

**Cornerstone Village Condominiums
Owner's Association, Inc.**

“Rules and Regulations of Cornerstone Village Condominiums”

The basic purpose of these Rules and Regulations are to manage the Cornerstone Village Condominiums (CVC) pursuant to the Articles of Incorporation of Cornerstone Village Owner's Association, Inc., (CVOA) the Declaration of CVOA, the By-Laws, rules and regulations, and all applicable federal, state, county, city, municipal, and local statutes and laws; to promote and protect the enjoyment and beneficial use and ownership of the units; to promote a clean, healthy, and peaceful living environment in a friendly, harmonious community where common customs and courtesies, respect and consideration for others, and the collective well being of all residents flourishes and prevails; and sustain a steady growth in the units' value for the benefit of all members.

1. In accordance with (IAW), the Declaration of Cornerstone Village Condominiums (DCVC) and By-Laws (Art. III), the following are the "Rules and Regulations" of Cornerstone Village Condominiums, and are effective immediately upon notification to association members/tenants. These Rules and Regulations apply to all Members, Resident and Member/Resident's guests, occupants and family members living and/or visiting CVC and members/residents are responsible for guests, occupants and family members abiding by CVC's rules and regulations while living and/or visiting CVC. There shall be no grandfather clause pertaining to the "Rules and Regulations". A grace period, ending on 15 June 2009, will be allowed for members/tenants to make all necessary changes and or repairs. Changes/repairs not completed within the grace period, will be handled IAW the DCVC. The grace period does not apply to members/tenants previously cited.

2. Members and Tenants should review and are reminded that they must comply with the Articles of Incorporation of Cornerstone Village, The Declaration of Cornerstone Village, and By-Laws of Cornerstone Village. These documents were provided to you upon closing. If you did not receive the mentioned documents, please contact your property owner, real estate agent, or a member of the HOA board.

3. Definitions: The term "Member" as used here in means the owner of any of the 65 unit at Cornerstone Village Condominiums (CVC) and shall include its representatives, heirs, agents, assigns, and successors in title to property, duly appointed in accordance with Cornerstone Village Owner's Association's, Inc., (CVOA) Articles of Incorporation, Declaration of CVOA, By-Laws, Rules and Regulations, or statute. The term "Tenant" means the person leasing/renting from "Member" any unit at CVC and shall include Tenant's heirs and representatives. The terms "Member" and "Tenant" shall include singular and plural, as may fit the particular circumstances. The term "Occupant" or "Resident" means the person residing at any of the units in CVC and refers to either the "Member" or "Tenant", and shall include singular and plural, as may fit the particular circumstances. The terms "Cornerstone Village Condominium Owner's Associations, Inc." (CVOA) and "Homeowners Association" (HOA) are used interchangeably and mean the corporation or Board of Directors, as established in the Articles of Incorporation, Declaration of CVC, and By-Laws. The term "HOA Property" means the corporation (CVOA/ HOA) owned, managed, or controlled property, and the term "Property" means the individual "Member's" property not owned, managed, or controlled by the CVOA/HOA, as may fit the particular circumstances.

4. Use of Property: All Property, HOA's or Member's, shall be used for residential purposes only and shall be occupied in accordance with (IAW) the Declaration of CVC. Property shall be used so as to comply with all federal, state, county, municipal, and local laws and ordinances and any applicable declaration of condominium, declaration of covenants, conditions, and restrictions; all rules and regulations pursuant thereto; and any community association bylaws, and rules and regulations. Occupant will not display any signs on the property or units; "for rent" or "for sale" sign may be placed in the yard or on the exterior of units. Occupant shall not use premises or permit it to be used for any disorderly or unlawful purposes, or in any manner so as to interfere with other occupants' quiet enjoyment of their property, nor use the same, or any part thereof, or permit the same, or any part thereof, to be used for any other purpose that as above stipulated, nor make any alterations, or additions thereto, to HOA property.

a. **Rental:** Member(s) renting unit(s) shall be fully responsible for all actions by tenant(s) and all costs, fines or other assessments levied due to tenants' misconduct or negligence, or acts of commission or omission.

5. Quiet Enjoyment: Resident shall not engage in any activity resulting in disturbances that adversely affect other residents, guests of residents, or surrounding neighbors. This policy relates to the use of stereos, televisions, loud talk, stereos in motor vehicles, or anything, which hinders another person's quiet enjoyment of their residence.

6. Nuisances and Unlawful Activities: Resident shall be responsible for insuring that Resident and Resident's guests, occupants and family members not engage in any activity while on Property that is unlawful, would endanger the health and safety of others or would otherwise create a nuisance. An unlawful activity shall be deemed to be any activity in violation of local, municipal, county, city, state, or federal regulation, statute or law. Additionally, if Resident and Resident's guests, occupants and family members are members of the U.S. Armed Forces an unlawful activity shall be deemed to be any activity in violation of military rules and regulations and/or the Uniform Code of Military Justice.

7. Appearance / Cleanliness of Cornerstone Village Condominium (CVC):

a. Resident shall keep Property, including yard, walkways, and respective designated parking area clean and free of any debris, trash or littered items. The yard must be kept in a neat condition, as to maintain acceptable standards of appearance and cleanliness.

b. Article III, Section 302.2 and 302.3 of the Onslow County Solid Waste Ordinance (OCSWO) prohibits the accumulation of trash and requires trash to be kept in a covered trash receptacle. Therefore, trash must be thrown into (inside) the dumpsters only. Any items too large for the dumpster must be broken down to where they will fit inside the dumpsters provided. Large items that will not fit inside the dumpsters shall not be disposed of on any Cornerstone Village Condominium's (CVC) areas, and should be disposed by member/tenant according to OCSWO, at member's/tenant's expense. *For more information on guidelines and where to properly dispose of waste, please contact Jacksonville City or Onslow County Solid Waste.*

7. Appearance / Cleanliness of Cornerstone Village Condominium (CVC) (Continued):

(1). If trash dumpsters are block by large items or trash, the waste management company will not pickup/empty the dumpsters, causing significant overflow of trash, attracting pests, creating a nuisance and health risk for all residents. Leaving large items or trash that impedes the collection/emptying of the dumpsters by the waste management company is strictly prohibited. Any items impeding the emptying of the dumpsters or trash left on the ground or not deposited inside dumpsters will be identified to the rightful unit or resident and resident/member will be required to dispose of it properly. The identified resident(s)/member(s) in violation, as set forth herein, will be responsible for all costs incurred by the HOA to remove the trash/items or to have the dumpsters emptied outside of regular scheduled service; resident(s)/member(s) will also be responsible for any fines imposed to the HOA and be subject to paragraph 18 of the rules and regulations.

c. Article III, Section 1302.3(f) of the OCSWO prohibits littering on public or private property (this includes cigarette buds). Littering is not permitted in any CVC's areas. Members/Tenants shall maintain the areas around (including the back and front of unit) of their respective units clean and free of any debris, trash or littered items. Resident shall keep Property, including yard, walkways, and designated parking area clean and free of rubbish/trash. The yard must be kept in a neat condition, as to maintain acceptable standards of appearance and cleanliness.

d. Article VII, Section 302.9 of the OCSWO prohibits nuisances to be created or allowed to remain on a Property. A nuisance can be accumulated junk, trash, inoperable equipment (including cars), construction debris, dead animals or anything causing a foul odor or posing a health risk. Removal of all nuisances caused by resident will be at resident's expense.

(1). Pet waste shall not be left in any of the CVC's areas (common areas, limited common areas, or private areas), as they produce a foul odor and pose a health risk to others by attracting pests and transmitting disease. Members/tenants/pet owners must pickup and properly dispose of their pet's waste.

(2). Noxious, offensive or loud activities shall not be conducted within any unit. Each unit owner/tenant/occupant/guest shall refrain from any use of his/her unit that could reasonably cause embarrassment, discomfort, annoyance, or nuisance to any other unit owner, tenant, occupant, or guest.

e. No objects (furniture, toys, equipment, etc.) of any kind shall be left outside in front units/buildings. Patio furniture is allowed in the back of units on the concrete slab. Patio furniture shall be kept neatly and in good repair. Broken patio furniture or furniture in a state of disrepair shall not be left outside of unit and must be removed.

8. Buildings and Fixtures:

a. For safety, insurance, and uniformity purposes satellites are allowed with the following restrictions. Satellites must be mounted on a poll within the ground. Satellites shall not be mounted anywhere on the unit buildings. Satellites should not be mounted or be visible from the front of the units; they must be behind the unit buildings. The HOA is not responsible for your satellites or any damages caused to or by it. Current satellites installed/mounted on unit's buildings must be removed and necessary repairs to buildings are at owner's expense. Upon selling, renting, or otherwise vacating units requiring removal, replacement, and repair to HOA property are at

member's/tenant's expense.

8. Buildings and Fixtures (Continued):

b. Nothing shall be attached to the outside of units/buildings (permanently or temporarily) that requires drilling/screwing or that would otherwise potentially damage the outside of the unit/building upon placement or removal of fixture(s) of any kind. No holes or drilling is allowed. No nails, screws, adhesive, hooks, brackets rod may be placed in exterior walls of or any part of property.

c. Decorating: Hanging of holiday decorations or for other special occasion(s) (e.g. Easter, Thanksgiving, Christmas, Halloween, or birthdays) shall be temporary in nature and in a manner that does not damage the outside of units. Any repairs will be at resident's expense.

d. Barbecues: Barbecues of any kind or any equipment producing an open flame, open fire, or heat represents a fire hazard, placing all units at serious risk, and should be used in accordance with all fire regulations establish by local, city, county, state, or federal statutes, regulating the use of barbecues, or any equipment producing an open flame, open fire, or heat. The use of barbecues or any equipment producing an open flame, open fire, or heat is allowed for members/tenants' enjoyment. Use of such equipment(s) is at the sole risk and responsibility of members/tenants' and member/tenant shall be responsible for the repair(s) of any and all damages caused to units. Due caution and diligence must be used to avoid direct flame, fire or heat related damage to outside of units; barbecue or any equipment producing an open flame, open fire or heat, shall be place far away from units to avoid damage to the exterior of units, and reduce the risk of fire hazard. Cleaning of unit's exterior due to the use of such equipment(s) is the sole responsibility of member/tenant and any additional costs to have exterior cleaned will be borne solely by the member/tenant and not the CVC HOA.

e. Flammable Materials / Liquids: All units are in extreme close proximity to each other and the safety of all residents is of paramount concern. Other than for normal household use, no goods, products, or materials of any kind or description, which are combustible, and/or would increase the risk of fire or increase other casualty risks, shall be kept in or placed on HOA or resident Property.

f. Residents may not structurally change units or HOA Property in any way or manner. Fence(s) or structure(s) of any type or kind (temporary or permanent) shall not be erected on Cornerstone HOA property, except as provided in the Declarations of Cornerstone Village, or as permitted by law/federal statue with the prior approval of the HOA's Board of Directors.

g. Signage: Residents will not display any signs on the property or units; "for rent" or "for sale" sign may be placed in the yard or on the exterior of units.

9. Motor vehicles, Speed Limits and Parking:

a. The maximum speed limit while driving through CVC is 15 mph at all times.

b. Parking is permitted in designated parking spots only. Parking is not allowed in the grass areas, behind the units on the public walkway, in front of the dumpster area, parked along any curbed areas (including the islands), or any prohibited or specially marked parking area (Handicap and diagonal white lines). No vehicle shall be parked on walkways. All vehicles must be parked within a designated parking spot (numbered or un-numbered) and within the white lines. Otherwise, vehicles will be towed at owner's expense.

9. Motor vehicles, Speed Limits and Parking (Continued):

c. The builder's design of the CVC created a parking space limitation/shortage for all residents. To alleviate this limitation, each unit will be allowed two vehicles on HOA premises/Property at a time. One parking space is reserved for each unit and it is marked with the corresponding unit number. Second vehicle will be parked on a first-come-first-serve basis in un-numbered parking spaces.

d. Article IV of the OCSWO prohibits the abandonment of vehicles on public or private property. According to the Jacksonville Police Dept., a vehicle is considered abandoned after seven (7) days. This provision will be strictly enforced due to the very limited parking available at CVC. The limited un-numbered spaces are available on a first-come-first-serve basis. Vehicles left unattended/abandoned for more than seven (7) days, in un-numbered spaces, will be removed from CVC's premises at owner's expense. Any one requiring extended vehicle parking/storage should avail him/herself of commercially available storage. Military residents on active duty or reserves called to active duty that will deploy for an extended period of time (i.e. exceeding 30 days) should consult with the nearest military transportation office on extended storage options available to deploying military members. It is the resident/member's responsibility to notify the HOA Board of Directors on any circumstances placing the resident/member's vehicle at risk of being towed. Vehicles will be towed at owner's expense.

e. No vehicles, other than those commonly used for private transportation of residents (e.g. cars, motorcycles, minivans, SUVs) are allowed in designated parking areas or on HOA property. No boats, trailers, storage bins (containers, PODS, quad-cons), recreational vehicles of any kind (including jet skies), campers, or commercial vehicles of any kind, are allowed in designated parking areas or on property. Except, for vehicles/containers used for the purpose of and necessary in conducting a move/relocation, and in no case shall it be for a period exceeding 48 hours.

f. Vehicles must be parked within parking spot lines. Double parking, parking catty-cornered, or any way not legally permitted is prohibited.

g. There shall be no vehicle repairs performed except the prompt changing of tires, spark plugs, or minor maintenance/repairs that can be accomplished in a day during daylight hours. Residents will not have unlicensed, inoperable or wrecked vehicles on the property, which would detract from the good image of the property.

h. Residents shall not, on, near, or in Property, improperly dispose of motor oil, paints, paint thinners, gasoline, kerosene or any other hazardous material (HAZMAT) or products that can cause environmental contamination. Any violation and resulting fine due to residents improperly disposing of such substances will be borne by the offending resident.

i. Vehicles with expired or missing license plates or inoperable vehicles are not permitted on Property. Vehicles will be removed at owner's expense.

9. Motor vehicles, Speed Limits and Parking (Continued):

j. **Guest Parking.** Guests/visitors are allowed on property, and may park their vehicles in either the visited resident's numbered spot or un-numbered spot on a first-come-first-serve basis. Residents are responsible to ensure visitors/guests abide by the CVC's vehicle policy. Visitors/guests shall not park on other residents' parking spaces, except as noted above, or park in manner that causes an inconvenience to residents. Visitors/guests violating CVC's vehicle policy will be asked to remove their vehicle from the property or vehicle will be towed at owner's expense.

k. **The CVC's vehicle policy will be strictly enforced.** The HOA will contract with a towing service to have all vehicles, in violation of the rules and regulation, and the law, towed at owner's expense and/or contact the Police Department to have vehicles ticketed, and residents shall have no right or recourse against the CVC HOA.

10. Pets: Resident is responsible for any and all damages that pet may cause to property, or any person. HOA Board of Directors shall be the sole judge whether damage has been done to the property. Resident will pay for having said damage professionally corrected, or by having the damaged part of the property replaced if deemed necessary by the HOA. The HOA Board of Directors shall be the sole judge as to whether a pet becomes a nuisance, presents a risk to others, or disturbs other residents. Resident shall take immediate corrective action or pet shall be removed from HOA property.

a. Members/tenants/pet owners must pickup and properly dispose of their pet's waste (see paragraph 7.d.(1)).

11. Pest Control: All units are in extreme close proximity to each other and the risk of pest infection from unit to unit is a clear and present danger to the health of all residents. Residents shall use due diligence in exterminating any pest infestation in their respective units, pest extermination services shall be the responsibility of resident. Residents shall immediately notify the HOA Board of Directors, which will determine if pest-extermination services are required to protect HOA Property.

12. Damage to Property: Resident, Member/Resident's guests, occupants and family members living and/or visiting CVC are fully responsible for all damages to CVC HOA property due to willful commission, omission, or negligence on their part and for any secondary damage to the premises resulting from their actions. Residents are encouraged to acquire homeowners/renter's insurance that insures property and liability coverage. Residents shall repair/replace any damages at residents' expense or CVC HOA may repair/replace damages and charge back repair/replacement costs to resident. Any replacement or repairs made by residents must have prior written approval from CVC HOA Board of Directors. Repairs shall be made with reasonable promptness after damage occurs. If repair is an emergency, residents must notify HOA Board of Directors before arranging for maintenance and/or repair.

13. Hostile State / Demeanor / Deportment: The CVC HOA's Board of Directors works for the benefit of all members, residents, and tenants, and needs the enthusiastic support of all members/residents in carrying its duties and responsibilities. The HOA Board of Directors (BOD) encourages residents to work amicably with members, HOA BOD, management company, and maintenance personnel with regard to all issues related to the property and any situations that may arise. Abusive language, demeanor, deportment, or behavior hostile in nature, by a member/resident, as to disrupt the normal lines of communication, cordial and respectful manner in resolving issues,

shall not be tolerated.

14. Federal, State, County, City, Municipality, or Local Statute(s), or Regulation(s):

All applicable Federal, State, County, City, Municipality, or Local statute(s)/regulation(s) must be observed by members/residents, and will be strictly enforced by CVC HOA.

15. Personal / Property Security: Member/Resident acknowledges that: (1) crime can occur in any neighborhood including the neighborhood in which Property is located; and (2) while CVC HOA may from time to time do things to make Property reasonably safe, HOA is not a provider or guarantor of security in or around Property. Member/Resident acknowledges that prior to occupying Property, resident carefully inspected all windows and doors (including the locks for the same) and all exterior lighting and found these items: a) to be in good working order and repair; and b) reasonably safe for Resident and Resident's family members, guests and invitees knowing the risk of crime. CVC HOA has made no representation that the property is secure or that resident is safe from theft, injury or damage. Resident understands and agrees that there have been no warranties of protection and that it is Resident's responsibility to take appropriate measures to protect his/her own person and property.

16. Indemnification: Resident agrees to indemnify and hold harmless CVC HOA against any and all injuries, damages, losses, suits and claims against CVC HOA arising out of or related to: (a) Resident's failure to fulfill any condition of the Articles of Incorporation of Cornerstone Village Owner's Association, Inc., (CVOA) the Declaration of CVOA, the By-Laws, rules and regulations, and all applicable federal, state, county, city, municipal, and local statutes and laws; (b) any damage or injury happening in or to Property or to any improvements thereon as a result of the acts or omissions of Resident or Resident's guests, family members, invitees or licensees; (c) Resident's failure to comply with any requirements imposed by any governmental authority; (d) any judgment, lien or other encumbrance filed against Property as a result of member or resident's actions and any damage or injury happening in or about Property to Resident or Resident's guests, family members, invitees or licensees (except if such damage or injury is caused by the intentional wrongful acts of CVC HOA) and member covenants not to sue CVC HOA with respect to any of these matters.

17. Notices: All Notices Must Be In Writing. A written notice shall follow up any oral notice. All notices shall be in writing, signed by the party giving the notice and delivered either: (a) in person, (b) by an overnight delivery service, prepaid; or (c) by the United States Postal Service, postage prepaid, registered or certified return receipt requested. Notices should be sent to the management company where HOA monthly dues are mailed.

18. Assessment and Fines: These Rules and Regulations apply to all Members, Resident and Member/Resident's guests, occupants and family members living and/or visiting CVC. Members/residents are responsible for guest, occupants and family members abiding by CVC's rules and regulations while living and/or visiting CVC. Any Member/Resident, or Member/Resident's guests, occupants and family members, who is/are in violation/default of any portion, clause, rule or regulation as set forth herein, or in the Articles of Incorporation of Cornerstone Village Owner's Association, Inc., the Declaration of CVOA, the By-Laws, rules and regulations, and any applicable federal, state, county, city, municipal, and local statutes and laws, will be subject to the measures addressed in DCVC and/or any penalties established by law. Member(s) renting unit(s) shall be fully responsible for all actions by tenant(s) and all costs, fines or other assessments levied due to tenants' misconduct or negligence, or acts of commission or omission.

19. Attorney's Fees and Costs of Collection: Whenever any monies due hereunder are collected by law, or by attorney at law to prosecute such an action, then both parties agree that the prevailing party will be entitled to reasonable attorney's fees, plus all costs of collection.

20. Governing Law: The Rules and Regulations shall be governed by and interpreted pursuant to the Articles of Incorporation of Cornerstone Village Owner's Association, Inc., (CVOA), the Declaration of CVOA, the CVOA By-Laws, the laws of the State of North Carolina, and all applicable Federal, County, City, Municipality, or Local statute(s), or regulation(s).

21. Effective Date: In accordance with, the Declaration of Cornerstone Village Condominiums and Cornerstone Village Owner's Association By-Laws, The Cornerstone Village Owner's Association, Inc., Board of Directors, having examined and reviewed, upon motion duly made, seconded and unanimously carried, RESOLVED to approve, adopted, and publish these Rules and Regulations, during the Board of Directors' meeting held on this 7th day of May, 2009.

//s/ and //sealed//

Secretary,
Cornerstone Village Condominium