



RULES AND REGULATIONS

IMPORTANT! READ CAREFULLY

Oceanside Village, LLC (the "Landlord") has established the following Rules and Regulations for the development known as *OceanSide Village* (the "Rules"), which is an integral part of each Sublease Agreement (the "Sublease"). These Rules are effective as of July 1, 2003. According to the terms and provisions of each Sublease, all RESIDENTS, family members, guests, and visitors agree to abide by the Rules as amended from time to time during the term of the Sublease. The LANDLORD reserves the right in its sole discretion to modify, amend, supplement, add to, or delete the Rules at any time upon 30-days written notice as allowed in each Sublease. All changes will also be posted in and may be obtained from the on-site OceanSide Village Management Office. Violation of any of the Rules is a default under the Sublease and in the event of a default the LANDLORD is entitled to all remedies at law including those expressly stated in these Rules and in the Sublease Agreement.

The following are the Rules applicable to the entire development known as OceanSide Village (as defined herein), together with such additional properties now or hereafter owned, leased, managed or controlled by LANDLORD and as may be brought into and made a part of OceanSide Village.

BACKGROUND STATEMENT

LANDLORD is the lessee of the real property comprising the development known as OceanSide Village and, in accordance with the provisions of the Sublease Agreement with each RESIDENT, LANDLORD has established certain rules and regulations for the purpose of protecting the value and desirability of the properties within the VILLAGE.

NOW, THEREFORE, LANDLORD does hereby declare that the properties within the VILLAGE, including the individual LOT of each RESIDENT, shall be subleased, held, rented, and subject to the following covenants which shall run with the land:

ARTICLE I

DEFINITIONS

Section 1. “**Club**” shall mean the non-profit corporation known as *Oceanside Village Community Club* set up for the benefit of LANDLORD for handling the Amenities Fees paid by each RESIDENT for the operation and maintenance of the VILLAGE.

Section 2. “**Common Area**” shall mean all real property (including the improvements) owned by the LANDLORD within the VILLAGE over which RESIDENTS and others have been granted non-exclusive use easements for the common use and enjoyment of the same.

Section 3. “**Landlord**” shall mean and refer to Oceanside Village, LLC, a North Carolina limited liability company authorized to do business in South Carolina, its successors and assigns.

Section 4. “**Lot**” shall mean and refer to any plot of land shown upon any subdivision map of the VILLAGE that is, or may be, subleased by LANDLORD to a RESIDENT for use as a RESIDENCE, excluding any Common Area.

Section 5. “**Management**” or “**Management Agent**” shall mean and refer to the on-site Management company designated by LANDLORD to provide administrative and Management services for the VILLAGE as authorized in the Sublease and in the Rules.

Section 6. “**Premises**” shall mean and refer to any LOT of an individual RESIDENT together with a non-exclusive right to use the common areas, roadways, walkways, parking areas and other amenities, which may from time to time be provided for use of RESIDENT by LANDLORD.

Section 7. “**Residence**” shall refer to the dwelling, manufactured home, or modular home owned by a Resident that is located on a Lot within the Village.

Section 8. “**Resident**” shall mean and refer to the record holder, whether one or more persons or entities, of a sublease to any LOT which is a part of the VILLAGE.

Section 9. “Rules” or “Rules and Regulations” shall mean those rules and regulations established for the VILLAGE by LANDLORD as may be amended from time to time.

Section 10. “Village” shall mean the real estate development collectively known as OceanSide Village, presently comprised of Oceanside Village, Melody Gardens, The Keys at Oceanside, and Bermuda Bay, located near Surfside Beach in Horry County, South Carolina, together with such additional properties now or hereafter owned, leased, managed or controlled by LANDLORD and as may be brought into and made a part of OceanSide Village by LANDLORD.

ARTICLE II

BI-ANNUAL SUBLEASES, TERM EXTENSIONS, AND MONTHLY RENTAL

The VILLAGE is a private residential gated community. All Subleases are entered into on a bi-annual basis only and so long as LANDLORD has not notified RESIDENT of any default, the sublease term will automatically be extended for consecutive two (2) year terms, with a maximum possible sublease term ending no later than **June 30, 2077**, provided RESIDENT has paid all required lease and extension fees. In the event of default, however, RESIDENT understands that the Sublease may be terminated and acknowledges that no representations have been by LANDLORD regarding the renewal or extension of the Sublease term. **The monthly rental paid to LANDLORD includes payment of the Lease Fee (for occupancy of the LOT) and an Amenities Fee (for payment of all VILLAGE costs and expenses), both of which are due on or before the first day of each month.** These fees may be increased as authorized in the Sublease. Late fees will be charged after the 10th day of the month on all unpaid accounts.

ARTICLE III

GENERAL USE RESTRICTIONS

Section 1. **Residential Use.** The LOTS and RESIDENCES within the VILLAGE shall only be used for residential purposes as set forth in the

Sublease, the Rules, or any Amendments thereto, unless the written approval of MANAGEMENT is obtained. Otherwise, no RESIDENCE shall be utilized for any activity normally conducted as a business.

Section 2. **Nuisances.** No noxious or offensive activity shall be carried on upon any LOT, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood and the VILLAGE as a whole. There shall not be maintained any plants, poultry, livestock or animals (other than household pets as determined by the LANDLORD) or devices or things of any sort, the normal activities or existence of which is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other LOTS or property in the VILLAGE by the RESIDENT thereof.

Section 3. **Compliance with Laws.** No immoral, improper, offensive, or unlawful use shall be made of any LOT or property of a RESIDENT nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies that require maintenance, modifications, or repairs shall be the same as the responsibility for the maintenance and repair of the property concerned.

Section 4. **Appearance.** Each and every RESIDENT shall maintain and repair his or her LOT and RESIDENCE thereon and maintain same in a neat and attractive manner, and no RESIDENT shall allow his or her property to jeopardize or adversely affect the overall appearance, safety, and soundness of the entire VILLAGE, as determined by MANAGEMENT.

Section 5. **Pets and Animals.**

a. When outdoors, all pets must be accompanied by its owner or custodian and remain on a leash, even when on an owner's LOT. Pets shall not be staked, chained, or tied-up on a LOT or other property within the VILLAGE. Pet owners shall be responsible for all actions of their pets and no pet is allowed on the LOT of any other RESIDENT.

b. Owners are responsible for cleaning up after their pets and any excrement must be removed immediately and disposed of in a proper receptacle, not in the lakes or ditches.

c. Pets are not allowed to run “loose” within the VILLAGE. Pet cages are available from VILLAGE Maintenance for the temporary use by RESIDENTS to trap a pet that has come onto a RESIDENT’S property. VILLAGE Security personnel will not pick up stray pets. MANAGEMENT may deny any RESIDENT (or tenant) pet privileges should the pet disturb other RESIDENTS or cause damages or inconvenience repeatedly. Also, MANAGEMENT may levy fines for repeated violations that have been documented.

Section 6. Plans, Setbacks, Building Location. In approving plans and specifications for any RESIDENCE or improvement on a LOT, the LANDLORD may establish setback requirements for the location of such RESIDENCE or improvement. Guidelines for setbacks may be included in the design standards for each section or community of the VILLAGE. No RESIDENCE, improvement or other structure shall be erected or placed on any LOT unless its location is consistent with such setbacks and pre-approved by the LANDLORD. (See “*Architectural Standard and Control*”, Article V).

Section 7. Lot Line Changes By Landlord. The LANDLORD has reserved the right to adjust and modify the LOT lines within the VILLAGE so long as it does not interfere with the placement or location of a RESIDENCE on the LOT. A LOT (or LOTS) may be subdivided only if pre-approved by LANDLORD and provided the effect is to increase the size of the adjoining LOT or LOTS. In such cases, the LANDLORD in its sole discretion may alter the LOT lines to conform. Should the RESIDENT(s) of any LOT(s) and/or portions of LOTS which have been combined for a single building site subsequently wish to revert to the original plan of subdivision, or make any other combination which would not be in violation of this restriction, that may be done only if the written consent of the LANDLORD is first had and obtained, which consent may be withheld for any reason.

Section 8. Alteration of Building Lines. Where because of the size, natural terrain, or any other reason in the opinion of LANDLORD, it should be in the best interest of the development of the VILLAGE that the building lines of any LOT should be altered or changed from those set forth herein or shown on any plats of the VILLAGE properties, the LANDLORD shall have the sole and exclusive right to change the said lines to meet such conditions, which consent shall be evidenced on a plat or survey of the LOT(s) and recorded in the public records of Horry County, South Carolina.

Section 9. Utility Lines; Antenna. All electrical service, telephone, and utility lines shall be placed underground and no outside lines shall be placed overhead. No exposed or exterior radio or television transmission or receiving antennae or satellite dish shall be erected, placed or maintained on any part of the premises unless first approved by the LANDLORD or MANAGEMENT, which may adopt reasonable rules and regulations regarding such antennae and satellite dishes.

Section 10. Signs.

No signs whatsoever (including, but not limited to “for sale” signs and “for rent” signs) shall be installed or maintained on any vehicle, trailer, personal property, LOT, or any portion of a RESIDENCE or other structure visible from the exterior thereof, except:

a. Such signs as may be required by legal proceedings and for display of all building permits;

b. House numbers, a minimum of 4” but not more than 6” in height, affixed to the RESIDENCE as requested by the Horry County 911 program and emergency services.

c. Directional signs for vehicular or pedestrian safety in accordance with the plans and specifications approved by LANDLORD

d. Such other signs as LANDLORD may deem appropriate for certain communities or phases within the VILLAGE.

Section 11. Mail Boxes. The LANDLORD shall have the option of requiring uniform mail receptacles for delivery of all mail within any section or community of the VILLAGE, and it, or its MANAGEMENT AGENT, shall determine the location, color, size, design, lettering, and all other particulars of all mail and/or paper delivery boxes, and standards and name signs for such boxes in order that the area may be strictly uniform in appearance with respect thereto.

Section 12. Mining and Drilling Prohibition. No derrick or other gas structure designed for use in boring for oil or natural gas shall be erected, placed or permitted upon any part of such LOT, nor shall any oil,

natural gas, petroleum, asphaltum, or hydrocarbon products or minerals of any kind be produced or extracted from a LOT.

Section 13. Garbage Disposal.

a. Each RESIDENT is provided one blue roll out garbage can approved by MANAGEMENT for his or her LOT. RESIDENTS who rent their RESIDENCES and/or need an additional garbage can shall be responsible for providing one of a type approved by MANAGEMENT. No garbage or trash incinerators shall be permitted upon the premises. Garbage will be collected on the day(s) that are posted on VILLAGE bulletin boards. Garbage must be in plastic bags and placed in approved blue garbage cans that are set on the side of the road on collection days. Garbage cans shall only be allowed beside the roads on the designated collection day(s). Debris such as leaves must be bagged in trash bags to be picked up by VILLAGE Maintenance on the designated day(s). Garbage and debris should be set beside the road, but not on the road.

b. A separate charge will be levied against a RESIDENT when VILLAGE Maintenance picks up “non-qualifying garbage” or debris, defined herein as appliances, large tree limbs, unbagged yard debris, lumber, carpeting, building materials, furniture, and/or other similar non-residential trash or garbage. Such items may be placed in the dumpster located in the maintenance yard.

c. RESIDENTS shall remove all deteriorated (rusted, cracked, split, etc.) refuse or garbage cans and use only the approved blue roll out garbage cans. Garbage cans should have the Oceanside Village address visibly marked.

d. Upon the sale or transfer of a RESIDENCE, the blue roll out garbage can must remain at the RESIDENCE or a new one must be purchased by the RESIDENT.

Section 14. Temporary Structures. No structure of a temporary character shall be placed upon any LOT at any time, provided however, that this prohibition shall not apply to construction shelters used by a contractor during the period of construction, it being clearly understood that these latter temporary shelters may not, at any time, be used as RESIDENCE or permitted to remain on the LOT after completion of construction.

Section 15. No Storage Buildings. No detached storage building or other similar outbuilding or structure shall be placed on any LOT at any time, except those previously approved by Management.

Section 16. Boats and Trailers. No boats, jet skis, similar watercraft, or trailers may be maintained on any LOT unless the same is in a garage, carport, or the area under a pier house. Special permits may be obtained from the Maintenance Office for the temporary storage of boats, trailers, and similar recreational items in the Maintenance area of the VILLAGE in accordance with the Rules relating to “Recreational Vehicles” (See Article XI).

Section 17. Clotheslines. No clothesline shall be located upon a LOT except for a 4-sided telescoping clothesline approved in advance by Management and located in the most inconspicuous area of the LOT. Deck railings and carport areas may not be used as a substitute for clotheslines.

Section 18. Water Systems. No individual water supply system shall be permitted upon the premises with the exception of a shallow well to be used for irrigation, heating, and air conditioning system purposes only, which shallow well shall be approved in writing in all aspects, including the pump and the covering or screening thereof, by MANAGEMENT prior to installation.

Section 19. Commercial and Recreational Vehicles.

a. Except as authorized in Section 19(b) below, no commercial truck larger than ¾-ton, commercial van (to specifically include step-vans), bus, recreational vehicle, motor homes, campers, or like equipment of any kind shall be permitted on any LOT or within the right-of-way of any street in the VILLAGE. Permits may be obtained by permanent RESIDENTS to temporarily store such vehicles in the Maintenance Area of the VILLAGE upon compliance with the written policies of the VILLAGE. A RESIDENT within the VILLAGE shall be authorized to have a pickup truck with a company name or logo on the truck, subject to the rules and regulations of the LANDLORD. Notwithstanding the foregoing, any non-permitted vehicles or equipment may be stored on a LOT provided such vehicle or equipment is kept in an enclosed space, in a garage, a carport, or under a pier house, and is basically out of the public view of neighboring residences and streets.

b. Motor homes, travel trailers, recreational vehicles, and vans may be parked at a RESIDENCE only when used as RESIDENT's primary transportation, or for a period not greater than 3 days while preparing to travel on a trip of at least 3 days or returning from a trip. When applicable, written proof must be given to MANAGEMENT to evidence that such vehicle is RESIDENT's only means of transportation. No motor home or camper of any type will be permitted to hook up to an existing home for use as living quarters. The time limit of 3 days may be extended with MANAGEMENT's prior approval; otherwise RESIDENT must store the home off-site.

Section 20. Sewer System. No septic tank or other private or individual sewage disposal facility shall be placed upon any LOT in the VILLAGE for the collection and disposal of sewage, but only the public system provided shall be used as the sole means of sewage disposal.

Section 21. Landlord Not Responsible. Any person or entity other than itself shall not in any way or manner hold the LANDLORD liable or responsible for any violation of these Rules.

Section 22. Elevation and Drainage Changes. No elevation or topography changes shall be permitted on any LOT that materially affects the surface grade or drainage on that LOT or an adjoining LOT or other property, except as may be approved by MANAGEMENT. The LANDLORD reserves to itself or its designated representatives, the right to build any bridges, walkways, ramps, or fixed spans across any or all natural, or man-made canals, creeks or lagoons in the VILLAGE.

Section 23. Fences and Walls. Any fences and walls sought to be constructed on any LOT shall require the specific approval of the MANAGEMENT as to location, size, composition, configuration, exterior materials, color and other similar matters, which approval may be withheld for purely aesthetic considerations. No hedge, shrubbery or vegetation of any kind shall be grown or placed in the form of a fence on any of the LOT or LOTS herein referred to across the front street line of the said LOT or LOTS, or on either of the side lines of the said LOT or LOTS until such time as MANAGEMENT approves same as to location.

Section 24. Lot Maintenance by Resident. Each RESIDENT shall keep and maintain his or her LOT and RESIDENCE thereon, as well as all

landscaping located thereon, in good condition and repair, including but not limited to (i) the repairing and painting (or other appropriate external care) of the RESIDENCE and all structures, (ii) the pruning and trimming of all trees, hedges and shrubbery more than 3-feet from a RESIDENCE so that the same are not obstructive of a view by motorists or pedestrians of street traffic, and (iii) the maintenance of the area adjacent to a lake within the VILLAGE. All unimproved portions of a LOT shall be kept in a reasonable neat and clean condition. Notwithstanding the foregoing, the maintenance required hereunder shall also extend from the boundary of a LOT to the curbing or edge of the right-of-way bordering said LOT. If in the opinion of the LANDLORD or MANAGEMENT any RESIDENT shall fail to perform the duties imposed by this Section, then the MANAGEMENT AGENT shall give written notice to the RESIDENT to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the RESIDENT shall fail to take reasonable steps to remedy the condition with 30 days after the mailing of said written notice by certified mail, then the LANDLORD and/or MANAGEMENT shall be authorized to remedy the condition and assess the RESIDENT of said LOT with the reasonable costs thereof, and/or the RESIDENT may be held in default. Any assessment shall be collected in the same manner provided for the Lease and Amenities Fees herein.

Section 25. Mowing and Lot Maintenance. In order to maintain the overall beauty of the VILLAGE and to implement effective insect, reptile and woods fire control, LANDLORD and its agents have the right to enter upon any LOT or property with mowers, tractors or other suitable devices for the purpose of mowing, removing, clearing, cutting or pruning underbrush, weeds, or other unsightly growth, which in the opinion of the LANDLORD detracts from the overall beauty, setting and safety of the VILLAGE. The cost of basic lawn mowing and the pruning of trees within 3-feet of a RESIDENCE are done at the expense of the VILLAGE by MANAGEMENT. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed as trespass. The LANDLORD and its MANAGEMENT AGENT may likewise enter upon such LOTS to remove any trash that has collected on such LOT(s) without such entrance and removal being deemed as trespass. The provisions of the paragraph shall not be construed as an obligation.

Section 26. Sewer Repairs. Sewer line repairs outside the RESIDENCE or deck structure are the responsibility of VILLAGE Maintenance. All other repairs are the responsibility of RESIDENTS, including water breaks.

Although VILLAGE Maintenance will cap or shut off water for such breaks, RESIDENT's responsibility includes the first shut-off valve in addition to all transmission pipe between the first shut-off and RESIDENCE.

Section 27. **Electrical and "Gang Meter" Repairs.** Electrical problems are the responsibility of RESIDENTS. "Gang meters" are used throughout the VILLAGE to provide electrical service to several RESIDENCES and common problems may arise from time to time on these multi-meter bases. All RESIDENCES on a common meter will share the expenses for any repairs on an equal basis.

ARTICLE IV

LANDSCAPING, GROUNDS, AND RESIDENCES

Section 1. **Landscaping and Grounds.** The grounds around each RESIDENCE shall be kept free of toys, trash, debris, garbage, abandoned, unlicensed, or non-operational autos or golf carts, or similar junk of any kind. All grounds shall be maintained in a clean and orderly fashion to ensure the beauty of the VILLAGE. In the event a RESIDENT should fail to maintain the LOT or grounds as specified above, RESIDENT will be notified of such conditions and will be required to take immediate corrective action. Failure to fully comply with the request within 30 days of the date of such notice shall be a default under RESIDENT's sublease and, in addition to other remedies available to LANDLORD, LANDLORD may in its sole discretion undertake the necessary maintenance measures and invoice the RESIDENT for all costs of such measures, plus a reasonable profit, or LANDLORD may terminate the sublease in its sole discretion.

RESIDENT is required to maintain any landscaping added by RESIDENT around his or her RESIDENCE such as shrubs, trees, gardens, flowers, etc. The planting and removal of bushes, trees, etc., along LOT lines and adjacent to a street must be approved by MANAGEMENT. Plants or shrubs must not hinder driver visibility, particularly those located on corner LOTS.

Section 2. **Trees.** Trees or stumps that a RESIDENT desires to remove in order to make additions shall be removed at RESIDENT's expense, but only with the prior written consent of MANAGEMENT. Upon written request, the Maintenance staff at no charge will trim limbs within

three (3) feet of a RESIDENCE. Trimming of bushes for ornamental, safety, and maintenance purposes is permissible. Other tree problems will be handled on a case-by-case basis, but no trees or shrubs shall be removed without prior written consent of MANAGEMENT.

Section 3. Lakes and Canals.

a. **Banks.** Construction of seawalls on lake or canal banks are the responsibility of the RESIDENT and all construction requests must be in writing, reviewed by the Building and Grounds Committee, and approved by MANAGEMENT.

Public fishing is only allowed in common areas where designated. No one other than those having RESIDENT’S permission may fish on a canal bank or lake bank in front of RESIDENT’S home. Fishermen are encouraged to throw back all fish caught from any VILLAGE lakes and canals.

The lakes are deep and should be considered a danger to unsupervised children.

b. **Equipment.** No boating or floatation equipment, except maintenance watercrafts, will be permitted on any lake within the VILLAGE, including but not limited to:

- (1) Gasoline or electric powered boats;
- (2) Homemade rafts, canoes;
- (3) Manufactured rubber rafts.

c. **Activities.** The following activities are not permitted on any lake within the VILLAGE:

- (1) Swimming or wading;
- (2) Surfboard paddling;
- (3) Raft paddling;
- (4) Net fishing;
- (5) Throwing objects at waterfowl.

ARTICLE V

ARCHITECTURAL STANDARDS AND CONTROL

No RESIDENCE, building, fence, wall, or other structure shall be commenced, erected, or maintained upon any LOT, nor shall any exterior addition to, or change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted and approved in writing as to harmony of external design, color, and location in relation to surrounding structures and topography by LANDLORD or its MANAGEMENT AGENT. MANAGEMENT must approve all exterior paint colors. Applications for building permits must be filled out and submitted to the Building and Grounds Committee and approved by MANAGEMENT prior to any work being performed. The LANDLORD or MANAGEMENT shall have the absolute right to refuse approval of plans, location, or specifications herein required upon any ground that is consistent with the objectives of these Rules, including purely aesthetic considerations, so long as the ground is not arbitrary and capricious.

ARTICLE VI

SALE, RESALE OR TRANSFER OF RESIDENCE

The sale, resale, or transfer of a RESIDENCE in the VILLAGE by a RESIDENT (excluding LANDLORD or MANAGEMENT) shall be in accordance with the following procedures in addition to the provisions of the applicable Sublease affecting the RESIDENCE involved:

- a. RESIDENT must notify MANAGEMENT in writing of his or her intent to sell the RESIDENCE at least 30 days prior to the projected sale closing date.
- b. No RESIDENCE may be sold in the VILLAGE unless the selling agent is either the owner or a licensed South Carolina real estate agent. No sign will be displayed on or in any RESIDENCE, vehicle, or LOT advertising anything or any object for sale or rent.

c. If RESIDENCE is listed for sale with a real estate agent, the name of the agent and the address of agent's office must be provided in writing to MANAGEMENT within forty-eight (48) hours of giving the listing.

d. RESIDENT must give his or her real estate agent written authorization to enter the VILLAGE and the RESIDENCE, and provide an executed duplicate original to MANAGEMENT to keep on file. The authorization letter must be shown to Security by the real estate agent when entering the VILLAGE.

e. If RESIDENT (or his or her agent) grants permission to any other persons to inspect the RESIDENCE and those persons are not accompanied by RESIDENT (or the real estate agent), then those persons must report to the Security main office and present written proof of permission prior to entering the VILLAGE and the RESIDENCE.

f. RESIDENT (or the agent) shall notify MANAGEMENT when a written contract is accepted and provide a copy of the contract to MANAGEMENT. The sales contract must include a clause stating that it is subject to MANAGEMENT'S written approval of the application of buyer to sublease the RESIDENT'S LOT. MANAGEMENT must be provided with all applicable closing information and required documentation by RESIDENT (or the agent) prior to closing, giving MANAGEMENT at least 72 hours prior notice for preparation of the closing documents (if approved).

g. Prior to closing, all prospective buyers must complete an application to sublease RESIDENT'S LOT in the VILLAGE and such other documents as MANAGEMENT shall require, including, but not limited to, residency application, credit report, and next-of-kin card. A non-refundable processing fee is charged for the credit report and residency application. The selling RESIDENT'S key cards and all homeowner stickers must be removed from all of RESIDENT'S personal property and surrendered to MANAGEMENT, along with any family passes, frequent visitor passes, and golf cart permits, at or before the closing to obtain a release under the Sublease.

h. No application to sublease a LOT will be approved if past Lease and/or Amenities fees and all late charges, costs of collection, fines and interest thereon are not paid in full prior to closing. Upgrades to the

RESIDENCE may be required prior to a new sublease being approved by the LANDLORD or MANAGEMENT.

i. No for sale, for rent, or open house signs may be posted on any RESIDENCE or other property within the VILLAGE.

j. At the time of closing on a sale or transfer of a RESIDENCE, RESIDENT shall pay the CLUB a Transfer Fee computed under either subparagraph j(1) or j(2) below:

(1) **Three Percent (3%)** of the gross sales price of the RESIDENCE when the LANDLORD'S agent is not the listing broker;

OR

(2) **Six Percent (6%)** of the gross sales price of the RESIDENCE when the LANDLORD'S agent is not the listing broker and the purchaser (a) was a client of, or had registered to view property in the VILLAGE with, the LANDLORD'S agent; or (b) had been shown any LOT or RESIDENCE by Landlord's agent.

Transfers for no consideration to *immediate family* (defined herein as RESIDENT'S parents, spouse or children) are excluded from payment of the Transfer Fee if pre-approved in writing by LANDLORD upon proper application.

ARTICLE VII

STANDARDS REQUIRED FOR RESALE RESIDENCES TO REMAIN IN VILLAGE

a. MANAGEMENT may in its sole discretion inspect a RESIDENCE and LOT prior to granting approval for a RESIDENCE to be sold or transferred and remain on a LOT within the VILLAGE. As a precondition to allowing a RESIDENCE to remain on a LOT upon its resale or transfer, MANAGEMENT

may require that the RESIDENT repair, change, or modify the RESIDENCE, any utility building, any additional or other improvement, or any aspect of the LOT which is RESIDENT's responsibility to maintain which does not meet the resale standards of LANDLORD. Also, RESIDENT or the prospective purchaser must pay any extension or sign-up lease fee required by LANDLORD. In the event weather conditions prohibit completion of any required maintenance or modifications, alternative provisions may be made in the sole discretion of MANAGEMENT.

b. In order for a RESIDENCE to be transferred to another party (other than a member of a RESIDENT's immediate family who has been pre-approved in writing by LANDLORD), the RESIDENCE must be in compliance with all applicable laws, statutes, ordinances and codes, and in good condition (normal wear and tear excepted) specifically including, but not limited to, the following:

(1) All plumbing, mechanical, and electrical and smoke detection systems must be in good operating condition.

(2) All structural components of RESIDENCE, decks, roof, framework, support beams, tie-downs, piers, etc., must be sound and stable.

(3) All doors, windows, and awnings must be functional and fit properly.

(4) Exterior appearance of the RESIDENCE must be neat, clean, free from rotting, and the paint and/or vinyl must be in good condition, not peeling.

(5) RESIDENCE must be free from all infestation of insects, rodents, vermin, and pests.

(6) Lawn must be properly maintained and shrubbery must be trimmed to a size that will not interfere with vehicular traffic visibility.

c. RESIDENT must be in compliance with all obligations (including, but not limited to, all sums owed) under the Sublease with LANDLORD, and RESIDENT or the prospective purchaser must have paid any lease extension fee and not otherwise be in default under the Sublease. Further, RESIDENT

must not owe any unpaid utility bills, taxes, or other charges related to RESIDENT's ownership and use of the RESIDENCE. In the event RESIDENT is in default under the Sublease, LANDLORD shall have a lien upon the RESIDENCE being sold, and the first proceeds from the sale of the RESIDENCE shall be used to satisfy LANDLORD's claims and all costs and expenses incurred to enforce these Rules.

ARTICLE VIII

RENTAL PROCEDURES FOR RESIDENCES

A RESIDENT desiring to rent his or her RESIDENCE in the VILLAGE shall comply with the following procedures in addition to any set forth in the applicable Sublease:

a. RESIDENT shall give MANAGEMENT advance written notice that his or her RESIDENCE will be used for rental purposes. As applicable, RESIDENT shall provide the name, address, and phone number of any real estate agent or licensed property manager that will handle the rental. MANAGEMENT must also be given notice of any change in the prospective tenant or the rental agent. RESIDENT shall give the rental agent written authorization to enter the RESIDENCE and furnish a fully executed duplicate original to MANAGEMENT to keep on file. The agent must present the authorization to Security to gain entry into the VILLAGE.

b. Except in the case of a RESIDENT renting his or her own unit, no unlicensed person shall sell, handle, rent, or manage any RESIDENCE in the VILLAGE. MANAGEMENT reserves the right to require proof of proper licensing. The South Carolina Real Estate Commission has jurisdiction over all licensees and should be contacted should a RESIDENT have a dispute with a rental manager's procedures, but only after the broker-in-charge of the licensee has been contacted. It is a good policy to require the broker-in-charge's name and address when listing a RESIDENCE for rental.

c. RESIDENT must provide all persons who rent the RESIDENCE (hereafter "Tenant") with written proof of permission (i.e., contract or letter) to enter and occupy a RESIDENCE. Proof from RESIDENT (or from his or her authorized agent) shall include Tenant's name, home address, date of occupancy, and number of vehicles and must be executed by RESIDENT (or

RESIDENT's agent), and a duplicate signed original must be provided to MANAGEMENT prior to Tenant entering the Premises.

d. RESIDENT or RESIDENT's agent must provide Tenants with keys to the RESIDENCE, as keys cannot be left with Security at any time. All Tenants (daily, weekly, monthly, or annually) must have proper passes issued by the MANAGEMENT office.

e. RESIDENT (or an agent) must give Tenants a copy of the Rules, as amended. All Tenants are required to adhere to the Rules and it is RESIDENT's responsibility to post these rules in the RESIDENCE and fully explain them to any Tenant, as applicable.

f. Tenants must be provided with full instructions on procedures to follow in the event of an emergency (i.e., lock-out, electrical, plumbing, etc.) and the Tenant must contact RESIDENT or the rental agent in such an event. Security personnel cannot act as an agent or manager for the RESIDENT or guests/tenants at any time.

g. All agents, contractors, service personnel, maids (cleaning service), and others entering a RESIDENCE must provide Security with proof of written permission from RESIDENT prior to entering the VILLAGE and any RESIDENCE within the VILLAGE.

h. With the exception of weekly vacation renters and snowbirds, all other individuals desiring to rent in the VILLAGE are required to file a Residency Application with the MANAGEMENT AGENT and pay the application fee at the time of submission of the application. MANAGEMENT reserves the right to approve all rental applicants. Only upon approval of a Residency Application by MANAGEMENT will proper passes be provided to Tenant(s). Previous Tenants with a Residency Application on file will not be required to pay the residency application fee again. Immediate family relatives or RESIDENTS are exempt from this fee.

ARTICLE IX

TRAFFIC REGULATION, VEHICLE DECALS, AND PARKING

Section 1. Traffic Regulations. Traffic regulations on all roads and streets within the VILLAGE will be enforced under the provisions of the South Carolina Uniform Act for regulating traffic on private roads. A speed limit of 15 MPH is established on all roads and streets within the VILLAGE, except for a speed limit of 20 MPH on Oceanside Drive and Melody Gardens Drive. All traffic control signs, including but not limited to speed limit, stop, directional and no parking signs will be enforced. In addition to all other remedies, violation of the traffic regulations may also result in either a fine and/or loss of driving privileges within the VILLAGE.

a. FIRST VIOLATION: Written warning or a fine as the circumstances surrounding the violation warrant.

b. SECOND VIOLATION: Fine of not less than \$25 and not more than \$100.

c. THIRD VIOLATION: Fine and/or loss of driving privileges in the VILLAGE. Following revocation, driving privileges will not be reinstated until the expiration of at least 30-days and submission and approval of an application to the Security Committee or MANAGEMENT for reinstatement.

Violations by guests of RESIDENTS will be recorded and maintained in the respective RESIDENT's file and may result in the guests not being allowed entrance into the VILLAGE or not being allowed to drive within the VILLAGE, in the sole discretion of MANAGEMENT.

The volume of music from radios, boom boxes, etc. should be kept to a minimum within the VILLAGE. Loud music is not allowed to be heard outside of a vehicle nor from a golf cart. Violators may be ticketed and/or fined under the above procedures.

Section 2. Vehicle Registration and Decals. RESIDENTS must register all vehicles to be operated within the VILLAGE with MANAGEMENT. Unless a vehicle is properly registered with MANAGEMENT, or otherwise approved by VILLAGE Security, it will not be permitted on the roads, streets, or

rights-of-way. A RESIDENT decal, rental, family pass, hanging pass, or day pass must be visibly displayed at all times on all vehicles parked or moving in the VILLAGE. Violators will be considered as unauthorized and may be prosecuted as trespassers by MANAGEMENT.

MANAGEMENT will issue vehicle decals to all approved RESIDENTS who have registered his or her vehicle(s). Decals must be affixed to either the (i) left front bumper or (ii) left bottom corner of the front windshield of the vehicle. If a decal is lost, mutilated, or stolen a replacement decal must be obtained from MANAGEMENT. A key card is not a RESIDENT pass, and all RESIDENTS using key cards must have and display a proper vehicle decal.

Section 3. Motorcycles, Mopeds, Scooters, and 4-Wheelers.

Motorcycles, mopeds, and scooters (gas or electric) may only be used as transportation from a gate to a RESIDENCE. Four wheel ATV's or similar recreation vehicles are not allowed. Driving, racing, off-road cycling, or operation on the streets within the Village is otherwise strictly forbidden for motorcycles, mopeds, scooters, 4-wheelers, or similar vehicles.

Section 4. Street Parking.

On-street parking is not permitted, including the street at the postal center. All vehicles must be parked completely off the street and may not impede the visibility of others. Upon the pre-approval of MANAGEMENT, street parking for recreation vehicles is allowed for loading and unloading purposes only. No unlicensed or inoperable vehicles, including utility trailers, may be parked in common area parking LOTS or on a RESIDENT'S LOT for a period of more than 3-days without the prior written approval of MANAGEMENT.

Section 5. Beachfront Parking.

Parking is allowed in the beachfront parking LOT only for vehicles displaying a valid current VILLAGE decal, or proper rental, guest, family pass, or other identification designated by MANAGEMENT. A RESIDENT decal, rental, or family pass must be visibly displayed at all times on any vehicle parked in the beachfront parking LOT. "Beachfront parking lot" is defined as the area south of One Ocean Place, north of the Conch Café, east of Waccamaw Drive, and west of the Atlantic Ocean. Unregistered vehicles may be towed. In MANAGEMENT'S sole discretion, overflow parking may be routed to the Conch Café parking lot through the gate in the Oceanside Village parking lot. Violations of these Rules may also result in loss of beachfront parking privileges in the discretion of MANAGEMENT.

ARTICLE X

GOLF CARTS

Section 1. Golf carts must be insured to be driven on VILLAGE roads or the private beachfront parking LOT. MANAGEMENT will issue a RESIDENT decal to a golf cart owner only upon proper application with proof of property damage and liability insurance coverage. The application can be filed in person or by mail. No RESIDENT decal can be issued without proof of insurance. Except for approved rental golf carts, only golf carts having a valid Oceanside VILLAGE decal will be allowed on the VILLAGE streets or on the beachfront parking LOT. Decals will be numbered specifically for golf carts and will not be interchangeable with vehicles. Please be aware that some insurance companies do not provide coverage for operation while on or crossing a public road and a RESIDENT does so at his or her own risk. Under State law, a golf cart must have a permit from the State to crossover a roadway or to be driven on a roadway outside of the VILLAGE. When driving on a public street, all regulations pertaining to a motor vehicle also apply to golf carts. Vacation renters may not register or operate their personal golf carts in the VILLAGE or the beachfront parking lot.

Section 2. All golf cart operators must have a valid driver's license or learner's permit to operate a golf cart within the VILLAGE or on the beachfront parking LOT. Drivers must be able to produce the valid driver's license or permit upon request. Unlicensed violators stopped by Security will be required to park the golf cart and Security will confiscate the keys. The unlicensed driver will receive a warning or ticket as the circumstances warrant. MANAGEMENT will be involved in this process and a fine may be levied in MANAGEMENT'S sole discretion. Operators of rental golf carts in the VILLAGE shall also abide by any additional rules governing the operation of rental carts.

Section 3. Operators of golf carts must obey all VILLAGE traffic signs and regulations. Golf carts driven after dark must have operating headlights and rear taillights or reflectors. Each passenger must have a seat while riding on a golf cart -- pets and children may not sit on a golf cart driver's lap. No one is allowed to stand on the rear or sit on the front of the golf cart while it is moving.

Section 4. Golf carts are not allowed on the roads in the VILLAGE between the hours of 1:00 a.m. and 5:00 a.m., except as otherwise allowed with the permission of Security. A person desiring to fish early in the morning may call Security at 650-8600 and obtain permission to be on the roads with no penalty. If any Club events or private parties are not over by 1:00 a.m., then Security should be contacted for permission for late night drivers. Notification ahead of time is the rule and not the exception. All RESIDENTS must be prepared to provide the security guard with his or her name, house number, and golf cart decal.

Section 5. Golf carts shall be operated on roadways only. Reckless driving, doing “wheelies,” or spinning of tires, etc., is unacceptable anywhere in the VILLAGE including the beachfront parking LOT.

Section 6. Golf cart rentals are permitted only through LANDLORD, MANAGEMENT, or their designated agent. Any golf cart operated on the roads of the VILLAGE comes under the jurisdiction of MANAGEMENT and will be the responsibility of the RESIDENT owner. Any RESIDENT who does not comply with the Rules and/or the Sublease is subject to loss of driving privileges for any vehicle or golf cart in addition to all other rights hereunder.

ARTICLE XI

RECREATIONAL VEHICLES; STORAGE & TEMPORARY PERMITS

a. Recreational vehicles such as boats, motor homes, campers, trailers, etc. may only be parked or stored on a LOT if in a garage, carport, or the area under a pier house. Subject to limited availability, temporary storage is also available in the Maintenance Yard area upon written application and issuance of a temporary storage permit by MANAGEMENT. No new storage customers on a permanent basis will be accepted due to the limited availability of space.

b. New temporary storage permits will be issued on a first-come, first-serve basis depending upon length of ownership in the VILLAGE. Permits are considered a privilege, not a right, and will be issued in the sole discretion of MANAGEMENT. In order to obtain a temporary permit, a RESIDENT must:

- (1) Complete the required Application accepting the Rules for Storage, and obtain a storage number; and
- (2) Pay any applicable permit fee.

c. A minimum of 24 hours prior notice to the Maintenance Supervisor is required before storing or removing an approved vehicle.

d. Recreational vehicles must be maintained in a safe and good operating condition at all times, and shall not contain any illegal, hazardous or unsafe substances.

e. The Maintenance Supervisor has the right to move and/or relocate stored vehicles when necessary.

f. Owners of stored vehicles must provide a duplicate key (if applicable) to the Maintenance Supervisor.

g. Owners may remove vehicles from the storage area Monday through Friday between 9:00 a.m. and 4:00 p.m. In the event of an after-hours emergency, Security will open the Maintenance area so that a vehicle can be removed. Proper identification will be required by Security.

h. A RESIDENT using the storage area understands and agrees that such storage is an accommodation provided by the LANDLORD, and, as such, LANDLORD has no liability to RESIDENT, his family, guests or agents for personal injuries or for damages to the stored property, including, but not limited to, theft, vandalism, fire, or acts of God. **IN RETURN FOR USING THE STORAGE AREA, RESIDENT HEREBY RELEASES, WAIVES, AND DISCHARGES THE LANDLORD, MANAGEMENT, THEIR OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES FROM ANY AND ALL RESPONSIBILITY, LIABILITY OR DAMAGES, AND AGREES TO HOLD THEM HARMLESS AND TO INDEMNIFY THEM FROM ALL LIABILITY, INCLUDING COSTS AND REASONABLE ATTORNEY'S FEES.**

ARTICLE XII

RECREATIONAL AMENITIES

A RESIDENT's use of the recreational amenities within the VILLAGE is subject to compliance with all rules and regulations including those concerning use of the swimming pools, tennis courts, and children's playground.

Section 1. **Swimming Pools.** Swim at your own risk. Hours and schedules are seasonal and are posted at each pool. Those using the pools are required to obey all posted rules. No glass containers, pets, bicycles, roller skates, inline skates, or skateboards are allowed on the pool decks and/or sidewalks. An adult or a qualified babysitter must accompany children under 12 years of age. A lifeguard or pool attendant is not a babysitter and has ultimate authority regarding behavior of all persons in and around the pool areas. Requests from lifeguards, pool attendants, or MANAGEMENT must be adhered to at all times while in the pool areas. No pets are allowed inside fenced areas of either pool. No diving is permitted in the pools. Children of diaper age must be wearing swimmers diapers, which are specifically made for this purpose, to be permitted in the pools. Loud music is not allowed.

Section 2. **Tennis Courts.** The courts are open daily and individuals playing do so at their own risk. Tennis courts are kept locked and RESIDENTS desiring to use the tennis courts must obtain a key from Security. Driver's licenses must be left with Security to obtain a key and will be returned upon return of the key to Security. At night, the last person leaving the courts should turn off the lights if the courts are not in use. No glass containers, pets, bikes, roller skates, inline skates, or skateboards are allowed on the tennis courts. Misbehavior may result in loss of privileges of the recreational amenities.

Section 3. **Children's Playground.** Open daily. Play at your own risk. A responsible adult must accompany all children who are unable to be totally independent while on the playground.

ARTICLE XIII

ADVISORY BOARD

Section 1. **Districts, Terms, Powers.** The LANDLORD has divided the VILLAGE into twelve districts with each district being entitled to one representative on the Advisory Board. There is also one district representative at large that is appointed by MANAGEMENT. The term of each district representative is two years and elections are alternated between odd-numbered and even-numbered districts for election years. The term of the at-large district representative shall expire in an even-numbered year and shall be filled by appointment of MANAGEMENT simultaneously with the election of other district representatives at that time. As stated in the SUBLEASE, the Advisory Board shall have full authority to represent and bind each RESIDENT in all matters regarding use of the Amenities Fees when LANDLORD seeks an advisory opinion; provided, however, Advisory Board action shall not bind or control the LANDLORD absent LANDLORD's affirmative agreement to be so bound.

Section 2. **Qualifications.** In order to be eligible to serve as a member of the Advisory Board, each candidate must:

- a. Own a RESIDENCE in the VILLAGE.
- b. Be current with payment to LANDLORD of all Lease and Amenities fees, costs, collections, and/or fines.
- c. Be willing to promote, and have demonstrated an ability to promote, good will and harmony within the VILLAGE and to work together to facilitate cooperation, understanding, and communications among RESIDENTS and between RESIDENTS, LANDLORD, and MANAGEMENT.
- d. Be available to regularly attend monthly Advisory Board meetings scheduled by MANAGEMENT.
- e. Be willing to keep all proprietary information confidential related to the LANDLORD, MANAGEMENT AGENT or Oceanside VILLAGE Community Club.

Section 3. **Selection of Members.** Prior to the election, letters will be sent to all owners requesting any nominations from their respective

districts. When nominating another RESIDENT, other than oneself, a letter stating permission must accompany the nomination. All nominations are sent to the Oceanside VILLAGE Election Committee.

a. The Election Committee will collect and submit all nominations to the LANDLORD or its MANAGEMENT AGENT that will review all nominations and approve and/or remove the candidates submitted by the Election Committee.

b. The LANDLORD or MANAGEMENT AGENT, upon completion of review of the nominations, will return the list of approved candidates to the Election Committee.

c. The Election Committee will then prepare the ballots and forward to all the RESIDENTS within the prospective districts.

d. Elections shall be determined by popular vote. The candidate receiving the highest number of votes shall be the winner.

(1) The newly elected members will be notified in writing by MANAGEMENT.

(2) The newly elected Advisory Board members' names will be posted in a prominent place that is available for all Community Club members.

(3) New members will be installed on a date specified by the Advisory Board.

Section 4. Removal of Members. A member of the Advisory Board may be removed from office by one of the following methods:

a. By verbal or written resignation; or

b. By majority vote of the Advisory Board Members; or

c. By written notice from LANDLORD or MANAGEMENT.

Section 5. Vacancies. The LANDLORD or MANAGEMENT reserves the right to appoint a representative to fill any vacancy on the Board. The appointment may be an incumbent board member or a member of the

community at large. The appointment will be for the duration of the original term of election.

ARTICLE XIV

COMMITTEES

The VILLAGE shall have the following committees that shall be filled subject to the approval of LANDLORD or MANAGEMENT, together with such other committees as MANAGEMENT may deem necessary:

Section 1. Security Committee. Makes recommendations regarding security procedures and personnel, coordinates emergency procedures as well as community watch activities.

Section 2. Entertainment Committee. Plans, coordinates, and schedules social activities of the VILLAGE that take place on common areas. MANAGEMENT must approve all social events on common area property in advance. This committee makes recommendations regarding upkeep of Community Center and raises funds to maintain and add to current social activities and facilities within the VILLAGE. An accounting of funds, income and expenses, will be given to MANAGEMENT on a monthly basis or at the request of MANAGEMENT.

Section 3. Building and Grounds Committee. Reviews applications by RESIDENTS for permits for additions, renovations, and painting of exterior of RESIDENCES in the VILLAGE as long as they conform to community and local government guidelines. RESIDENCES in disrepair are noted by District Representatives or others and/or monitored for improvements by this committee. This committee also works with MANAGEMENT to make recommendations regarding grounds and roads in the VILLAGE and meets every Wednesday morning.

Section 4. Volunteer Committee. Coordinates the volunteers to assist in various areas of the VILLAGE such as security, maintenance, mailings, and assisting in the office when needed.

ARTICLE XV

RIGHT TO QUIET ENJOYMENT

No RESIDENT, nor his or her guests or invitees shall disturb another RESIDENT'S right to quiet enjoyment. The following guidelines shall be treated as rules:

a. Acts constituting disturbance of quiet enjoyment shall include, but are not limited, to the following: (1) the use of foul and abusive language; (2) unruly or disorderly conduct; (3) unusually loud shouting, screaming, talking, or music; (4) displays of public intoxication or indecency; (5) trespassing upon another's property; (6) pet disturbances; (7) badgering or undue pressure; (8) any illegal activity.

b. Painting or major repairing of cars, boats or other vehicles is not allowed.

c. Firearms and fireworks will not be displayed, ignited or used within the VILLAGE.

d. RESIDENTS who rent out their RESIDENCES are responsible for the actions of their Tenants. It is advisable to notify Tenants in advance of occupancy that these Rules and Regulations apply to Tenants and that Tenants are subject to ejection by MANAGEMENT if they violate these rules or sublease. Rules should be posted in the RESIDENCE in a prominent place.

e. Commercial, professional, and other businesses shall not be operated in the VILLAGE without written approval of MANAGEMENT.

f. Quiet time is observed in the VILLAGE from 11:00 p.m. until 8:00 a.m. Also, a curfew is in effect from 11:00 p.m. until 6:00 a.m. for persons under 18 years of age who are outside of a RESIDENCE on VILLAGE property and not accompanied by a parent or guardian.

ARTICLE XVI

VISITORS

RESIDENTS must provide all guests with a letter of permission to enter the VILLAGE that can be given to Security upon arrival, which will issue the appropriate pass. An advance phone call to Security of a guest's arrival is sufficient so that a guest can be given a pass and allowed to enter the VILLAGE.

Family or frequent visitor passes are available from MANAGEMENT and may be picked up by a RESIDENT for immediate family members or friends who visit frequently. If other guests are expected, call Security at (843) 650-8600 ahead of time. A signed authorization from you should accompany the person(s) stating that they have permission to visit and the time period you expect them to stay. You may use index cards or form letters and send them to individuals you are expecting so that they can give the card to Security upon arrival for a pass. A sample format is shown below.

<u>OCEANSIDE VILLAGE VISITOR AUTHORIZATION</u>	
The undersigned RESIDENT is expecting the following guest(s) to visit:	

on _____, 20____, until _____, 20____	
at my Oceanside Village address shown below. I specifically authorize Security personnel to admit my guest(s) and agree to be personally responsible to the Landlord, MANAGEMENT, and the Club for any and all damages caused by my guest(s). I can be reached at the telephone number shown below.	
_____	Date: _____
<i>(SIGNATURE OF RESIDENT)</i>	
OSV ADDRESS: _____	

TELEPHONE NUMBER: _____	

Security will **NOT** give out a RESIDENT's address or phone number if the guest does not know it. Be certain to notify Security if you are expecting a contractor or service person to work on your RESIDENCE or give them the same typewritten authorization as you would any guest. No one will be allowed to enter the property without proper authorization.

ARTICLE XVII

RELEASE, INSURANCE, AND REBUILDING

Oceanside VILLAGE, LLC, Oceanside VILLAGE Community Club, Inc., and Rose Real Estate, Inc., shall not be liable for losses to RESIDENTS, Tenants, or guests resulting from fire, theft, storm damage, vandalism, acts of God, or any other causes. RESIDENT hereby releases LANDLORD, MANAGEMENT, and the Club, their agents, directors, and employees from any and all liability for any damage or loss.

a. RESIDENTS will provide public liability insurance with limits of not less than \$50,000.00 with respect to injury of any one person and in the amount of \$100,000.00 with respect to any one accident or disaster and in the amount of \$50,000.00 with respect to damage to property, or in such other amounts as LANDLORD deems necessary.

b. The owner of each RESIDENCE will insure all buildings on such RESIDENT'S LOT against damage or destruction by fire or other casualties under a standard extended coverage endorsement. Said insurance shall be in an amount equal to not less than eighty percent (80%) of the replacement value of the permanent improvements thereof. The RESIDENT of each LOT waives right of recovery and subrogation against the owners of the other LOTS and their tenants. All such policies will evidence that the assured has waived right of recovery and subrogation against the owners of the other LOTS and their tenants.

c. All such policies required above shall bear endorsements to the effect that MANAGEMENT AGENT shall be notified not less than ten (10) days in advance of any modification or cancellation thereof. Certificates evidencing the existence thereof shall be promptly delivered to the MANAGEMENT AGENT upon written request.

d. **Obligation to Rebuild.** Except as otherwise approved by LANDLORD or required in the SUBLEASE, in the event a RESIDENCE or building on a RESIDENT'S LOT shall be partially damaged or destroyed by fire, the elements, or any other casualty, the RESIDENT of said LOT shall, at his or her expense, promptly and with due diligence repair, rebuild, and restore the same as nearly as practicable to the condition existing just prior to such damage or destruction. All repair, rebuilding, and restoration shall be done with the approval of MANAGEMENT in compliance with the requirements herein. In the event of a total loss, the RESIDENT shall be responsible for removing all debris and cleaning the LOT.

ARTICLE XVIII

DEFAULT AND ENFORCEMENT

Enforcement of the Rules shall be handled through Security, MANAGEMENT, or the LANDLORD. Any RESIDENT may assist enforcement by identifying and documenting known violations. RESIDENT concern forms are available through the MANAGEMENT office. **A violation of the Rules shall constitute a default under the SUBLEASE and in addition to all other remedies the LANDLORD may, in its sole discretion, terminate the SUBLEASE or modify the SUBLEASE term by giving the RESIDENT up to 18 months to sell his or her RESIDENCE prior to termination of the SUBLEASE.** RESIDENT shall be liable and responsible to LANDLORD and MANAGEMENT for all costs of enforcement, including reasonable attorney's fees. In the event the RULES conflict with any provisions of the SUBLEASE, the SUBLEASE shall prevail.

ARTICLE XIX

MISCELLANEOUS

Section 1. Amendments. The LANDLORD may make amendments, additions, or deletions to the RULES at any time and copies of such modifications or amendments shall be distributed to RESIDENTS. Such amendments shall become effective thirty days after mailing written notice

thereof to RESIDENT at the notice address on file with the MANAGEMENT AGENT. All changes will also be posted in the MANAGEMENT office.

Section 2. Notices. Notices required to be given hereunder shall be given in the manner set forth in RESIDENT’s Sublease with LANDLORD. A RESIDENT’s notice address shall be that address listed in the Sublease or on file in the MANAGEMENT office as the last known address of RESIDENT. RESIDENTS are responsible for notifying LANDLORD or MANAGEMENT of any change of address.

Section 3. Breach Will Not Defeat Mortgage. A breach or violation of any of the terms, covenants, or restrictions of these Rules will not defeat or render invalid the lien of any first mortgage or first deed of trust, made in good faith and for value, but such term, covenant, or restriction will be binding on and effective against anyone whose title to the LOT or any portion of such is acquired by foreclosure, trustee's sale, or otherwise.

Section 4. Headings. The caption headings of the various sections of these Rules are for convenience and identification only, and shall not be deemed to limit or define the contents of their respective sections.

APPROVED AND CERTIFIED TRUE COPY:
OCEANSIDE VILLAGE, LLC (“LANDLORD”)
 By: 

President