

DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
MAGNOLIA PARK SUBDIVISION

DEE-2024-26067



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Ashley B. Williams, Register Of Deeds

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DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
MAGNOLIA PARK SUBDIVISION

THIS DECLARATION, made on the date hereinafter set forth by ROI Properties, a South Carolina LLC, having an office at 79 Mitchell Farm Road, Inman SC 29349, hereinafter referred to as "Declarant".

WHEREAS, Declarant is the owner of certain property in the County of Spartanburg, State of South Carolina, which is more particularly shown on that certain plat of entitled "Final Plat Magnolia Park Subdivision – Phase I", prepared by Souther Land Surveying, Inc., dated May 22, 2024, and recorded in Plat Book ___ at Page ___, in the Register of Deeds Office for Spartanburg County, South Carolina and

WHEREAS, Declarant desires to foster the attractiveness of the property, to prevent future impairment thereof, to preserve, protect and enhance the values and amenities of the property, and to provide for the maintenance and upkeep of all common areas in the property.

NOW, THEREFORE, Declarant hereby declares that all of the property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the Property (defined below) and be binding on all parties having any right, title or interest in the title to the Property or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

SECTION 1.1. "Additional Property" shall mean and refer to additional real estate contiguous, adjacent to or neighboring the Property, all or a portion of which may be made subject to the terms of this Declaration in accordance with the provisions of Section 9.5(b) of this Declaration.

Section 1.2. "Approved Builder" shall mean and refer to builders who have been selected by Declarant to buy Lots and construct homes for sale in the Subdivision.

Section 1.3. "Association" shall mean and refer to the Magnolia Park Homeowners Association, Inc., a South Carolina nonprofit corporation, its successors and assigns.

Section 1.4. "Board" shall mean and refer to the Board of Directions of the Association.

Section 1.5. "Common Area" shall mean and refer to all real property shown and designated on the Plat as "Common Area and Detention Area", and all other real property or easements owned by the Association for the common use and enjoyment of the Owners. The Common Area shall be owned by the Association for the common use and benefit of the Owners, subject to the easements, terms, conditions and restrictions described in this Declaration.

Section 1.6. "Declarant" shall mean and refer to ROI Properties, LLC, or any successor, successor-in-title, or assigns, who takes title to any portion of the property described on Exhibit "A" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, there shall be only one (1) "Declarant" hereunder at any time. ROI Properties, LLC, (in the event its rights as Declarant have been transferred or assigned to another party), and any other Person who subsequently transfers or assigns the rights of Declarant to another Person shall be known as a "predecessor Declarant", and unless otherwise agreed to in writing, shall be entitled to the rights of a predecessor Declarant established in this Declaration.

Section 1.7. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, and Easements for Magnolia Park Subdivision, as the same may be amended, supplemented, renewed, or extended from time to time in the manner herein provided.

Section 1.8. "Development Period" the period of time during which (a) the Declarant owns any property which is subject to this Declaration, or (b) Approved Builder or any other builder owns a Lot primarily for development and/or resale, or (c) the Declarant has the unilateral right to annex any portion of the Additional Property to the terms of this Declaration.

Section 1.9. "Eligible Mortgagee" shall mean and refer to an institutional lender holding a Mortgage (as defined below) that has notified the Association pursuant to Section 9.10 and requested all rights available under the Association's governing documents and this Declaration.

Section 1.10. "Lot" shall mean and refer to any separately numbered plot of land shown upon the Plat with the exception of Common Area.

Section 1.11. "Member" shall mean and refer to every person or entity that holds membership with voting rights in the Association.

Section 1.12. "Mortgage" shall mean and refer to any mortgage constituting a first lien on a Lot.

Section 1.13. "Mortgagee" shall mean and refer to the owner and holder of a Mortgage at the time such term is being applied.

Section 1.14. "Non-Member User" shall mean and refer to any person who is not a Member of the Association but may use the Common Areas as may be described in the Bylaws of the Association or in the rules regarding use of the Common Areas promulgated by the Association.

Section 1.15. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including Declarant if it owns a Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.16. "Plat" shall mean and refer to (i) the plat of "Final Plat Magnolia Park Subdivision - Phase I", prepared by Souther Land Surveying, dated May, 2024 and recorded in Plat Book ~~185~~, at Page ~~604~~ ~~604~~ in the Register of Deeds Office for Spartanburg County, South Carolina, and (ii) any revisions, supplements or amendments, thereof; and (iii) subsequent plats of Magnolia Park Subdivision hereafter recorded by Declarant in the Register of Deed Office for Spartanburg County, South Carolina, and any revisions, supplements or amendments thereto.

Section 1.17. "Property" shall mean and refer to the property shown on the Plat(s), including the Common Area and Lots.

Section 1.18. "Subdivision" shall mean and refer to the Magnolia Park Subdivision, as the same is shown on the Plat(s), including the Common Areas.

ARTICLE II PROPERTY RIGHTS

Section 2.1 Owner's Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area that shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- (a) Other fees for the use of any Common Area.

(b) the right of the Association to suspend the voting rights by an Owner for any period during which any assessment against his/her Lot remains unpaid, and, for a period to not exceed sixty (60) days, for any infraction of its published rules and regulations (which suspension shall not relieve such Owner from his/her obligation to pay assessments as described in this Declaration);

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer is signed by 2/3rds of each class of Members and has been recorded;

(d) the right of the Association to impose reasonable regulations for the use of the Common Area; which regulations may further restrict the use of the Common Area;

(e) the right of the Association, in accordance with its Articles of Incorporation and Bylaws, to borrow money secured by a mortgage against the Common Area for the purpose of improving the Common Area and facilities thereon. No mortgage of the Common Area shall be effective unless an instrument agreeing to such mortgage of Common Area is signed by 2/3rds of each class of Members;

(f) the right of the Association to exchange portions of the Common Area with the Declarant for substantially equal areas of the Property for the purpose of eliminating unintentional encroachments of improvements onto portions of the Common Area or any other purpose or reason.

Section 2.2. Leases of Lots. Any lease agreement between an Owner and a lessee for the lease of such owner's residence on its Lot shall provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration of Covenants, Conditions, and Restrictions, the Articles of Incorporation and Bylaws of the Association and that any failure by the lessee to comply with the terms of such document shall be a default under the terms of the lease. All leases of Lots shall be in writing. Other than the foregoing there are no restrictions on the right of any Owner to lease his/her Lot.

Section 2.3. Declarant's Covenant to Convey Title to Common Area. Declarant herein covenants for itself, its successors and assigns, that it will convey fee simple title to its property designated herein as Common Area to the Association (save and except Common Area that forms any part of a Lot) at such time as it conveys the first Lot to some person other than the Declarant. The Common Area shall be free from any monetary liens but subject to easements of record including any easements established by this Declaration. Similarly, Declarant will convey to the Association such additional Common Area as is annexed in the future, immediately following its annexation pursuant to Section 9.5 of this Declaration. The Association shall accept the conveyance of all such Common Area pursuant to this section.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 3.1. Membership. Every owner of a Lot that is subject to a lien for assessments shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

Section 3.2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Membership shall be all Owners other than the Declarant and Approved Builders. Class A Members shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B Members shall be the Declarant and Approved Builder who shall be entitled to five (5) votes for each Lot they own. 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:

(a) the date on which the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership and no Additional Property remains which may be made subject to the terms of this Declaration;

(b) the expiration of twenty (20) full years after the recordation of this Declaration; or

(c) when the Declarant and Approved Builder(s) elect by notice to the Association in writing to terminate their Class B memberships.

ARTICLE IV COVENANT FOR MAINTENANCE AND ASSESSMENTS

Section 4.1. Creation of the Lien and Personal Obligation of Assessments. The owner of any Lot, except Declarant and Approved Builder, as set forth herein below, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay (a) to the Association: (i) annual assessments or charges ("Annual Assessments"); (ii) special assessments for capital improvements ("Special Assessments"); and (iii) special individual assessments as more particularly described below ("Special Individual Assessments"), such assessments to be established and collected as hereinafter provided; and (b) to the appropriate governmental taxing authority: (i) a pro rata share of ad valorem taxes levied against the Common Area; and (ii) a pro rata share of assessments for public improvements to or for the benefit of the Common Area, (together with any late penalties therefore) if the Association shall default in the payment of either or both for a period of six (6) months as hereinafter provided. The Annual, Special and Special Individual Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon each Lot against which each assessment is made as of that date such assessment is made and continuing until paid. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Owner of such Lot at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to such Owner's successors in title (provided such successors are bona fide third party purchasers for value and of no continuing relationship with Owner) unless expressly assumed by them. The Declarant and Approved Builder have no obligation to pay assessments.

Section 4.2. Purpose of Assessments.

(a) The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and in particular for the improvement, maintenance and repair of facilities devoted to this purpose and related to the use and enjoyment of the Common Area (including any Recreational Facilities); including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision; the payment of taxes assessed against the Common Area; the maintenance of water and sewer mains in and upon the Common Area; the maintenance of open spaces and streets which have not been accepted for dedication by a public authority; roadway medians and islands (including medians and islands located in the dedicated right-of-way); drives and parking areas within the Common Area; the procurement and maintenance of insurance in accordance with the Bylaws of the Association; the maintenance of any "sign easement" areas located on any Lot, as shown on a recorded plat; the maintenance of entrance ways, landscaping and lighting of the Common Area, road medians and islands and entrance ways; the lighting of streets (whether public or private); the payment of charges for garbage collection and municipal water and sewer services furnished to the Common Area; the costs associated with duties of the Architectural Committee; the employment of attorneys, accountants, professional management companies and other agents to represent the Association when necessary; and the provision of adequate reserves for the replacement of capital improvements including, without limiting the generality of the foregoing, paving, and any other major expense for which the Association is responsible pursuant to the terms of this Declaration. In addition to the foregoing, assessments made prior to the transfer of the Common Area property to the Association may be used for any of the above-described purposes in connection with such property prior to its transfer.

(b) The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Area and those other portions of the Property which the Association may be expressly obligated to maintain. Such reserve fund is to be established out of the Annual and Special Assessments.

(c) The Association may establish a working capital fund equal to the aggregate of two months' annual assessments (as described in Section 43, hereof) for each Lot. If established, each Lot's share of said working capital fund shall be collected from the purchaser and transferred to the Association at the time of the closing of the initial sale of each Lot to a party other than the Declarant or an Approved Builder. The working capital fund shall be maintained in a separate account for the use and benefit of the Association and shall be used to meet unforeseen expenditures or services deemed necessary or desirable by the Board of Directors of the Association. All sums paid into the working capital fund are in addition to and not in lieu of regular assessments for common expenses.

(d) All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the Common Area, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the Bylaws of the Association. As monies for any assessment are paid to the Association by any Owner, the same may be commingled with monies paid to the Association by other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived therefrom shall be held for the benefit of the members, no member shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his/her Lot. When an Owner shall cease to be a Member by reason of his/her divestment of ownership of his Lot, by whatever means, the Association shall not be required to account to such Owner for any share of the fund or assets of the Association, or which may have been paid to the Association by such Owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the Common Area.

Section 43. Maximum Annual Assessment. The maximum Annual Assessment shall be determined on or before December 31, 2021, and may, at the Board's discretion, be collected monthly, quarterly, semi-annually or annually, and prorated from the date of purchase and applied retroactively to any lots purchased prior to its determination.

(a) The maximum Annual Assessment for the calendar year immediately following the year in conveyance of the first Lot to an owner is made and for each calendar year thereafter shall be established by the Board and may be increased by the Board without approval by the Membership by an amount not to exceed ten percent (10%) of the maximum Annual Assessment of the previous year.

(b) The maximum Annual Assessment for the calendar year immediately following the year in which conveyance of the first Lot to an owner is made and for each calendar year thereafter may be increased without limit by a vote of two-thirds (2/3) of each class of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board may fix the Annual Assessment at an amount not in excess of the maximum, subject to the provisions of Section 4.6 of this Article.

Section 44. Special Assessments.

(a) In addition to the Annual Assessment authorized above, the Association may levy, in any calendar year, a Special Assessment for the purpose of defraying in whole or in part the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereof, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a

meeting duly called for this purpose. All Special Assessments shall be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

(b) In addition to the Annual Assessments and the Special Assessments for capital improvements authorized above, the Board shall have the power to levy a Special Individual Assessment applicable to any particular Lot Owner (i) for the purpose of paying the cost of any construction, reconstruction, repair or replacement of any damaged component of the Common Area, including the public roads (prior to their acceptance for public maintenance) and Recreational Facilities, whether occasioned by an act or omission of such Owner, members of such Owner's family, or such Owner's agent, guest, employees, or invitees and not as a result of ordinary wear and tear or (ii) for the payment of fines, penalties or other charges imposed against any Owner relative to such Owner's failure to comply with the terms and provisions of this Declaration, the By Laws or any rules and regulations promulgated by the Association or Declarant pursuant to this Declaration or By Laws. The due date of any Special Individual Assessment levied pursuant to this Section 44(b) shall be fixed in the Board's resolution authorizing such Special Individual Assessment. Upon the establishment of a Special Individual Assessment, the Board shall send written notice of the amount and due date of such Special Individual Assessment to the affected Owner(s) at least ten (10) days prior to the date such Special Individual Assessment is due.

Section 4.5. Notice and Quorum for any Action Authorized Under Sections 4.3 and 4.4. Written notice of any meeting called for the purpose of taking any action (to the extent that a meeting is required hereby) under Section 4.3 or 4.4(a) shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 4.6. Rate of Assessments. Both Annual and Special Assessment must be fixed at a uniform rate for all Lots and shall be collected on an annual basis or such other basis as is approved by the Board. Special Individual Assessments shall be established, assessed and collected as described in Section 4.4(b).

Section 4.7. Date and Commencement of Annual Assessment; Due Dates. The Annual Assessments provided for herein shall commence as to each Lot upon the filing of the Declaration (or the filing of an Amendment subjecting Additional Property to the Declaration if relating to Additional Property) in the office of the Register of Deeds for Spartanburg County, South Carolina. The first Annual Assessment shall be adjusted according to the number of months remaining in the annual accounting period for the Association. At least thirty (30) days in advance of each Annual Assessment period, the Board shall fix the amount of the Annual Assessment and promptly thereafter the Board shall cause written notice thereof to be sent to every owner subject thereto. In the event the Board shall fail to fix the Annual Assessment in the advance of the Annual Assessment for any given period becoming due, the Annual Assessment fixed for the immediately preceding year shall continue in effect until a new Annual Assessment amount is fixed. The due dates shall be established by the Board. 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. A properly executed certificate of the Association as to the status of assessments on a lot is binding upon the Association as of the date of its issuance.

Section 4.8. Reserve Fund. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of all Common Areas, and all improvements thereon, which the Association is obligated to maintain. Such reserve fund shall be maintained from the annual assessments described in Section 4.3 of this Declaration.

Section 4.9. Effect of Nonpayment of Assessments; Remedies of the Association. Any Annual, Special or Special Individual Assessment not paid within thirty (30) days after its due date shall bear interest from the due date at the rate of twelve percent (12%) per annum or the highest rate allowed by law, whichever is lower. The Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien created herein against the property in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages, and interest, cost and reasonable attorney's fees for representation of the Association in such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of his/her Lot nor shall damage to or destruction of any improvements on any Lot by fire or other casualty result in any abatement or diminution of the assessments provided for herein.

Section 4.10. Effect of Default in Payment of Ad Valorem Taxes or Assessments for Public Improvements by the Association. Upon default by the Association in the payment to the governmental authority entitled thereto of any ad valorem taxes levied against the Common Area or assessments for the public improvements to or for the benefit of the Common Area, which default shall continue for a period of six (6) months, each owner of a Lot in the development shall become personally obligated to pay to the taxing or assessing governmental authority a portion of such unpaid taxes or assessments (including any late payment penalties) in an amount determined by dividing the total taxes and/or assessments and/or penalties due the governmental authority by the total number of Lots in the Subdivision. If such sum is not paid by the Owner within thirty (30) days following receipt of notice of the amount due, then such sum shall become a continuing lien on the Lot of the then Owner, his heirs, devisees, personal representatives and assigns, and the taxing or assessing governmental authority may either bring an action at law or may elect to foreclose the lien against the Lot of the Owner. This section shall not become applicable until Class B Membership ceases to exist.

Section 4.11. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any Mortgage. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the proceeding section. However, the sale or transfer of any Lot which is subject to a Mortgage, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments to the payment thereof which become due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any Mortgage.

ARTICLES

ARCHITECTURAL CONTROL

Section 5.1. Plan of Design Approval. All residences, outbuildings and other structures initially constructed within the Subdivision by an Approved Builder (collectively, "Initial Improvements") shall be built in accordance with plans and specifications which have been previously approved by Declarant. Under no circumstances shall any additional architectural approval be required as to the Initial Improvements. Other than the Initial Improvements, no building, fence, wall, porch, deck, or any other structure or improvement, (collectively "Improvements") including, without limitation, the alteration or painting of the exterior surface of any existing Improvement or Initial Improvement shall be undertaken upon any Lot unless the plans and specification and location of the proposed Improvement shall have been expressly approved in writing by the Architectural Committee established pursuant to Section 5.2. No subsequent alteration or modification of any existing Improvements, Initial Improvements or construction, erection or installation of additional improvements may be undertaken or allowed to remain on any Lot without review and express written approval of the Architectural Committee, subject to Section 5.5, below.

Section 5.2. Architectural Committee. Until such time as the Class B Membership expires, Declarant shall annually appoint the members of the Architectural Committee, which will be composed of at least three (3) members of the Board, the exact number of members of the Architectural Committee being designated by Declarant from time to time. Each member shall be generally familiar with the

residential and community development design matters and knowledgeable about the Declarant's concern for a high level of taste and design standards within the Subdivision. In the event of the death or resignation of any member of the Architectural Committee, Declarant, for so long as it has the authority to appoint the members of the Architectural Committee, and thereafter, the Board shall have full authority to designate and appoint a successor. Members of the Architectural Committee may be removed and replaced at any time with or without cause, and without prior notice, by Declarant, for so long as Declarant has the right to appoint the members thereof by the Board. Subsequent to the expiration of Class B membership (and earlier if Declarant specifically assigns the right to the Board), the Board shall designate the number of and appoint the members of the Architectural Committee on an annual basis. At any time Declarant may elect not to designate the number of and/or appoint the members of the Architectural Committee and may assign this right to the Board or any Approved Builder.

Section 53. Procedure. No Improvement (other than the Initial Improvements as described above) shall be erected, remodeled or placed on any Lot until all plans and specifications therefore and a site plan therefore have been submitted to and approved in writing by the Architectural Committee, as to:

- (a) quality of workmanship and materials, adequacy of site dimensions and facing of main elevation with respect to nearby streets;
- (b) conformity and harmony of the external design, color, type and appearance of exterior surfaces;
- (c) location with respect to topography and finish grade elevation and effect of location and use on neighboring Lots and Improvements situated thereon and drainage arrangement; and
- (d) other standards set forth within this Declaration (and any amendments hereto) or as may be set forth within bulletins promulgated by the Architectural Committee, or matters in which the Architectural Committee has been vested with the authority to render a final interpretation and decision.

Final plans and specifications (including a site plan showing the location of the contemplated Improvements on the Lot) for all Improvements proposed to be constructed on a Site shall be submitted to the Architectural Committee for approval or disapproval. I. The Architectural Committee is authorized to request the submission of samples of proposed construction materials. Any modification or change to the Architectural Committee-approved set of plans and specifications (specifically including, but without limitation, the above-described site plan) must again be submitted to the Architectural Committee for its inspection and approval. The Architectural Committee's approval or disapproval, as required herein, shall be in writing. Once the Architectural Committee has approved the plans and specifications for the proposed Improvements, the construction of such improvements must be promptly commenced and diligently pursued to completion and if such construction is not commenced within the time set therefore by the Architectural Committee in the written approval (but in no event later than one (1) year after such approval), such approval shall be deemed rescinded and before construction of Improvements can thereafter be commenced on the Lot in question, the plans and specifications therefore must again be approved by the Architectural Committee pursuant to this article.

The Architectural Committee may from time to time publish and promulgate architectural standards bulletins which shall be fair, reasonable and shall carry forward the spirit and intention of this Declaration. Architectural standards bulletins or other guidelines issued by the Architectural Committee shall be used by the Architectural Committee as a guide to assist the Architectural Committee in viewing any proposed plans, specifications and materials submitted to the Architectural Committee for approval. Current copies of the architectural standards bulletins shall be available to interested persons at the principal office of the Association for a reasonable cost. Although the Architectural Committee shall not have unbridled discretion with respect to taste, design and any standards specified herein, the Architectural Committee shall be responsive to technological advances or general changes in architectural designs and materials and related conditions in future years and use its best efforts to balance the equities between matters of taste and design (on the one hand) and use of private property (on the other hand).

Section 54. Enforcement. In addition to the Declarant's and the Association's right to enforce the provisions of this Declaration as set forth in Section 9J, of this Declaration, the Architectural Committee shall have the specific, non-exclusive right to enforce the provisions in this article and/or to prevent any violation of the provisions contained in this Article by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained herein. In the event that the Architectural Committee, Declarant or the Association resorts to litigation to determine the propriety of any constructed Improvement, to remove any unapproved Improvement, or otherwise to remedy a violation of this Article, the Architectural Committee, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorney's fees and expenses incurred in connection therewith; which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot.

Section 55. Effect of Failure to Approve or Disapprove. If an Owner erects any Improvement on a Lot and a suit to enjoin the erection of or require the removal of such Improvements is not brought by any person or entity having standing to sue within three (3) months from the commencement of construction of such Improvements, then this Article shall be deemed to have been fully satisfied.

If the Architectural Committee fails to approve or disapprove the design of any proposed Improvements with thirty (30) days after plans and specifications therefor have been submitted and received, approval will not be required, and the requirements of this Article shall be deemed to have been fully satisfied; provided, that the plans and specifications required to be submitted shall not be deemed to have been received by the Architectural Committee if they contain erroneous data or present inadequate information upon which the Architectural Committee can arrive at a decision. Notwithstanding the foregoing, the Architectural Committee shall have no right or power, either by action or failure to act, to waive or grant any variance relating to any mandatory requirements specified in the Declaration.

Section 56. Right of Inspection. The Architectural Committee shall have the right, as its election, to enter upon any of the Lots during (and after) preparation, construction, erection, or installation of any Improvements to determine that such work is being performed in conformity with the approved plans and specifications.

Section 57. Limitation of Liability. Neither the Architectural Committee, the members thereof, nor Declarant shall be liable in damages or otherwise to anyone submitting plans and specifications and othersubmittals for a approval to any Owner by reason or mistake of judgment, negligence or nonfeasance (except where occasioned by gross negligence or intentional conduct) arising out of services performed pursuant to this Declaration.

Section 58. Compensation. No member of the Architectural Committee shall be entitled to compensation arising out of services performed pursuant to this Article. The Association shall reimburse members of the Architectural Committee for reasonable out-of-pocket expenses incurred by such members in the performance of their duties as members of the Architectural Committee..

ARTICLE VI

EXTERIOR MAINTENANCE

The Association shall maintain the Common Area. Each owner shall be responsible for the maintenance of his or her dwelling and Lot. Maintenance of such dwelling and Lot shall include, without limitation, painting, replacement and care of roofs, gutters, downspouts, exterior building surfaces, lawn, trees, shrubs, driveways, walks and other exterior Improvements. In the event that the owner neglects or fails to maintain his or her Lot and/or the exterior of his or her dwelling in a manner consistent with other

Lots and Dwellings in the Subdivision, the Association may, but is not obligated to provide such exterior maintenance as provided above at the Owner's sole cost and expense. Provided, however, that the Association shall first give written notice to the owner of the specific items of exterior maintenance or repair the Association intends to perform and the owner shall have twenty (20) days from the date of mailing of said notice within which to perform such exterior maintenance himself or herself. The determination as whether the owner has neglected or failed to maintain his or her Lot and/or dwelling in a manner consistent with other Lots and dwellings in the Subdivision shall be made by the Board, in its sole discretion. In order to enable the Association to accomplish the foregoing, there is hereby reserved to the Association the right and easement to unobstructed vehicular and pedestrian access over and upon each Lot at all reasonable times to perform maintenance as provided in this Article.

In the event the Association performs such exterior maintenance, repair or replacement, the cost of such maintenance, replacement or repairs shall be assessed to the Owner as a Special Individual Assessment and shall become lien against the Lot of such Owner.

ARTICLE VII

USE RESTRICTIONS

Section 7.1. Residential Use of Property. All Lots shall be used for single family, residential purposes only, and no business or business activity shall be carried on or upon any Lot at any time, except with the written approval of the Board; provided, however, that nothing herein shall prevent Declarant or Approved Builder from using any Lot owned by Declarant or Approved Builder for the purpose of carrying on business related development, improvement and sale of Lots; and provided, further that, to the extent allowed by applicable zoning laws, private offices may be maintained in dwellings located on any Lots so long as such use is incidental to the primary residential use of the dwellings.

Section 7.2. Setbacks and Building Lines. Each Improvement, including all Initial Improvements which shall be erected on any Lot shall be located within the building and setback lines for each Lot as set forth on the Plat. In no event shall any dwelling be erected and located upon any such Lot in any manner which violates the requirements and provisions of any applicable zoning ordinances and subdivision regulations.

Section 7.3. Fences and Walls. No fence or wall shall be erected across or along the front of any Lot. No fence or wall shall be erected, placed or altered (other than the Initial Improvements) in the rear or side of any Lot unless approved in writing by the Architectural Committee pursuant to Article V above prior to the commencement of construction.

Section 7.4. Subdivision or Combination of Lot. One or more Lots or parts thereof may be subdivided and or combined with the adjacent Lots to form a single building Lot when (i) such combination is permitted by all applicable laws and regulations and (ii) such combination is approved, in writing, by the Board. In such event, the building line requirements provided herein shall apply to such Lots as re-subdivided or combined and side line easements as shown on the Plat(s) shall be moved to follow the new side line so that the easement will run along the newly established side line.

Section 7.5. Building Requirements. The heated living areas of the main structure, exclusive of open porches, porte-cocheres, garages, carports, and breezeways, shall not be less than One Thousand Two Hundred (1,200) heated square feet for a single level house and One Thousand Five Hundred (1,500) heated square feet for a two story house. Declarant reserves the right to increase or decrease the foregoing minimum square footage requirements with respect to all or any portion of the Additional Property provided the recorded instrument annexing such Additional Property establishes the increased or decreased minimum square footage requirements prior to or contemporaneous with the annexation of such Additional Property.

Section 7.6. Obstruction to View at Intersections. No part of any structure nor the lower branches of trees or other vegetation shall be permitted to obstruct the view at street intersections.

Section 7.7. Delivery Receptacles and Property Identification Markers. The location, color, size, design, lettering, and all other particulars of receptacles for the receipt of mail, newspapers, or similarly delivered materials, and of name signs for such receptacles, as well as property identification markers shall be subject to the prior written approval of the Board or the Architectural Control Committee (as applicable).

Section 7.8. Use of Outbuildings and Similar Structures. No structure of temporary nature (unless approved in writing by the Architectural Committee) shall be erected or allowed to remain on any Lot, and no trailer, mobile home, modular home, shell home, camper, shack, tent, garage, barn or other structure of similar nature shall be used as a residence, either temporarily or permanently. This Section shall not be construed to prevent the Declarant or an Approved Builder from using sheds, trailers or other temporary structures during construction.

All detached structures must be to the rear of the main dwelling and must be constructed within the building setback lines for the Lot. Any detached structure, including play structures, to be erected, constructed, or placed upon any Lot must be approved in writing by the Architectural Committee.

Section 7.9. Completion of Construction. The Association shall have the right to take appropriate legal action, whether at law or in equity, to compel the immediate completion of: (i) any initial residence not completed within twelve (12) months from the later of the date of the issuance of the building permit or the commencement of construction; and (ii) any Improvement or landscaping (other than any Initial Improvement) not completed in accordance with the Lot development plans and specifications approved by the Architectural Committee within twelve (12) months from the date of such commencement.

Section 7.10. Livestock. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other small household pets may be kept provided that they are not kept, bred, or maintained for any commercial purposes. Such household pets must not constitute a nuisance, or unreasonable threat to any Owner or cause unsanitary conditions. The number of household pets kept and maintained shall not exceed three (3) in number except for the newborn offspring of such household pets which are under nine (9) months in age, unless approved in writing by the Architectural Committee.

Section 7.11. Offensive Activities. No noxious, offensive or illegal activities shall be carried on upon any Lot, nor shall anything be done thereon which is or may become an annoyance or nuisance to the owners of other Lots. For purposes of this Section 7.11, construction activities related to Initial Improvements shall not be a noxious or offensive activity

Section 7.12. Signs. No advertising signs or billboard shall be erected on any Lot. This restriction shall not apply to signs described in Section 8.2. and signs used to identify and advertise the Subdivision as a whole during the Development and Construction Period nor to signs for selling Lots and/or houses provided such signs are approved by the Architectural Committee. Also, the provisions of this Article shall not apply to notices posted in connection with judicial or foreclosure sales conducted with respect to a Mortgage.

Section 7.13. Aesthetics Screening. Underground Utility Service. Except as may be placed by an Approved Builder in connection with the Initial Improvements, Garbage containers, trash cans, wood piles and equipment shall be screened to conceal them from view of neighboring Lots and streets. All residential utility service and lines to residences shall be underground. Outside clotheslines are not allowed.

Section 7.14. Antennae. No radio or television transmission or reception towers or antennae shall be erected on any structure or within the property without the prior written approval of the Architectural Committee. In no event shall freestanding transmission or receiving towers, satellite dishes or

disks be permitted except for (i) satellite reception dishes which are eighteen inches (18") in diameter or less and /or (ii) are not visible from neighboring Lots and streets.

Section 7.15. Trailers, Trucks, School Buses, Boats, Boat Trailers. No house trailers or mobile homes, school buses, trucks or commercial vehicles over one (1) ton capacity, boats or boat trailers, motor homes, motorcycles, campers, and vans (not to include passenger vans for non-commercial use), junked vehicles, or vehicles on blocks shall be kept, stored or parked overnight either on any street or on any Lot, except within enclosed garages or as placed by an Approved Builder in connection with the Initial Improvements. In addition, no vehicle of any kind may be kept, stored or parked on any non-paved area of a Lot or Common Area. Notwithstanding the foregoing, passenger automobiles may be parked in driveways, if the number of vehicles owned by owner exceeds the capacity of the garage. The foregoing will not be interpreted, construed or applied to prevent the temporary nonrecurring parking of any vehicle, boat or trailer for a period not to exceed 48 hours upon any Lot.

Section 7.16. Garbage and Refuse Disposal. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers designed for that purpose. All incinerators or other equipment for the storage or disposal of such waste material shall be kept in a clean and sanitary condition. If such litter or other material is found on any Lot, the same will be removed by the Owner of such Lot, at the Owner's expense, upon written request by the Association.

Section 7.17. Changing Elevations. No Owner shall excavate or extract earth from any Lot or Common Area for any business or commercial purpose. No elevation changes shall be permitted which materially affect the surface grade of surrounding Lots, unless approved in writing by the Architectural Committee. Provided that the foregoing restrictions shall not prohibit an Approved Builder from grading and altering the elevation of any Lot in connection with the construction of a residence upon such Lot in conformity with the terms of this Declaration.

Section 7.18. Model Homes. Declarant, as well as the Approved Builder(s), shall have the right to construct and maintain model homes on any of the Lots. "Model Homes" shall be defined as those homes used for the purpose of inducing the sale of other homes within the Subdivision.

Section 7.19. Driveways and Entrances to Garages. All driveways and entrances to garages shall be concrete or other substance approved in writing by the Board or the Architectural Committee and of a uniform quality.

Section 7.20. Swimming Pools. No above-ground swimming pools may be erected or constructed on any Lot. Any swimming pool must be located at the rear of any dwelling on the Lot and have at least a four-foot security fence around its immediate apron perimeter that remains locked at all times except when in use by the Owner, in addition to any other fencing that may be permitted by this Declaration.

Section 7.21. Aesthetics, Natural Growth, Screening. Except in connection with the Initial Improvements, Trees which have a diameter in excess of six (6) inches measured two (2) feet above ground level, and distinctive flora, shall not be intentionally destroyed or removed except with the prior written approval of the Architectural Committee.

Section 7.22. Waiver of Setbacks, Building Lines and Building Requirements. The Architectural Committee may, waive minor unintentional violations of the setbacks and building lines provided for in Section 7.2, and the building requirements provided for in Section 7.5. Such waiver shall be in writing and recorded in the Register of Deeds Office for Spartanburg County, South Carolina. A document executed by the Approved Builder or the Architectural Committee shall be, when recorded, conclusive evidence that the requirements of Section 7.2, and Section 7.5, have been complied with. The Architectural Committee may also handle violations of setback and boundary lines by amending the Plat (provided the consent of any affected Owner is obtained). Nothing contained herein shall be deemed to allow the Approved Builder or the Architectural Committee to waive violations that must be waived by an appropriate governmental authority.

ARTICLE VIII

EASEMENTS

Section 81. Utilities. Easements for the installation and maintenance of utilities (including cable service) and storm drainage facilities are reserved as indicated on the Plat or Subdivision design plans approved by Spartanburg County. Within these easements no structures, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of storm drainage channels in the drainage easements, or which may obstruct or retard the flow of storm water through drainage channels in the easements. An easement is hereby established for the benefit Spartanburg County (and any other person or firm providing services to the property under a agreement with or at the direction of the Association) over all Common Area as may be reasonably necessary for the setting, removal and reading of water meters, and the maintenance and replacement of water, sewer and drainage facilities and for the fighting of fires and collection of garbage. The Association shall have the power and authority to grant and establish upon, over and across the Common Area such additional easements as are necessary or desirable for the providing of service or utilities to the Common Area or Lots.

Section 82. Sign Easements. Easements for the maintenance of subdivision signs and landscaping and lighting surrounding the same are reserved as indicated on the recorded plats. Declarant hereby grants, gives and conveys to the Association a perpetual, non-exclusive easement over any portions of Lots designated as "sign easement(s)" or "landscape buffer(s)" on the Plat(s), to maintain, repair and replace the subdivision signs which may be located thereon, as well as the lighting fixtures and landscaping thereon. The costs of all such maintenance, repair and replacements shall be part of the common expenses of the Association, payable by the Owners as set out in Article IV hereof. In addition to the easement granted above as to the portion of Lots designated "sign easements", or "landscaping easements" Declarant hereby gives, grants and conveys to the Association the right of ingress, egress and regress over other portions of such Lots as shall be reasonably necessary to effectuate the purposes stated above.

Section 83. Binding Effect. The easements granted and reserved in this Declaration shall run with the land in perpetuity and be binding upon and inure to the benefit of all persons and entities now owning or subsequently acquiring all or part of the Property.

ARTICLE IX

GENERAL PROVISIONS

Section 91. Enforcement. The Declarant, the Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration, the Articles of Incorporation or Bylaws of the Association. In the event that the Declarant, any Owner, or the Association resorts to litigation to remedy a violation of this Declaration, such Owner, Declarant, or the Association, as applicable, shall be entitled to recover court costs, attorneys' fees and expenses incurred in connection therewith, which costs, fees and expenses may be levied as a Special Individual Assessment against the offending Owner's Lot. Failure by 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. The Association shall have the right to request that law enforcement, public safety and animal control officers come on the Property to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

Section 92. Severability. Invalidation of any one of the covenants or restrictions by judgment or court order shall not affect any other provision that shall remain in full force and effect.

Section 9.3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for the term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless during the last year of such initial or then current renewal term the owners' of seventy-five (75%) of the lots agree in writing to terminate this Declaration at the end of such term. Subject to the additional requirements of Section 9.8. (if applicable) this Declaration may be amended during the first twenty (20) year period by an instrument signed by Members holding not less than seventy-five percent (75%) of the votes in the Association, and thereafter by an instrument signed by Members holding not less than sixty-seven percent (67%) of the votes in the Association. Any amendment must be properly recorded. As long as Declarant and Approved Builder owns any Lot in the Subdivision, no amendment shall be effective without the written consent of the Declarant and Approved Builder, which consent shall be properly recorded in order to be effective.

Section 9.4. Federal Lending Requirements. Notwithstanding Section 9.3. above, Declarant may, at Declarant's option, amend and modify this Declaration without obtaining the consent or approval of the Owners if such amendment or modification is necessary to cause this declaration to comply with the requirements of the Federal Housing Administration, the Veterans Administration, Fannie Mae, or other similar agency. Any such Amendment must be with the consent and approval of such agency and must be properly recorded. In addition, during the Development Period, Declarant may amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner. In all events, no such amendment authorized herein shall adversely affect any right, exemption or privilege provided to Approved Builder unless Approved Builder shall consent thereto in writing.

Section 9.5. Annexation.

(a) Additional property may be annexed to the Property and made subject to this Declaration by filing a supplemental declaration of record. Subject to subparagraph (b) below, such annexation must be approved by two-thirds (2/3) of each class of members.

(b) Notwithstanding the above, Additional Property may be annexed by the Declarant without the consent of Members within twenty (20) years of the date of this instrument. Provided, however, that should Declarant elect to improve and develop all or part of the Additional Property, Declarant shall have the right to impose covenants and restrictions which are the same as or similar to or not substantially different to those contained herein on all or part of the Additional Property.

Section 9.6. Amplification. The provisions of this Declaration are amplified by the Articles of Incorporation and Bylaws of the Association, but no such amplification shall alter or amend any of the rights or obligations of the Owners set forth in this Declaration. Declarant intends that the provision of this Declaration on the one hand, and the Articles of Incorporation and Bylaws on the other, be interpreted, construed, and applied to avoid inconsistencies or conflicting results. If such conflict necessarily results, however, Declarant intends that the provisions of this Declaration control anything in the Articles of Incorporation or Bylaws to the contrary, to the extent permitted by law.

Section 9.7. Total or Partial Destruction of Improvements. In the event of a total or partial destruction of any improvements on the Common Area, and if available proceeds of insurance carried pursuant to this Declaration are sufficient to cover eighty-five (85%) of the repair or reconstruction, the Common Area shall be promptly repaired and rebuilt unless within 120 days from the date of such destruction, seventy-five (75%) or more of the owners entitled to vote at a duly called meeting, determine that such reconstruction shall not take place. If the insurance proceeds are less than eighty-five (85%) of the cost of reconstruction, reconstruction may nevertheless take place if, within 120 days from the date of destruction, the Owners of seventy-five (75%) of the Lots elect to rebuild.

Section 9.8. Notice. Any notice required or desired to be given under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States mail, postage prepaid, directed to the known Mortgagee or other party entitled to notice, at the last known

address for each such party, all as shown on the books and records of the Association at the time such notice is given.

Section 9.9. Availability of Documents. The Association shall maintain current copies of the Declaration, the Bylaws, and rules and regulations, concerning the property as well as its own books, records, and financial statements available for inspection by the Owners, Mortgagees and insurers and guarantors of Mortgages that are secured by Lots. All such documents shall be available upon reasonable notice and during normal business hours. In addition, any Mortgagee may, at its own expense, have an audited statement prepared with respect to the finances of the Association.

Section 9.10. Management Contracts. The Association is authorized and empowered to engage the services of any person, firm, or corporation to act as managing agent of the Subdivision at a compensation to be established by the Board of Directors and to perform all the powers and duties of the Association; provided, however, that the term of any such agreement with a managing agent shall not exceed one (1) year and shall only be renewed by agreement of the parties for successive one (1) year terms. Any such contract shall be terminable by the Association with or without cause upon thirty (30) days' notice to the manager without payment of a termination fee.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed in its company by its members thereunto duly authorized and its seal properly attested to be hereto affixed on this 1st day of July, 2024.

Executed and declared in the Presence of:

[Signature]
Witness

Debra P Dube
Witness

DECLARANT
ROI PROPERTIES, LLC

BY : [Signature]
Its Member

State of South Carolina)
County of Spartanburg)

ACKNOWLEDGEMENT

I, Debra P Dube, a Notary Public for South Carolina, do hereby certify that Travis Owens, as Member of ROI Properties, LLC, personally appeared before me and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 1st day of July, 2024.

Debra P Dube
Notary Public for South Carolina

My Commission Expires: 4/28/25

(SEAL)



EXHIBIT "A" TO DECLARATION FOR THE MAGNOLIA PARK SUBDIVISION

All those certain pieces, parcels, or lots of land, located in County of Spartanburg and State of South Carolina, being shown on plat entitled "Magnolia Park" dated May 22, 2024, and recorded in Plat Book 185 at Page 604-604 in the Register of Deeds Office for Spartanburg County, South Carolina, reference to said plat is hereby made for a more complete metes and bounds description thereof.

EXHIBIT "B"

**TO
DECLARATION OF COVENANTS, CONDITIONS
RESTRICTIONS AND EASEMENTS FOR
MAGNOLIA PARK OF WOODRUFF SUBDIVISION**

**BYLAWS OF
MAGNOLIA PARK OF WOODRUFF HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE 1
NAME AND LOCATION**

Section 1.1. Name. The name of the Corporation is MAGNOLIA PARK OF WOODRUFF HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association."

Section 1.2. Location. The principal office of the Association shall be located in Spartanburg County, South Carolina.

Section 1.3. Registered Agent. The Registered Agent for the Association shall be the Secretary as from time to time elected, unless otherwise agreed upon by the Board of Directors. The registered office of the Association must be located in South Carolina and may be, but need not be, identical with the principal office.

Section 1.4. Purpose. The purpose for which the Association is organized is to further social activities of Owners of Lots in Magnolia Park of Woodruff Subdivision located in Spartanburg County, South Carolina, and in connection therewith to provide services to such property Owners, manage and maintain the Common Area and administer and enforce all Covenants and Restrictions dealing with the property located Magnolia Park of Woodruff Subdivision and any other purposes allowed by law.

**ARTICLE 2
DEFINITIONS**

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein), shall have the meaning set forth in that certain Declaration of Covenants, Conditions and Restrictions for Magnolia Park of Woodruff Subdivision executed by JBDY1, LLC, (a/k/a JBDY I, LLC) and duly recorded in the Register of Deeds Office for Spartanburg County, South Carolina, as the same may be supplemented and amended from time to time (the Declaration").

ARTICLE2 DEFINITIONS

All capitalized terms when used in these Bylaws, or any amendment hereto (unless the context shall otherwise require or unless otherwise specified herein or therein), shall have the meaning set forth in that certain Declaration of Covenants, Conditions and Restrictions for Magnolia Park of Woodruff Subdivision executed by JBDY1, LLC, (a/k/a JBDY I, LLC) and duly recorded in the Register of Deeds Office for Spartanburg County, South Carolina, as the same may be supplemented and amended from time to time (the Declaration").

ARTICLE3 MEETINGS OF MEMBERS

Section 3.1. Membership. The Members of the Association, hereinafter referred to as "Members," shall at all times be limited to the Declarant, the Approved Builders and Owners of Lots in Magnolia Park of Woodruff Subdivision.

Section 3.2. Annual Meetings. The first annual meeting of the Members shall be held on such date as determined by the Board of Directors within one year from the date of incorporation of the Association or during the first calendar year that Assessments are charged to the Owners. Each subsequent annual meeting of the Members shall be held on such date and time as determined by the Board of Directors. If the day for the annual meetings of the Members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday.

Section 3.3. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote at least one-tenth (1/10) of all the votes appurtenant to the Lots.

Section 3.4. Place of Meetings. All meeting places of the Members shall be held at such place within Spartanburg South Carolina, as shall be determined by the Board of Directors of the

Section 3.5. Notice of Meetings. Written notice of each meeting of the Members shall be given by mailing a copy of such notice by first class mail, postage prepaid, not less than thirty (30) days nor more than sixty (60) days before the date of such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 3.6. Membership List. An alphabetical list of the names of all Members who are entitled to vote and their addresses shall be prepared by the Secretary and shall be available for inspection by any Member beginning on the next business day after notice of any meeting is given and continuing through the meeting, at the Association's principal office or at the place identified in the meeting notice in the city where the meeting will be held. This list shall also be available at the meeting for inspection by any Member.

Section 3.7. Classes of Lots and Voting Rights. The voting rights of the Member shall be appurtenant to the ownership of the Lots. There shall be two classes of Lots with respect to voting rights.

(a) Class A Lots. Class A Lots shall be all Lots except Class B Lots as defined below. Each Class A Lot shall entitle the Owner(s) of said Lot to one (1) vote. When more than one person owns an interest (other than a leasehold or security interest) in any Lot, all such persons shall be Members, and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Class A Lot.

(b) Class B Lots. Class B Lots shall be all Lots owned by Declarant or by the Approved Builder(s), which have not been conveyed to purchasers who are not affiliated with the Approved Builder(s) or Declarant. Declarant and the Approved Builder(s) shall be entitled to five (5) votes for each Class B Lot which each party owns.

Section 3.8. Relinquishment of Control. 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:

(a) Six months after the builder/developer no longer owns the property.

(b) Upon the recording of an Assignment of Debtor's Rights.

Section 3.9. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, ten percent (10%) of the votes appurtenant to the Lots shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, subsequent meetings may be called, subject to the same notice requirement, until the required quorum is present. No such subsequent meeting shall be held more than sixty (60) days following the proceeding meeting.

Section 3.10. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing dated within eleven months prior to the meeting and filed with the Secretary. Every proxy shall be revocable by (1) appearing at the meeting and voting in person, (ii) filing a valid substitute proxy or cancellation of proxy with the Secretary prior to the call to order of the Meeting, or (iii) conveyance by the Member of his Lot.

Section 3.11. Action by Members. Except as provided otherwise in the Articles of Incorporation, the Declaration or these Bylaws, any act or decision approved by a vote of no less than two-thirds ($\frac{2}{3}$) of all votes present at a duly held meeting of the Members at which a quorum is present shall be regarded as the act of the Members.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business at the meeting or any adjournment thereof notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 3.12. Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing and such waiver shall be deemed equivalent to the giving of

such notice. Attendance by a Member at any meeting of the Members shall constitute a waiver of notice by him of the time and place thereof except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called, Mall the Members are present at any meeting of the Members, no notice shall be required, and any business may be transacted at such meeting.

Section 3.13. In formal Action by Members. Any action which may be taken at a meeting of the Members may be taken without a meeting if; (i) a consent in writing, setting forth the action so taken, shall be signed by all of the persons who would be entitled to vote upon such action at a meeting and filed with the Secretary of the Association to be kept in the Association's minute book; or (ii) such action is approved by written ballot as authorized by South Carolina Section 33-31-708.

ARTICLE 4 BOARD OF DIRECTORS

Section 4.1. Number. The business and affairs of the Association shall initially be managed by a Board of three directors, who will be appointed by Declarant for so long as there is a Class B Membership. At the first annual meeting of the Members following termination of the Class B Membership, a Board of three directors shall be elected as described in Section 4.4.

Section 4.2. Initial Directors. The initial directors shall be selected by the Declarant and consented to by the Approved Builders, whose consent shall not be unreasonable withheld or denied. Such initial directors shall serve for one-year terms at the election of the Declarant and the Approved Builder(s) from the date upon which the Declaration is recorded in Spartanburg County or until such time as the Class B Membership terminates and their successors are duly elected and qualified.

Section 4.3. Nomination. Following the expiration of the Class B Membership, nomination for the election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a

chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association, The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members to serve from the annual meeting where appointed and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than, the number of vacancies that are to be filled.

Section 4.4. Election. Directors shall be elected at the annual meeting of the Members by written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected, Cumulative voting is not permitted.

Section 4.5. Term of Office. The term of all successor directors elected by the Members shall expire at the next annual meeting of Members; provided, however, the Directors shall continue to serve until their successors are elected and qualified or until their earlier resignation, removal from office, incapacity, or death.

Section 4.6. Removal. Any Director may be removed from the Board of Directors, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation, or removal of a Director, his/her successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his/her predecessor. The Members may elect a director at any time to fill any vacancy not filled by the Directors.

Section 4.7. Compensation. No Director shall receive compensation for any services (s)he may render to the Association. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties.

Section 4.8. Salaries of Employees and Agents. Except as provided elsewhere in the Bylaws, the Board of Directors shall set the salaries of all employees and agents of the Association.

MEETINGS OF DIRECTORS

Section 5.1. Regular Meetings. Meetings of the Board of Directors shall be held on a regular basis as often as the Board of Directors sees fit, but no less often than annually, on such days and at such place and hour as may be fixed from time to time by any resolution of the Board of Directors. Should said meetings fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director.

Section 5.3. Notice of Meetings. Notice of each special meeting of the Board of Directors, stating the time, manner and place of the meeting, shall be given by or at the direction of the Secretary of the Association by mailing the same to each Director at his/her residence or business address not fewer than three (3) days before each such meeting, or by giving the same to each personally or telegraphing or telephoning the same to each at his/her residence or business address not later than the day before the day on which the meeting is to be held.

Any and all requirements for call and notice of meetings may be dispensed with if all Directors are present at the meeting or if those not present at the meeting shall at anytime waive or have waived notice thereof.

Section 5.4. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 5.5. Informal Action by Directors. Action taken by a majority of the Directors without a meeting is nevertheless a Board of Directors action if written consent to the action in question is signed by all of the Directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action is so taken.

Section 5.6. Chairman. A Chairman of the Board of

Directors shall be elected by the Directors and shall preside over all Board of Directors meetings until the President of the Association is elected. Thereafter, the President shall serve as Chairman. In the event there is a vacancy in the office of the Presidency, a Chairman shall be elected by the Board of Directors and shall serve until a new President is elected.

Section 5.7. Liability of the Board of Directors. The Members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith. The Owners shall indemnify and hold harmless each of the Members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been in bad faith or contrary to the provisions of the Declaration or these Bylaws. It is intended that the Members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association, except to the extent that they are Owner(s).

**ARTICLE 6
POWERS AND DUTIES OF THE BOARD OF
DIRECTORS**

Section 6.1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Common Area and the personal conduct of the Members, their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and the right to use of the Common Area during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for an infraction of published rules and regulation;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this

Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

(d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties;

(f) employ attorneys to represent the Association when deemed necessary;

(g) grant easements for the installation and maintenance of sewer or water lines and other utilities or drainage facilities upon, over, under and across the Common Area without the assent of the Membership when such easements are requisite for the convenient use and enjoyment of the Property;

(h) appoint and remove at its pleasure all officers, agent and employees of the Association, prescribe their duties, fix their compensation and require of them such security or fidelity bond as it may deem expedient;

(i) do anything necessary or desirable, including, but not limited to, establishing any rules and regulations which the Association deems necessary to carry out the purposes of the Association as set forth herein or as permitted by law;

(j) enforce the provisions of the Declaration and any Additional or Supplementary Declaration and any rules or regulations made hereunder or thereunder and to enjoin and/or, at its discretion, seek damages or other relief for violation of such provisions or rules and/or by Special Individual Assessments against any Owner for violation of such provisions, rules or regulations pursuant to the provisions of the Declaration; and

(k) levy assessments as more particularly set forth in the Declaration.

Section 6.2. 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 corporate 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 Members entitled to at least one-third (1/3) of the votes appurtenant to the Lot;

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

(c) as more fully provided in the Declaration:

(1) fix the amount of the assessments as more particularly described in the Declaration;

(2) send written notice of each assessment to every Owner subject thereto before its due date; and

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

(d) 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 required 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) procure and maintain adequate liability insurance covering the Association and the

Directors and Officers thereof and adequate hazard Insurance on the property owned by the Association;

(f) cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(g) cause the Common Areas to be maintained.

ARTICLE 7 OFFICERS AND THEIR DUTIES

Section 7.1. Officers. The Officers of the Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create.

Section 7.2. Election of Officers. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Term. Each Officer of the Association shall be elected annually by the Board of Directors, and each shall hold office for one (1) year or until his/her death, resignation, retirement, removal, disqualification, or his/her successor is elected and qualifies.

Section 7.4. Special Appointments. The Board of Directors may elect such other Officers as the affairs of the Association may require, each of whom shall hold office for such a period, have such authority and perform such duties, as the Board of Directors may, from time to time, determine.

Section 7.5. Resignation, Removal and Vacancies. Any Officer may be removed from office with or without cause by the Board of Directors. Any Officer may resign at any time by giving written notice to the Board of Directors, the President or Secretary. Such resignation shall take effect on the date of 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. A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7.6. Multiple Officers. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4.

Section 7.7. Compensation. No Officer shall receive any compensation from the Association for acting as such.

Section 7.8. Duties. The duties of the Officers are as follows:

President

(a) The President shall be the principal executive Officer of the Association and subject to the control of the Board of Directors, shall supervise and control the management of the Association. The President shall preside at all meetings of the Board of Directors; shall see that the orders and resolutions of the Board of Directors are carried out; shall sign all Leases, Mortgages, Deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Directors.

Secretary

(c) The Secretary shall record the votes and keep the minutes of all meeting and proceedings of the Board of Directors and of the Members, shall keep the corporate seal of the Association and affix it on all papers requiring said seal, shall serve notice of meetings of the Board of Directors and of the Members, shall keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of

Directors.

Treasurer

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors, shall sign all checks and promissory notes of the Association, shall keep proper books of account, shall cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE 8 COMMITTEES

Section 8.1. Executive Committee. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate an Executive Committee to consist of two or more of the Directors of the Association, which, to the extent provided in said resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and to do all things, including actions specified by these Bylaws to be performed by the Board of Directors, in the same manner and with the same authority and effect as if such acts had been performed by the Board of Directors; but the Board of Directors shall at all times have the power to reverse an action taken by the Executive Committee, provided that the exercise of such power by the Board of Directors shall not in any way abrogate the obligations or duties owing by the Association to third parties who have acted in reliance on the action taken by such Committee.

All proceeding and actions taken by such Committee shall be reported to the Board of Directors at the regular meeting of the Board of Directors or special meeting called for such purpose next following such proceedings or action.

Section 8.2. Nominating Committee. The Association may

appoint a Nominating Committee, as provided in these Bylaws.

Section 8.3. Other Committees. The Board of Directors may appoint such other committees as the Board of Directors may from time to time deem appropriate.

Section 8.4. Compensation. Members of Committees, as such, shall not receive any salary or compensation for their services; provided, however, that a committee member may serve the Association in another capacity and receive compensation therefor.

ARTICLE 9 ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association Annual Assessments, Special Assessments and Special Individual Assessments, as defined in the Declaration. Any assessments (including but not limited to Special Individual Assessments) which are not paid when due shall be delinquent. If an assessment is not paid by its due date, as set forth in the Declaration, the assessment shall bear interest from such due date at the rate of twelve percent (12%) per annum or the highest rate then permitted by law, whichever is less, plus such late charge as may be established by the Board of Directors, and the Association may bring an action at law against the Member personally obligated to pay the same. The late charges, costs of collection and reasonable attorneys' fees related to any such action shall be added to the amount of such assessment, all in accordance with the provisions of the Declaration. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of his/her Lot or Association property. Declarant and Approved Builder shall have no obligation and shall not be required to pay any Assessments, whether Annual or Special, to the Association.

ARTICLE 10 CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: Magnolia Park of Woodruff

ARTICLE 11 AMENDMENTS

Section 11.1. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of at least two-thirds (2/3) of all votes present at a duly held meeting of the Members at which a quorum is present in person or by proxy.

Notwithstanding anything in this Section 11.1. to the contrary, the Class B Members may at their option amend these Bylaws without obtaining the consent or approval of any other person or entity.

Section 11.2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE 12 MISCELLANEOUS

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the Association's incorporation.

ARTICLE 13 INDEMNIFICATION OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Association shall indemnify any Director or Officer, or former Director or Officer of the Association, or any other person who may have served at the request of the Association as a director or officer of another corporation, whether for profit or not for profit, against expenses (including attorneys' fees) or liabilities reasonably incurred in

connection with the defense of or as a consequence of any threatened, pending or completed action, suit or proceeding (whether civil or criminal) in which (s)he is made a party or was (or is threatened to be made) a party by reason of being or having been such Director or Officer, except in relation to matters as to which (s)he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct in the performance of a duty, or in relation to a proceeding by or for the right of the Association in which a Director or Officer was adjudged liable to the Association or in relation to a proceeding where a Director or Officer was adjudged liable on the basis that personal benefit was improperly received by that Director or Officer.

The indemnification provided herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, bylaw, agreement, vote of Members or disinterested Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

The Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association, or is or was serving at the request of the Association as a Director, Officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability.

The Association's indemnity of any person who is or was a Director or Officer of the Association, or is or was serving at the request of the Association as a Director or Officer of the Association, or is or was serving at the request of the Association as a Director or Officer of another corporation, partnership, joint venture, trust or other enterprise, shall be reduced by any amounts such person may collect as indemnification (i) under any policy of insurance purchased and maintained on his behalf by the Association or (ii) from such other corporation, partnership, joint venture, trust or other enterprise.

Nothing contained in this Article13, or elsewhere in these Bylaws, shall operate to indemnify any Director or Officer if such indemnification is for any reason contrary to any applicable state or federal law.
