

STATE OF SOUTH CAROLINA

Declaration of Covenants And Restrictions For Rosedale LLC

COUNTY OF HORRY

THIS Declaration of Covenants and Restrictions ("Declaration") made this 29 day of Nov 2011
by Rosedale, LLC, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, the Declarant is the owner of certain real property in Horry County, South Carolina, more particularly described in Exhibit "A" which is attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the Declarant intends to develop on the Property a residential subdivision known as Rosedale, LLC, containing detached home site lots together with possible future Common Area Properties as more fully described herein (the "Subdivision"); and

WHEREAS, the Declarant wishes to accomplish the following objectives for its benefit and for the benefit of Owners of property in the Subdivision by the imposition of the covenants and restrictions set forth herein:

- (a) To maintain the value and the residential character and integrity of the Subdivision and to maintain the quality and value of any Common Area Properties of the Subdivision;
- (b) To minimize or eliminate the possibility of any disruptions of the peace and tranquility of the Subdivision;
- (c) To protect and prevent the cutting, abuse or unwarranted alteration of the trees, vegetation and lakes within or adjacent to the Subdivision;
- (d) To prevent any property Owner or any other persons from building or carrying on any other activity in the Subdivision that would detract from the Subdivision or that are contrary to this Declaration; and
- (e) To maintain property values in the Subdivision; and
- (f) To maintain, improve and landscape the Common Area Properties within the Subdivision as hereinafter provided; and

WHEREAS, the Declarant, as hereinafter provided in this Declaration, has retained and reserved the right, privilege and option to submit to the provisions of this Declaration at a later time and from time to time as a part of the Subdivision all or any portion of real property, to be described at a later date or any other adjacent or nearby property (the "Other Property"). NOW, THEREFORE,

KNOW ALL MEN BY THESE PRESENTS that the Declarant hereby declares that the property described in Exhibit "A" shall be held, mortgaged, transferred, sold, conveyed, leased, occupied and used subordinate and subject to the following easements, restrictions, covenants, charges, liens and conditions which are hereby imposed for the purpose of protecting the value and desirability of the Subdivision and which restrictions, easements, charges, liens, conditions, and covenants shall touch and concern and run with title to the real property subjected to this Declaration and which shall be binding on all parties having any right, title or interest in said

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Properties or any portion of them. This Declaration also binds the respective heirs, devisees, personal representatives, successors, successors in title and/or assigns, and shall inure to the benefit of anyone or anything which purchases or takes any interest in real property subject to this Declaration.

ARTICLE I DEFINITIONS

When used in this Declaration, unless the context shall prohibit or require otherwise, the following words shall have the following meanings, and all definitions shall be applicable to the singular or plural forms of any such term(s):

Section 1. "Approved by the Declarant" shall mean written approval issued by the Declarant signed by a designated representative.

Section 2. "Assessment" shall mean and refer to any Owner's share of the Common Expenses or any other charges from time to time assessed against an Owner by the Association in the manner herein provided.

Section 3. "Association" shall mean and refer to Rosedale Homeowners Association, Inc., its successors and assigns, provided, however, Declarant may choose not to create an Association for the Subdivision or may do so at some later date.

Section 4. "Board of Directors" shall mean and refer to the Board of Directors of the Association, and shall be the governing body of the Association.

Section 5. "Common Property", "Common Area Properties" or "Common Areas" shall mean and refer to those parcels of land with any improvements thereon which now or hereafter are designated as Common Properties or Common Areas by the Declarant.

Section 6. "Declarant" shall mean and refer to Rosedale, LLC, and Declarant shall have the right to assign any or all rights which it may possess, as Declarant, to Rosedale Homeowners Association, Inc., or any other person or entity, at one time or from time to time. Declarant shall be interchangeable with "Developer."

Section 7. "Lot" shall mean and refer to any plot of land shown as a separate lot upon any recorded Subdivision Plat of the Properties, with or without improvements, with the exception of the Common Properties.

Section 8. "Member" shall mean and refer to every Owner of a Lot and shall include the Declarant while it is the record Owner of any Lot.

Section 9. "Property" or "Properties" shall mean and refer to all property, which is subject to this Declaration.

Section 10. "Owner" shall mean and refer to the record Owner (including the Declarant), whether one or more persons or entities, holding the fee simple title to any Lot, but excluding any person having such interest merely as security for the performance of an obligation.

ARTICLE II PROPERTY

Section 1. Existing Property. The real property which is and shall be held, transferred, sold, conveyed, leased and occupied, subject to these covenants, is located within Horry County, South Carolina, and is more particularly described In Exhibit "A" which is attached hereto and incorporated herein by reference.

Section 2. Additional Property. The Declarant, its successors and assigns, shall have the right, without further consent of the Association, or any of the Members to bring within the operation of this Declaration any Additional Property, or any part thereof, may be brought within the operation of this Declaration by Declarant filing a plat of record with a caption which recites that it is a Subdivision Plat of property to be added to Rosedale and the filing of an amendment to this Declaration subjecting the said property to this Declaration.

ARTICLE III THE ASSOCIATION: MEMBERSHIP AND VOTING RIGHTS

Section 1. The Association. The Declarant, upon the sale of the last lot owned by Declarant, may establish the Association for the purpose of exercising powers of maintaining, improving and administering the Common Properties and providing common services, administering and enforcing covenants, conditions and restrictions contained herein, and levying, collecting and disbursing Assessments and charges herein created. Further, the Declarant reserves the right to convey and transfer to the Association, and the Association agrees to accept, any and all of its rights and obligations set forth herein. Also, the Declarant reserves the right to establish the Association at any time during which the Declarant, in its own judgment, deems necessary.

Section 2. Association's Purposes. The Association has been or will be established for the purpose of exercising powers of maintaining, repairing, replacing and administering the Common Properties and common facilities and providing common services, administering and enforcing the covenants, conditions and restrictions contained in the Declaration, and levying, collecting and disbursing Assessments and charges herein created. The Declarant reserves the right to convey to the Association, and the Association agrees to accept any or all of its rights and obligations set forth herein or in the Declaration. The Association shall be authorized but not required to provide any of the services set forth in this Declaration and shall be further authorized to provide any and all services necessary or desirable in the judgment of the Board of Directors of the Association to carry out the Association's obligations and business under the terms of this Declaration.

Section 3. Additions to Properties and Membership. Additions to the Properties described in Exhibit A attached to the Declaration may be made as provided in the Declaration. Such additions, when properly made shall extend the jurisdiction, functions, duties and membership of this Association to such property owners.

Section 4. Rules and Regulations. The Association, by and through its Board of Directors, may adopt from time to time additional reasonable rules and regulations governing the use of Common Properties and Lots within the Subdivision. Applicable law may limit this right in the event areas of the Subdivision are dedicated to governmental authorities and the rules conflict with applicable laws. Such rules may not conflict with the provisions of this Declaration and, in the event of any such conflict, this Declaration shall prevail.

Section 5. Membership. Every Owner of a Lot, which is subject to this Declaration, shall be a member ("Member") of the Association; Membership shall be appurtenant to and not be separated from ownership of any Lot, which is subject to this Declaration.

Section 6. Voting Rights. The Association shall have two classes of voting membership.

(a) Class A. Class A Member(s) shall be every Owner, with the exception of the Declarant, and they shall be entitled to one vote for each Lot owned. Declarant may become a Class A member upon the expiration of its Class B Membership status as hereinafter set forth. When more than one person holds title to any Lot, all such persons shall be Members, and the one vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot by Class A members.

(b) Class B. Class B Member(s) shall be the Declarant, its successors and assigns, and, for so long as the Declarant owns at least one Lot subject to this Declaration, it shall be entitled to one vote for each Lot owned plus one hundred (100) votes per lot owned. As each additional Phase, if any, is subdivided and submitted to this Declaration, the Declarant shall be entitled to one vote for each Lot owned plus thirty (30) for each lot owned by Declarant. The Class B Membership shall cease and be converted to Class A Membership on the happening of either of the following events, whichever occurs earlier:

- (1) When the Declarant executes and records an instrument Forfeiting its Class B Membership; or
- (2) When the Declarant, its successors or assigns, owns no lots in the Subdivision.

Section 7. Board of Directors. The Association shall be governed and the business and affairs of the Association shall be managed by a Board of Directors as more particularly set forth below:

A. General Powers. The Association shall be governed and the business and affairs of the Association shall be managed by a Board of Directors.

B. Number and Term. The Board of Directors shall consist of four (4) members. The initial Board of Directors shall be appointed by the Declarant and shall hold office until the election of their successors as provided herein. Beginning with the first annual meeting of the Association, the Declarant shall elect two (2) Directors for a term of one (1) year, two (2) Directors for a term of two (2) years; and at each annual meeting thereafter, the Declarant or Members shall elect, upon majority vote, two (2) Directors for a term of two (2) years. Each Director shall hold office until his successor is elected or until his death or until he shall resign or be removed from office.

C. Vacancies. Vacancies in the Board of Directors shall be filled by the majority of the remaining Directors, and any such appointed Director shall hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

D. Annual Meeting. Annual meetings of the Board of Directors shall be held immediately following the annual meeting of the Association. The Board of Directors may provide by resolution the time and place for holding additional regular meetings of the Board.

E. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors by giving notice thereof to the members of the Board as provided herein.

F. Notice. When notice of any meeting of the Board of Directors is required, such notice shall be given at least four (4) days previous to such meeting by written notice delivered personally or sent by mail to each Director at his address as shown on the records of the Association. Any Director may waive notice of any meeting before or after the time of the meeting stated herein, and attendance of a Director at any meeting shall constitute a waiver of

notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice at such meeting, unless specifically provided by law, the Articles of Incorporation, or this Declaration.

G. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

H. Manner of Acting. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

I. Compensation. Directors shall receive no salaries for their services, but by resolution of the Board of Directors, any Director may be reimbursed for actual reasonable expenses incurred in the performance of his duties as a Director. Nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

J. Informal Action by Directors. Any action required or permitted by law to be taken at a meeting of Directors may be taken without a meeting if consent in writing setting forth the action so taken shall be signed by a majority of the Directors, which consent shall be filed with the Secretary of the Association as part of the Association's records.

K. Removal of Directors. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association, and a successor may then and there be elected to fill the vacancy thus created or the vacancy may be filled by the Board of Directors.

L. Powers and Duties of the Board of Directors

(1). POWERS. The Board of Directors shall have power to:

(a) Adopt and publish rules and regulations governing the use of the Common Properties, amenities and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) Suspend the voting rights and right to use the Common Properties, amenities and facilities, if any, of a Member during any period in which such Member shall be in default in the payment of any Assessment levied by the Association. Such rights may also be suspended for a period not to exceed thirty (30) days for infraction of published rules and regulations;

(c) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of this Declaration;

(d) Employ a Property manager, an independent contractor, or such other employee as they deem necessary and to prescribe their duties;

(e) To grant utility and ingress/egress easements on, over and across the Lots and Common Properties of the Association, as provided in the Declaration;

(f) To sell, transfer and convey portions of Common Properties without a vote of the Members of the Association in order to (i) correct errors or mistakes in Deeds or easements to or from the Association; or (ii) to divest the Association of Properties which are not necessary for the functions and services which the Association is authorized to carry out and deliver.

(2). DUTIES. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and Association affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by a one fourth (1/4) vote of the Class A members who are entitled to vote;

(b) Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration:

(1) To fix and levy the amounts of all Assessments, Annual, special, or otherwise;

(2) To send written notice of all Assessments to every Owner subject thereto; and

(3) In the discretion of the Board, to foreclose the lien against any property for which assessments are not paid within thirty (30) days after the due date or to bring an action at law against the Owner personally obligated to pay the same.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) To procure and maintain adequate liability and hazard insurance on Common Properties and other property owned or leased by the Association, as it may deem appropriate;

(f) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; to provide Directors and Officers liability insurance, errors and omission insurance or similar insurance for Officers and Directors, as it may deem appropriate;

(g) To cause the Common Properties and facilities to be maintained, replaced or improved, and properly landscaped;

(h) To prepare an annual budget for the Association, outlining anticipated receipts and expenses for the following fiscal year;

(i) To carry out the reconstruction of Common Property improvements after casualty, and to carry out the further improvement of such Common Properties;

(j) To acquire, operate, lease, manage and otherwise trade and deal with property, real and personal, including the Common Properties, as may be necessary or convenient in the operation and management of the Association, except those which may be required by the Declaration to have approval of the Members;

(k) To enforce by legal means the provisions Certificate of Incorporation, this Declaration, and the regulations promulgated by the Board;

(l) To pay all taxes and assessments, which are liens against any part of the Common properties or other property, real or personal, belonging to the Association;

(m) To pay all costs of power, water and sewer and other utility services rendered to the Association and not billed to the Owners of Lots;

(n) To borrow money on behalf of the Association and to pledge /mortgage the property of the Association as security for such loan(s); and

(o) To exercise for the Association all powers, duties and authority vested in or delegated to the Association by the Declaration and not reserved to the Membership by other provisions of this Declaration or the Certificate of Incorporation.

(3) AUTHORITY TO MORTGAGE. To the extent provided by law, the Board of Directors of the Association shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions. Notwithstanding anything in the Declaration to the contrary, the Association shall not be allowed to reduce the limits of the minimum regular annual assessment at any time there are outstanding any amounts as repayment of any such loans.

(4) OFFICERS. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person. The President shall be a Director of the Association. Other officers may be, but need not be, Directors of the Association. The Developer may appoint two Directors prior to the formation of the HOA Officers.

(5) ELECTION, TERM OF OFFICE AND VACANCIES. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal or for any other reason may be filled by the Board of Directors for the unexpired portion of the term.

(6) REMOVAL. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interest of the Association will be served thereby.

(7) Powers and Duties. The Officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors, except as otherwise determined by the Board of Directors. The President shall be chief executive officer of the Association.

(8) RESIGNATION. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

(9) INTERIM OFFICERS. The initial Board of Directors appointed by the Declarant shall elect interim or acting officers to serve until the first annual meeting of the Board of Directors.

(10) PRESIDENT. The President shall be the chief executive officer of the Association. He shall execute on behalf of the Association all instruments requiring such execution except to the extent the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent. The President shall preside at all meetings of the Association and the Board of Directors. He shall have all general powers and duties, which are usually vested in the office of President of a property owners association, including the power to appoint committees.

(11) VICE PRESIDENT. The Vice President shall act under the direction of the President and shall perform such duties as may be imposed by the Board. In the absence or disability of the President, the Vice President shall perform the duties and exercise the powers of the President.

(12) SECRETARY. The Secretary shall act under the direction of the President. Subject to the direction of the President, the Secretary shall attend all meetings of the Board of Directors and meetings of the Association and record the proceedings. He shall give, or cause to be given, notice of all meetings of the Association and of the Board of Directors as required by this Declaration and shall perform such other duties as may be prescribed by the President or the Board of Directors.

(13) TREASURER. The Treasurer shall act under the direction of the president and shall keep or be responsible for keeping the accounts of the Association. He shall disburse the funds of the Association as may be ordered by the President or the Board of Directors and shall render on request or at the regular meetings of the Board or Directors an account of all his transactions as Treasurer and of the financial condition of the Association. The Treasurer shall be responsible for mailing all Assessment notices to Member of the Association.8

(M). COMMITTEES

(1) Committees of Directors. The Board of Directors may designate one or more committees, each of which shall consist of one or more Directors and such other Members as the Board shall determine, which committees, to the extent authorized by the Board, shall have and exercise the authority of the Board of Directors in the management of the affairs of the Association; provided, however, that no such committee shall have the authority of the Board of Directors as to the following matters: (a) the amendment of the Articles of Incorporation of the Association; or the sale, lease or exchange of all or substantially all of the property of the Association; (b) the designation of any such committee or the filling of vacancies on the Board of Directors or on any such committee; and (c) the amendment or repeal of any resolution of the Board of Directors.

(2) Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated by a resolution adopted by a majority of Directors present at a meeting at which a quorum is present. Such committees shall perform such duties and have such powers as may be provided in the resolution.

(3) Rules. Each committee may adopt rules for its own government not inconsistent with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors.

(N) LIABILITY AND INDEMNIFICATION

(1) Liability of Board Members. No Board Member or Officer of the Association shall be liable to any Property Owner for any decision, action or omission made or performed by such Board Member or Officer in the course of his duties unless such Board Member or Officer acted in bad faith or in reckless disregard of the rights of any person or of the terms of this Declaration.

(2) Indemnification of Board Member. The Association shall indemnify and defend each Board Member and Officer of the Association from any liability claimed or imposed against him by reason of his position or decision, action or omission as a Board Member or any Officer of the Association if all of the following conditions are satisfied:

(a) Such Board Member or Officer has not acted in bad faith or in reckless disregard of the rights of any person or of the terms of this Declaration;

(b) Such Board Member or Officer gives the Association adequate notice of the claim or imposition of liability to permit the Association reasonable opportunity to defend against the same; and

(c) Such Board Member or Officer cooperates with the Association defending against the liability.

The expense of indemnifying a Board Member or Officer as provided herein shall be a Common Expense of the Association and shall be borne by all Property Owners, including such Board Member or Officer. Nothing herein shall be construed so as to give any Officers or Directors subrogation rights against the Association.

(O) MEETINGS OF MEMBERS

(1) Membership Annual Meeting. Meetings of the Members shall be held at the office of the Association, or such other place as may be designated by the Board of Directors, and shall occur at least once a year. An annual meeting of the Members shall be held on a day and time as determined by the Board of Directors, to be designated in the notice of the meeting.

(2) Membership Special Meeting. Special Meetings of the Members for any purpose may be called at any time by the President, or by any two (2) or more members of the Board of Directors or upon written request of Members holding one-fourth (1/4) of the total votes of the Association.

(3) Notice. Notice of any meetings shall be given to the Members by the Secretary. Notice may be given to each Member either personally or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the Association. Each Member shall register his address with the Secretary and notices of meetings shall be mailed to such address. Notice of any meeting, regular or special, shall be mailed not more than forty-five (45) days, and not less than ten (10) days in advance of the meeting and shall set forth in general the nature of the business to be transacted; provided, however, that if the business of any meeting shall involve and be governed by the Declaration applicable to the Properties, or any action for which other provision is made in this Declaration, notice of such meeting shall be given or sent as therein or herein provided.

(4) Quorum. The presence at any meeting of Members entitled to cast, or of proxies entitled to cast, fifty-one (51%) per cent of the total votes of the Association shall constitute a quorum for any action governed by this Declaration. Any absent Owner who does not execute and return the proxy form sent to him in the required mailing shall be deemed to be present for the purposes of determining the presence of a quorum. Any action governed by the Declaration applicable to the Properties shall require a quorum as therein provided.

(5) Informal Action by Members. Any action required or permitted by law to be taken at a meeting of the Members of the Association may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by Members holding a majority of the votes of the Association, which consent shall be filed with the Secretary of the Association as part of the Association's records.

(6) Manner of Acting. Unless otherwise provided herein, or the Declaration, a majority of the total votes cast in person or by proxy at a duly called meeting of the Association shall be the vote required to adopt and make decisions.

(P). PROXIES

(1) Voting by Proxy. Each Member entitled to vote may vote in person or by proxy at all meetings of the Association.

(2) Proxies. All proxies shall be executed in writing by the Member or by his duly authorized attorney-in-fact and filed with the Secretary; provided, however, that proxies shall not be required for any action which is subject to a referendum in accordance with the Declaration. Unless a proxy otherwise states, it shall be deemed to confer the authority to execute consents and waivers and to exercise the right to examine the books and records of the Association. A proxy may be revocable or irrevocable but shall be deemed revocable at will unless otherwise specified therein. If at least ten (10) days prior to a duly called meeting a Member is informed by mail of (a) the time and place of the meeting, (b) the agenda for the meeting, and (c) such data as is then available relative to the issues on which there will be a vote, and a proxy form is included in such mailing, and the Member neither attends the meeting nor returns his executed proxy, then such Member shall be deemed present for purposes of determining a quorum and shall be deemed to have given his proxy to and for the majority present and voting. No proxy shall extend beyond the date of the meeting for which it is given unless such meeting is adjourned to a subsequent date; and no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Any proxy shall automatically cease upon sale by the Member of his Lot.

ARTICLE IV RIGHTS IN THE COMMON PROPERTIES/EASEMENTS

Section 1. Members Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association, as provided in this Declaration, to suspend the enjoyment rights of any Owner for any period during which any Assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its published rules and regulations; and

(b) The rights of the Declarant and the Association, as the case may be, to establish rules and regulations for the Subdivision and to prescribe reasonable fees and charges from time to time for use of any amenities which may now or hereafter be constructed on the Common Properties.

Section 2. Title to and Maintenance of Common Properties.

The Declarant may convey to the Association, or any other entity, or cause to be conveyed to the Association, or other entity, some or all of the Common Properties, if any, shown on the Subdivision Plat or plats. The Declarant reserves the right to impose additional covenants on such Common Properties at the time of such conveyance.

The Association shall at all times maintain in good repair, and shall repair or replace as often as necessary, the paving, drainage structures, gutters, street lighting, bridges, fixtures, landscaping and amenities situated on Common Properties belonging to the Association.

Section 3. Extent of Members' Easement. The rights and easements created hereby shall be subject to the following:

(a) The right of the Declarant, and of the Association, to grant, reserve and accept easements and rights-of-way through, under, over and across the Common Properties; for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, electric, telephone, fuel oil and other utilities and services, including a cable or community antenna television system, drainage and irrigation or lawn sprinkler system and the right of the Declarant to grant and reserve easements and rights-of-way through, over and upon and across the Common Properties for construction and the completion of the Subdivision, and for the operation and maintenance of the Common Properties;

(b) The right of visitors, invitees, etc. to ingress and egress in and over those portions of the Common Properties that lie within the private roadways, parking lots and/or driveways (and over any other necessary portion of the Common Properties in the case of the landlocked adjacent Owners in the Subdivision) to the nearest public road;

Section 4. Easements for Declarant. During the period that Declarant owns any Common Properties, or owns any Lot primarily for the purpose of sale or has the option to add the Additional Property, Other Property or any portion thereof to the Subdivision, Declarant reserves for itself, its successors and assigns, and shall have, an alienable and transferable right and easement on, over, through, under and across the streets and roads, whether now constructed or built in the future, and over the Common Properties for the purpose of ingress and egress, and for constructing or improving Lots and improvements to the Lots or Common Properties, and the Additional

Property and for installing, maintaining, repairing and replacing such other improvements to the Subdivision (including portions of the Common Properties) as are contemplated by this Declaration or as Declarant desires, in its sole discretion, including without limitation any improvements or changes permitted and described in this Declaration, and for the purpose of doing all things reasonably necessary and proper in connection therewith, including but not limited to, transporting and storing construction materials, provided that in no event shall Declarant have the obligation to do any of the foregoing. Declarant also reserves the right of ingress and egress for its employees, agents and invitees for the purpose of selling its remaining lots or properties. The easements reserved herein shall be in addition to and not in lieu of any other easements Declarant may have.

Section 5. Easements for Utilities. There is hereby reserved for the benefit of Declarant, the Association (on property owned by the Association) and their respective successors and assigns, the alienable, transferable and perpetual right and easement, as well as the power to grant and accept easements to and from any private or public authority, agency, public service, district, public or private utility or other person upon, over, under and across: (i) all of the Common Properties and (ii) an area across every Lot ten (10') feet in width along the front and rear boundary lines thereof and ten (10') feet in width along the side boundary lines thereof for the purpose of installing, replacing, repairing, maintaining and using master television antenna and/or cable systems, security and similar systems, and all utilities, including but not limited to, storm sewers and drainage systems and electrical, gas, telephone, water and sewer lines. Such easements may be granted or accepted by Declarant, its successors and assigns, or by the Board of Directors; provided, however, that for so long as Declarant owns any portion of the Common Properties, owns any Lot primarily for the purpose of sale or has the option to add the Additional Property, Other Property, or any portion thereof to the Subdivision, the Board of Directors must obtain the written consent of Declarant prior to granting or accepting any such easements. To the extent reasonably possible, all utility lines and facilities serving the Subdivision and located therein shall be located underground. By virtue of any such easement and facilities, it shall be expressly permissible for the providing utility company or other supplier or servicer, with respect to the portions of the Subdivision so encumbered: (1) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities; (ii) to cut and remove any trees, bushes or shrubbery; (iii) to grade, excavate or fill; or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement and use of such utilities and systems. Within these easements, no structure of any kind, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may damage, interfere with, or change the direction of flow of drainage facilities in the easements unless such structure, planting or other material is first approved by the Declarant or its successors or assigns.

Section 6. Drainage Easements. There is hereby reserved for the benefit of Declarant, the Association and lot owners a drainage easement over, across and upon the drainage ditches or drainage ways designated on the subdivision plat, together with any future revisions thereof. Declarant reserves the right to move any such drainage ways. Owners of lots through which any drainage feature runs may not alter or change the location or character thereof without the express written consent of the Declarant or the Association. Each such lot owner shall keep all such drainage ways clean, open and functional. In the event of his failure to do so the Association may do the same and charge the cost to that lot owner.

Section 7. Easements for Association. There is hereby reserved a general right and easement for the benefit of the Association, its Directors, officers, agents and employees, including but not limited to, any property manager employed by the Association and any employees of such manager, to enter upon any Lot or any portion thereof, but not inside the buildings, in the performance of their respective duties hereunder. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or occupant affected.

Section 8. Sales Offices, Rental Offices, Property Management Offices and Construction Offices.

Notwithstanding any provisions or restrictions herein to the contrary, there is hereby reserved for the benefit of Declarant, its successors and assigns, the perpetual, alienable and transferable right and easement in and to the Property for the maintenance of signs, sales offices, rental offices, model homes or sample Lots, together with such other facilities as in the sole opinion of Declarant reasonably may be required, convenient or incidental to the completion, management, rental, improvement and/or sale of Lots, Common Properties, the Additional Property or Other Property. The Declarant also reserves the right to grant to any builder or builders the right to operate and maintain builder sales offices at any location within the subdivision upon such terms and conditions as the Declarant in the Declarant's sole discretion may determine.

Section 9. Unsightly Conditions. It shall be the responsibility of each Owner and tenant thereto to prevent the accumulation of litter, trash, or rubbish or the development of any unclean, unsightly or unkempt condition of buildings or grounds on his Lot either before, during or after construction, nor to permit accumulations which shall tend to substantially decrease the beauty of the community as a whole or the specific area. The Declarant or the Association specifically has the right to take the necessary action to clean up the property with the Owner being liable for the cost thereof, including a reasonable attorney's fee, if one is required to enforce this section or to collect the cost of cleanup.

Section 10. Environmental Easement. There is hereby reserved for the benefit of the Declarant, the Association and their respective agents, employees, successors and assigns an alienable, transferable and perpetual right and easement on, over and across all unimproved portions of the Common Properties and Lots for the purpose of taking any action necessary to effect compliance with environmental rules, regulations and procedures from time to time promulgated or instituted by the Board of Directors or by any governmental entity, such easement to include without limitation the right to implement erosion control procedures and practices, the right to drain standing water and the right to dispense pesticides.

Section 11. Public Easements. Fire, police, health, sanitation and other public service personnel and vehicles shall have a permanent and perpetual non-exclusive easement for ingress and egress over and across the Common Properties.

ARTICLE V COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be expressed in the deed, is deemed to covenant and agree to pay to the Association: (1) annual assessment charges and (2) special assessments for capital improvements or for maintenance expenses and other common expenses and emergencies and other purposes, such Assessments to be established and collected as hereinafter provided. The annual and special Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge upon the land and shall be a continuing lien on the property against which each such Assessment is made. Each such Assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time the Assessment fell due. The obligation for delinquent Assessments shall run with the land and shall pass to his successors in title. Upon reasonable request, the Association shall provide an accounting of an Owner's Assessments and any delinquency in payment thereof. The Association shall, upon demand at any time, furnish to any Owner liable for an assessment a certificate in writing, signed by an Officer of the Association, setting forth whether such assessment has been paid on the owner's lot.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to pay all Common Expenses of the Association, to promote the recreation, health, safety and welfare of the residents of the Subdivision and, in particular, for the administration, acquisition, construction, landscaping and improvement and maintenance of Common Properties, including, but not limited to, the costs of utilities, repairs, replacements and additions, the cost of labor, equipment, materials, management, maintenance and supervision, the payment of taxes assessed against the Common Properties, the procurement and maintenance of insurance in accordance with this Declaration, the payment of charges for garbage services, water furnished and water and sewer services or other utilities rendered to the Common Properties, the employment of attorneys, accountants, employees, management companies and contractors as shall be required for the orderly and efficient discharge of its business and the operation of the Association's Common Properties, emergencies, and for all other purposes set forth in this Declaration and such other needs as may arise, or as may be required in the judgment of the Association's Board of Directors. The Association shall be authorized to establish reserve funds in such amounts and for such purposes as the Board of Directors of the Association shall determine in their best judgment.

Section 3. Annual Assessment. The Declarant initially shall set the annual assessment at the sum of the Three Hundred and no/100s (\$300.00) Dollars, and thereafter the Board of Directors, shall fix the annual Assessment based upon the annual budget of the Association as provided herein. When the Board of Directors fixes the annual Assessment for each calendar year, the Board shall at the same time, and in connection therewith, prepare or cause to be prepared, an annual budget showing the services furnished by the Association, and the costs thereof per Lot. The Declarant shall determine the time and year during which the first assessments shall be due. After the first year, the annual assessment may be increased each year by the Board of Directors of the Association by an amount not in excess of ten (10%) per cent per year, or the percentage increase between the first month and the last month on an annual assessment period in the Consumer Price Index, a U.S. City Average, All Items (1967-100) (hereafter "C. P. I. ") issued by the U. S. Labor Department in its monthly report entitled "The Consumer Price Index, U. S. City Average and Selected Areas" whichever of these two percentage figures is larger. In the event that the C. P. I. referred to above shall be discontinued, there shall be used the most similar index published by the United States Government that may be procured indicating changes in the cost of living.

In the event the Board does not increase the annual assessment in a given year, or increases it in an amount less than that which is authorized by this Section 3, the Board shall be deemed to have reserved the right and shall be authorized in subsequent years to implement that reserved portion of the authorized but unexercised increased authority but any application of same may only be given prospective application.

Section 4. Special Assessments for Capital Improvements. In addition to the annual Assessments authorized above, the Association may levy, in any calendar year, a special Assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Properties, including, but not limited to, fixtures, personal property related thereto or for any other purpose not prohibited by this Declaration, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of Members voting in person or by proxy at a meeting called for such purpose. All special Assessments shall be set at a uniform amount for all Lots and may be collected on a monthly, quarterly or yearly basis.

Section 5. Uniform Assessment. Except as hereinafter provided in Section 8, all annual Assessments shall be set at a uniform amount for all Lots and shall be collected on a monthly, quarterly or yearly basis, or any other basis approved by the Board of Directors.

Section 6. Association's Working Capital. After this Declaration is recorded, and upon conveyance of a Lot by the Declarant, the Board of Directors shall assess each Owner the sum of Two Hundred and no /100 (\$200.00) dollars.

or a sum equal to one (1) years assessment, whichever is greater, for working capital. Such sums are separate and distinct from annual Assessments and shall not be considered advance payments of such Assessments, and shall only be due and payable upon the initial sale and conveyance of such Lot by the Declarant. Each Owner's share of the working capital fund must be collected from such Owner upon his initial purchase of a Lot, and must be transferred to the Association at the time of said closing of such lot purchase.

Section 7. Date of Commencement of Annual Assessment; Due Dates. The annual Assessments provided for herein shall commence as to any Lot on the day of the conveyance of such Lot by Declarant. The first annual Assessment shall be adjusted according to the number of months remaining in the calendar year and the number of days remaining in the month of conveyance. Annual Assessments shall then be due and payable by the 5th day of January of each year. At least thirty (30) days in advance of each annual Assessment period, the Board of Directors shall fix the amount of the annual Assessment and notify every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at a rate equal to the lesser of (a) eighteen (18%) per cent per annum or (b) the maximum rate provided by applicable law. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot in like manner as a mortgage of real property, or both. Upon exercise of its right to foreclose, the Association may elect to declare the entire remaining amount of the annual Assessment due and payable and collect the same through foreclosure. Penalties, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such Assessment. In the event of any such foreclosure, the Owner shall be required to pay a reasonable rental for the Lot after commencement of the foreclosure action, and the Association in such foreclosure shall be entitled to the appointment of a receiver to collect the same. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

Additionally, the Membership rights of any member may be suspended by action of the Directors during the period when the Assessments remain unpaid; but, upon payment of such Assessments, his rights and privileges shall be automatically restored. If the Directors have adopted and published rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of any person thereon, as provided in the Declaration, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days for each violation.

Section 9. Subordination of the Lien. The lien of Assessments provided for herein shall be subordinate to the lien of any first mortgage upon such Lot. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to the payment thereof, which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due from the lien thereof nor shall it relieve the Owner(s) of personal liability for the sums due.

Section 10. Declarant reserves the right to not establish the Association described herein, or to collect the assessments described, or to do so at any time in the future that Declarant deems appropriate.

ARTICLE VI USE RESTRICTIONS

Section 1. Land Use and Building Type. Lots shall only be used for private site stick built single-family residential homes; provided, however, that nothing herein shall prevent Declarant from using any dwelling as a model, sales office or construction office nor to prevent any Owner from conducting ordinary sales efforts to sell his house or lot. All homes shall be constructed by a licensed contractor/builder. It is the intention of this restriction to prohibit the parking of any "homemade" home on any of the aforesaid lots. All homes will consist of a minimum of Six (6) inch overhangs, both front and rear, shingled roofs and shall have an exterior of wood, brick, masonite or vinyl siding. No home may be placed on any lot without the prior written approval and consent from the Declarant. Additionally, all homes will be on a monolithic slab with a minimum of 3000 psi concrete. NO modular or manufactured homes shall be permitted in Rosedale.

Section 2. Signs. No sign of any kind shall be displayed to public view on a "Lot: or the Common Properties without the prior written consent of the Declarant and approval by the Horry County Zoning Department, except customary name and address signs and lawn signs of not more than six (6') square feet (e. g. 2' x 3' maximum dimensions) in size advertising a Property for sale or rent. Provided however, temporary signs advertising financing or construction services may be displayed during actual construction of improvements or for four (4) months, whichever is shorter. Declarant may display such signs for the sale or improvement of the Property, as it deems necessary so long as Declarant owns any Lot.

Section 3. Dwelling Specifications. No dwelling shall be erected on any Lot unless its plans and specifications have been approved by Declarant and said approved dwelling must contain no less than 1,000 heated square feet.

Section 4. Driveways. All driveways must be installed with the following minimum dimensions: Twenty (20) feet wide with the ends of the driveway attached to the street asphalt. Driveway must be in place at the time of occupancy. The Driveway/Landscape package must be purchased from the Declarant and be in place before a closing can take place.

Section 5. Landscaping. All front yards must have sod and must be maintained in a reasonable manner. The front yard of homes shall have a minimum of Seven (7) shrubs. All trees must be trimmed to a minimum of eight (8) feet from the ground. Lawns must be cut and trimmed at least once every ten (10) days. If grass exceeds eight (8) inches in height, the developer reserves the right to enter onto the property and cut the grass and charge the sum of One Hundred and no/100s (\$100.00) Dollars to the lot owner. Developer may require 1 or 2 trees to be planted before closing. Developer may require one (1) or two (2) trees to be planted before closing.

Section 6. Fences. Fences shall only be permitted in the back yard of beginning at the rear of the home. All fences must be vinyl and shall be a minimum of four (4) feet in height and no more than six (6) feet in height. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the Declarant. There shall be no fences permitted in the front yard of any lot. If any fence is erected or installed without prior written consent and approval of the Declarant, Declarant shall have the right to remove said fence at the Owner's expense.

Section 7. Nuisance. No noxious or offensive activity shall be carried on upon any Lot or Common Properties, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood, with the exception of the business of the Declarant and the transferees of the Declarant in developing all of the Lots.

No barking dogs, or devices or things of any sort, which is any way noxious, dangerous, unsightly, unpleasant, or of a nature as may demolish or destroy the enjoyment of other property or property owners shall be permitted upon the property.

Section 8. Animals. No animals, livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling, except that no more than three (3) household pets (including no more than two (2) dogs) may be kept or maintained provided that they are not kept for commercial purposes and provided further, that they shall not constitute a nuisance or cause any unsanitary conditions. Dogs, cats and other household pets shall be permitted in the Common Properties, subject to the rules and regulations of the Association, only if control of such pets is maintained by leashes. Each owner of said animal shall be responsible for the waste of any animal and the cleanup of said waste.

Section 9. Resubdivision. No lot shall be subdivided or reduced in size nor any lot lines altered without the prior written consent of the Declarant, its successors and assigns. Before an Owner attempts to combine two (2) or more adjoining Lots to create one Lot for the construction of a single residence thereon, there must be prior written consent of the Declarant and from that date forward the resulting combined lot may not be subdivided or its boundaries changed without the written consent of the Declarant or the Board.

No residence or building, including porches and projections of any kind, shall be erected so as to extend beyond, over or across the setback lines shown on the recorded plat of the Subdivision which includes that particular lot.

Section 10 Temporary Structures. No structure of a temporary nature shall be erected on or allowed to remain on any Lot without written permission for the same by Declarant or the Board. At no time shall there be any structure of any kind permitted other than those that are attached to the dwelling including, but not limited to, garages, storage buildings, dog houses or any other like structure.

Section 11. Vehicle Storage. No inoperative or unlicensed vehicle or vehicle in a state of noticeable disrepair shall be kept or stored upon any Lot or Common Property nor may any repair work be done to any motor vehicle, boat or trailer except for very minor repair work requiring less than one day's work. Boat and camper storage shall be permitted provided that they are stored on concrete pads and shall be stored only in side yards. All vehicles shall be parked either on a concrete driveway or on a concrete pad located in the side yard of the dwelling.

Section 12. Water and Sewer Systems. No individual water or sewer system shall be installed on any Lot and each Lot must be connected to a public water and/or sewer system if it is available to the Lot. Nothing herein shall be construed so as to prevent the construction and operation of a "shallow well" for lawn irrigation purposes.

Section 13. Outside Antennas. No outside radio antenna, satellite dish or television antenna shall be erected on the Lots unless and until approved by the Declarant in writing. Additionally, satellite dish approval must be given by the Declarant in writing. Declarant may withhold such approval for any reason, including, but not limited to, purely aesthetic ones.

Section 14. Clothes Drying and Clotheslines. No clotheslines and no drying or airing of any clothing or bedding shall be permitted outdoors on the Lots or houses or over the deck railings of any dwelling.

Section 15. Completion of Construction. The exterior of all houses and other structures must be completed within six (6) months after the construction of the same shall have commenced, except where such completion is impossible, or would result in great hardship to the Owner or builder due to strikes, fires, and national emergency or natural calamities. House or other structures may not be temporarily or permanently occupied until the exteriors thereof have been completed and the applicable governmental authority has permitted such occupancy.

During the continuance of construction, the Owner shall require the contractor to maintain the Lot in a reasonably clean and uncluttered condition. Upon completion of construction, the Owner shall cause the contractor to

immediately remove all equipment and tools and shall require that all construction be completed within ninety (90) days of occupancy or substantial completion, whichever date shall first occur. Nothing contained herein shall preclude a builder of speculative homes from leaving floors, countertops and wall coverings unfinished until sold. Failure to comply with the provisions of this Section shall result in the Owner paying a fee to the Declarant of \$100.00 per day for each day of violation.

Section 16. Prohibited Work. No Owner shall do any work which would jeopardize the soundness and safety of the Property, reduce the value thereof or impair any easement or hereditament without, in every such case, unanimous written consent of all other Property Owners affected being first obtained.

Section 17. Rebuilding Requirement. Any Dwelling or other structure on any Lot which may be destroyed in whole or in part by fire, windstorm or by any other cause or act of God must be rebuilt or all debris removed and the Lot restored to a natural condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than three (3) months.

Section 18. Repairing Requirement. Each Owner shall, at his sole cost and expense, repair his residence, keeping the same in a good condition comparable to the condition of such residence at the time of its initial construction, excepting only normal wear and tear.

Section 19. Elevation and Drainage Changes. No changes in the elevation, topography or drainage characteristics of any Lot within the Subdivision shall be made without the prior written approval of the Declarant or the Association Board of Directors nor shall any fill be used to extend any Property beyond any water line of any lakefront lot.

Section 20. Oil and Mining Operations. No oil drilling, oil development operations, mining operations of any kind, including exploration, shall be permitted upon any Lot nor shall oil wells, tanks, tunnels, mineral excavations or the construction of mining shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot.

Section 21. Lighting. No mercury vapor or similar lights which are situate upon poles similar to street lights shall be permitted on any Lot without the prior written consent of the Declarant, the ARB or the Board which may decline such consent in its sole discretion and may, but shall not be obligated to, consider the feeling of adjoining Lot owners.

Section 22. Tree Removal. No trees or bushes of any kind having a diameter of four (4) inches or more (measured from a point two (2) feet above the ground level) shall be removed from any Lot without the express written authorization of the Declarant, the ARB or the Board of Directors. Declarant shall further have the authority to require any Owner removing a tree in violation of this provision to replace it at such Owner's cost.

Section 23. Garbage Disposal. Each Owner shall provide garbage receptacles or similar facilities in accordance with reasonable standards established by the City or County and/or the Association, which shall be visible from the streets on garbage pick-up days only. All garbage containers must have a lid and remain closed or covered at all times. No garbage or trash incinerator shall be permitted upon the premises. No burning, burying or other disposal of garbage or trash on any Lot or within the Subdivision shall be permitted.

Section 24. Certain Vehicles Prohibited from Lots. No tractor trailers or mobile homes, motorcycles, or other habitable motor vehicles of any kind, whether self-propelled or not, school buses, large commercial vehicles, boat

trailers, or boats shall be kept, stored or parked overnight on any Lot, Common Properties or street within the Subdivision without prior written consent from the Declarant, except that the storage of motorcycles, boat trailers and boats is permitted if inside a closed garage or if adequately screened from view. Screening must be approved by the Declarant. Any major mechanical or repair work performed on any motor vehicle shall be done in an enclosed garage or carport, and shall not be visible from the street. No inoperative vehicles or vehicles not bearing a current standard license plate or in a state of disrepair shall be allowed to remain on any lot.

Section 25. Discharge of Firearms. No one shall discharge any firearms within the Subdivision.

Section 26. Discharge of Hazardous Materials. No one shall release, discharge, dispose of or allow to escape onto Lots, Common Areas, lake(s), pond(s) or other nearby wetlands any oils, petroleum products, alcohol, paints or other hazardous substances.

Section 27. Altering Wetlands Prohibited. No Owner of a Lot adjoining any wetland on the Property shall dredge or otherwise alter the wetlands without Declarant's written permission.

Section 28. Mailboxes. All mailboxes or other receptacles for receiving newspapers, mail and other communications shall be uniform throughout the Subdivision and must be approved by the Declarant or the ARB.

Section 29. Garage Doors. All Owners of houses with garages facing a street shall make all efforts to keep the garage doors closed except when necessary.

Section 30. Parking. Each lot shall have off street parking for not less than four (4) vehicles. All cars or motorcycles shall be parked in an orderly and neat fashion in a driveway, carport or garage. No Owner shall park, or allow to be parked, autos or other vehicles on the yards or other non-driveway portions of a Lot. All vehicles must have current tags and insurance to be located in Rosedale. No commercial vehicles or heavy equipment shall be allowed overnight. No vehicles over One (1) ton shall be allowed on the property. Vehicles found in violation of these covenants will be towed at the owner's expense without notice.

Section 31. Special Hazards. Each Owner accepts and assumes all the risks and hazards of ownership or occupancy attendant to the ownership of such Lot, including, but not limited to, its proximity to any Common Properties or bodies of water. Specifically, the Declarant does hereby disclaim any and all liability for any property damage or personal injury resulting from erosion along the bank of any lake or body of water, and all ditches, streams, lakes, lagoons or other bodies of water located in the Subdivision or adjacent to the Subdivision.

Section 32. Additional Restrictions on Drainage Areas.

(a) No Owner other than Declarant, may pump water from, add water to, drain or in any other way interfere with the water in any drainage areas on the Property. All Owners of lots adjacent to drainage areas shall properly maintain the area on his lot including, but not limited to, keeping underbrush, grass and other plants cut and neat. No such Owner shall dig or dredge to enlarge the drainage area, or fill to reduce the size of the drainage area. In the event any such Owner fails to comply with this paragraph the Association may enter upon his lot and perform the Owner's duties, and the Owner shall be responsible to the Association for all costs associated therewith.

(b) All purchasers of lots adjoining any drainage area assume all hazards and risks normally associated with water and water action including, but not limited to, the hazards of children, animals and property.

Section 33. Reservation of Easements. In addition to those easements granted in this Declaration and those shown on the Subdivision Plat, as well as those easements shown on the Plat or Plats of any Additional Property subsequently subjected to the plan and operation of this Declaration, and not as any limitation thereof, a perpetual, alienable and transferable right and utility and drainage easement on each Lot is hereby reserved by the Declarant for itself and its agents, devisees, successors and assigns, along, over, under and upon the Lots and Common Properties subject to this Declaration.

Section 34. Mutual Easements. There shall be appurtenant to each Lot a non-exclusive easement for the use of all pipes, wires, cables, conduits, utility lines, flues and ducts serving the improvements thereon and situated upon any other Lot. Each Lot shall be subject to an easement in favor of other Lots for use of all pipes, wires, cables, conduits, utility lines, flues, and ducts situated on or across such Lot and serving other Lots. In addition, and subject to all rules and regulations promulgated by the Association and to the easements and Assessments set forth herein, each Owner, his lessees and guests, shall have a nonexclusive easement and right to use the areas designated as bridges, paths, streets, roads, walkways and systems to travel to and from his Lot and to and from the Common Properties, and a right and easement of enjoyment in and to the Common Properties. All such easements shall be appurtenant to and shall pass with the title to each Lot.

Section 35. Storage Buildings. A storage building not to exceed 300 square feet and not exceeding Eight (8) feet in height and not exceeding Twenty (20) Feet in width may be located on the lot subsequent to the Declarant's written approval of design, color, material and location. It is the Declarant's intent that such storage buildings be reasonably consistent with other buildings and with the home in appearance.

Section 36. Toys or other Playground Type Equipment. All playground equipment, including but not limited to, swings, swing sets, merry-go-rounds, playpens, sandboxes, toys, etc., shall be located in the rear yard of the home. In addition, this equipment is to be kept in a neat and orderly fashion.

Section 37. Setbacks. All homes must be placed a minimum of Twenty (20) Feet from the front property line, Fifteen (15) Feet from the rear property line, and Ten (10) Feet from the side property lines. Lots located on a corner shall be placed a minimum of Twenty-Two and one half (22 ~) Feet on the street side and Ten (10) Feet on the easement side. The Declarant reserves the right to make modifications to these requirements to accommodate special circumstances when in the Declarant's sole discretion such would not be detrimental to the development as a whole.

Section 38. Lot Appearance. No personal property including, but not limited to, toys, wading pools, lawnmowers, ATV's, etc., shall be left in the front yard of any lot overnight. Any violation cited by the Declarant its successors and/or assigns, or the Board shall result in a fine of One Hundred and no/100s (\$100.00) Dollars per day for each occurrence.

Section 39. Road Dedication. All roads are intended to be public and to be dedicated to Horry County. Until the roads are dedicated to Horry County, the Declarant shall be responsible for the maintenance of the roads.

ARTICLE VII INSURANCE AND CASUALTY LOSSES

Section 1. Insurance.

(a) The Board of Directors or its duly authorized agents shall have the authority to and shall obtain and continue in effect adequate property, casualty liability and other insurance, in such form as the Board deems appropriate, for the benefit of the Association. The cost of such insurance shall be a common expense.

All such insurance coverage obtained by the Board of Directors shall be written in the name of the Association as Trustee for the respective benefited parties, as further identified in (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(i) All policies shall be written with a company licensed to do business in South Carolina which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by AM Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating.

(ii) All policies on the Common Area shall be for the benefit of Owners and their Mortgagees as their interests may appear; all policies secured at the request of a Neighborhood shall be for the benefit of the Owners and Mortgagees of their Lots within the Neighborhood.

(c) Exclusive authority to adjust losses under policies in force on the Properties obtained by the Association shall be vested in the Association's Board of Directors; provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Horry County, South Carolina, area.

(f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:

(i) A waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the Owners, and their respective tenants, servants, agents, and guests;

(ii) A waiver by the insurer of its rights to repair, and reconstruct, instead of paying cash;

(iii) That no policy may be cancelled, invalidated or suspended on account of anyone or more individual Owner;

(iv) That no policy may be cancelled, invalidated, or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable

time thereafter within which the defect may be cured by the Association, its manager, any Owner, or mortgagee;

(v) That any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) That no policy may be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

ARTICLE VIII FINANCING PROVISIONS

Section 1. Approval of Owners and Holders of First Mortgages. Unless at least seventy-five (75%) percent of the Owners and fifty-one (51%) percent of the holders of first mortgages which are owned or insured through the FNMA, FHA or similar agency on Lots located within the Properties, have given their prior written approval, the Association shall not:

(a) Change the method of determining the obligations, assessments, dues or other charges, which may be levied against a Lot Owner, or of the voting rights of the Owners.

(b) Change the responsibility for maintenance and repairs as may otherwise be set out herein.

(c) Impose any restriction upon an Owner's right to sell his Lot.

Section 2. Books and Records. Any Owner or holder, insurer or guarantor of a first mortgage on any Lot will have their right to examine the books and records of the Association, current copies of this Declaration and any Rules and Regulations during any reasonable business hours and upon reasonable notice. Any holder of a first mortgage shall be entitled, upon written request, to a copy of the Association's financial statement for the previous year.

Section 3. Payment of Taxes and Insurance Premiums. The Owners and holders of first mortgages on Lots may, jointly or singly, pay taxes or other charges which are in default and which may have become a charge or lien against any of the Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage upon the lapse of a policy for property owned by the Association and the persons, firms or corporations making such payments shall be owed immediate reimbursement therefore from the Association.

ARTICLE IX DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant may be transferred to other persons or entities, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and

duly recorded in the Official Records of Horry County, South Carolina. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the property set forth in Exhibit "B" in any manner whatsoever.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as sale -of Lots by Declarant shall continue, it shall be expressly permissible for Declarant to maintain and carryon upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the sale of such Lots, including, but not limited to, business offices, signs, model units and sales offices. The Declarant shall have an easement for access to such facilities. The right to maintain and carryon such facilities and activities shall include specifically the right to use residences owned by the Declarant, if any, and any which may be owned by the Association.

So long as Declarant continues to have rights under this paragraph, no person or entity shall record any declaration of restrictions and protective covenants or similar instruments affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of restrictions and protective covenants or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant, provided, however, the rights contained in this Article shall terminate upon recording by Declarant of a written statement that all sales activity has ceased.

ARTICLE X GENERAL PROVISIONS

Section 1. Application. All Property Owners, their guests, family members, employees, tenants, or any other persons who may in any manner use the Properties or any portion thereof, shall be subject to the provisions of this Declaration.

Section 2. Enforcement. Declarant, the Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by Declarant, the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event Declarant or the Association undertakes enforcement, a violator or violators shall be obligated to reimburse Declarant or the Association in full for all direct and indirect costs, including but not limited to legal fees, incurred in maintaining compliance with these restrictions in the event Declarant or the Association prevails in such enforcement proceedings.

Section 3. No Partition. Except as is permitted in this Declaration or any amendment hereto, there shall be no physical partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any such judicial partition, unless the Properties have been removed from the provisions of this Declaration. This article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 4. Severability. Invalidation of anyone of these covenants, easements and restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 5. Duration. The covenants and restrictions of this Declaration shall run with and bind the Property constituting the Subdivision, and shall inure to the benefit of and be enforceable by the Declarant, the Association or any Owner for a period of thirty (30) years from the date hereof and thereafter shall automatically continue in

effect for additional periods of ten (10) years each, unless otherwise agreed to in writing by the then Owners of at least seventy-five (75%) per cent of the Lots.

Section 6. Assignment. The Declarant shall have the right to assign to anyone or more persons, firms, corporations, partnerships or associations any and all right, powers, duties, easements and estates reserved or given to the Declarant in this Declaration specifically including, but not limited to, the right to submit Additional Property and Other Property to the terms hereof.

Section 7. Amendments by Declarant. For a period of thirty (30) years from the date of recording of this Declaration, the Declarant may amend this Declaration in any particular, except relating to assessments, by an instrument in writing filed and recorded in the office of the Register of Deeds for Horry County, South Carolina, with or without the approval of any Owner or mortgagees, except as limited herein. Any amendment made pursuant to this Section shall be certified by Declarant as having been duly approved by Declarant, and shall be effective only upon recordation or at such later date as shall be specified in the amendment itself. Each Owner, by acceptance of a deed or other conveyance to a Lot, agrees to be bound by such amendments as are permitted by this Section. In addition to the foregoing amendment rights, the Declarant shall have the right at any time to amend the covenants and restrictions of this Declaration to correct typographical or clerical errors, and as may be required by any governmental authority, institutional or governmental lender, insurer or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration or the Federal Housing Administration. No amendment affecting Lenders' rights shall be made without the written consent of the lenders holding mortgages on Seventy-Five (75%) percent of the lots then comprising the Subdivision.

Section 8. Amendments by Association. In addition to the amendments by Declarant set forth in the previous Section of this Declaration, this Declaration may be amended at any time by an instrument signed by the Owners of not less than seventy-five (75%) per cent of the Lots, excluding those owned by the Declarant; provided, however, that during any period in which the Declarant owns a Lot or other Property within the Subdivision, no such amendment shall be valid unless approved in writing by the Declarant. In addition to the foregoing method, amendments to this Declaration may be proposed and adopted in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting of the Association at which such proposed amendment is to be considered and shall be delivered to each Member of the Association.

(b) At such meeting, a resolution adopting a proposed amendment may be proposed by either the Board of Directors or by Members of the Association. Such amendment must be approved by Owners holding at least seventy-five (75%) per cent of the total votes in the Association, excluding the Declarant's votes; provided, however, that during any period in which the Declarant owns a Lot within the Subdivision or has the option under this Declaration to add Additional Property or any portion thereof to the Subdivision, such amendment must be approved by the Declarant.

(c) The agreement of the required percentage of the Owners and, where required, the Declarant, to any amendment of this Declaration shall be evidenced by their execution of such amendment, or, in the alternative, the sworn statement of the President of the Association attached to or incorporated in the amendment executed by

the Association, which sworn statement shall state that the agreement of the required parties was lawfully obtained. Any such amendment of this Declaration shall become effective only when recorded or at such later dates may be specified in the amendment itself and shall be subject to the approval of Declarant, its successors and assigns.

Section 9. Waiver. No provision hereof shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches, which may have occurred.

Section 10. Gender and Number. All pronouns used herein shall be deemed to include the masculine, the feminine and nonpersonal entities, as well as the singular and plural wherever the context requires or permits.

Section 11. Rule Against Perpetuities, etc. Declarant herein shall not in any way or manner be liable or responsible for any violation of these restrictions by any person other than itself. In the event that any of the provisions hereof are declared void by a court of competent jurisdiction by reason of the period of time herein stated for which the same shall be effective, then and in that event, such terms shall be reduced to a period of time which shall not violate the Rule Against Perpetuities or any other law of the State of South Carolina, and such provision shall be fully effective for such reduced period of time.

WITNESS our hands and seals this ____ day of _____, 2010

Declarant: Rosedale, LLC

WITNESSES:

By: Jack W. Barnhill
Its: President

By: Christopher W. Barnhill
Its: Vice-President

By: S. Kevin Barnhill
Its: Secretary

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF HORRY

PERSONALLY appeared before me the undersigned witness and made oath that (5) he saw the within named Declarant, sign, seal and as their act and deed, deliver the within written instrument, and that (s) he with the other above witness witnessed the execution thereof.

Witness

SWORN to before me this _____ Day of _____, 2007.
Notary Public for South Carolina

My Commission expires: _____