those being used by approved employees.

Low-speed electric vehicles and electric transportation devices are not permitted in Shipyard. This includes electric skateboards, electric scooters, hoverboards, and Segways.

RVs, campers, boats, and trailers are not permitted within Shipyard and cannot be parked outside residences.

Violations of the said rule are punishable as described in the Shipyard POA Rules & Regulations under violations and fines. For more information, please visit http://shipyardhhi.com.

vii. Noise

Excessively noisy behavior is prohibited. As a courtesy to others, please make every attempt to always keep pool-related noise to a minimum.

Quiet hours are 10:00 pm to 7:00 am, daily.

Violations of the said rule are punishable as described in the Shipyard POA Rules & Regulations under Violations and Fines. For more information, please visit http://shipyardhhi.com.

viii. Sound Devices

Exterior speakers, horns, whistles, bells, or other exterior sound devices are prohibited.

Violations of the said rule are punishable as described in the Shipyard POA Rules & Regulations under Violations and Fines. For more information, please visit http://shipyardhhi.com.

ix. Towels

Towels and laundry are not permitted to be hung in public view.

Violations of the said rule are punishable as described in the Shipyard POA Rules & Regulations under Violations and Fines. For more information, please visit http://shipyardhhi.com.

x. Wildlife

Feeding or harassing wildlife within or upon the lagoon and lake system or any other common property of Shipyard POA is prohibited. For your protection and that of the wildlife please use caution near all bodies of water. To protect the sea turtle population, from May 1st to October 31st any lights visible from the beach must be turned off after 10:00 pm. Amber-colored lights are permitted for usage all year round at night on the beach.

Fishing is permitted in lagoons and lakes. A fishing license is not required from the South Carolina Department of Natural Resources, but "catch and release" are highly encouraged to be practiced.

Violations of this may be punishable by the South Carolina Department of Natural Resources.

xi. Pets

Only permitted by the property owner, property manager, and/or management property company.

If permitted, when outdoors all pets must be maintained on a leash and owners must pick up and properly dispose of any pet waste. Any type of tie-outs and/or runners such as cable, rope, or chain confinement systems on a fixed point to a pet's collar is not permitted.

Violations of this may be punishable by Shipyard POA Rules & Regulations.

xii. Fireworks

Fireworks of any kind, including sparklers, are prohibited.

Violations of the said rule are punishable as described in the Shipyard POA Rules & Regulations under Violations and Fines. For more information, please visit http://shipyardhhi.com.

xiii. Trash

Residential trash and recycling containers shall remain in a specifically designated area, other than the designated pickup day.

Violations of the said rule are punishable as described in the Shipyard POA Rules & Regulations under Violations and Fines. For more information, please visit http://shipyardhhi.com.

Appendix A Shipyard Residential Communities

Listed below are the names of each residential community within Shipyard.

Residential NorthSouthwindKingston CoveSouthwind IKingston Dunes ISouthwind IIKingston Dunes IISpinnaker

Port Au Prince Road

Port Au Spain Road <u>Condominiums</u> St. John's Place Beachwalk

Residential South

Residential South

Figure 2

Bridgeport Evian
Gloucester Road Golfmaster
Misty Cove I Golfmaster II
Misty Cove II The Greens
Misty Cove III Hamilton Villas
Narraganset Lane Harbourmaster
Quincy Lane Sailmaster

Quincy Lane Sailmaster
Salem Road Shipmaster
Tennismaster

TimesharesTownhouse Tennis ClubBrigantine QuartersTownhouse Tennis ManorCoral ReefTownhouse Tennis IIIEgret PointWaterford Villas

Kingston Cove Windward Village Port O' Call

Appendix B Shipyard Commercial Entities

Listed below are the names of each commercial entity within Shipyard. The commercial entities listed below operate independently of Shipyard POA but must abide by the same governing rules and regulations and Covenant Policies.

Fire Station
The Heritage Golf Club
Hilton Head Health
Sonesta Resort Hilton Head
Van Der Meer Tennis Club