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STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF SPARTANBURG )

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Office of Register of Deeds, Spartanburg, S.C.  
Dorothy Earle, Register



DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
CANDLEWOOD SUBDIVISION SECTION I PHASES 3-E AND 3-F

WHEREAS, Slow Creek Holdings, LLC, (hereinafter referred to as "Declarant") a South Carolina Limited Liability Corporation, is the owner of a certain tracts of land in Spartanburg County known as Candlewood Section I, Phase 3-E recorded in Plat Book 160 at page 270 and Candlewood Section I, Phase 3F recorded in Plat Book 166 at page 101. In order to preserve the character of the project as a residential area and to protect the same from uses inconsistent therewith, the Declarant does hereby covenant and agree on behalf of itself, its successors and assigns, with all persons who shall hereafter purchase any of the said property to impose these covenants, conditions, and restrictions.

1. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2021, at which time said covenants shall be automatically extended for successive periods of ten (10) years. For so long as Declarant owns one or more lots within the subdivision, changes to the said covenants may be made pursuant to Paragraph 14 hereof. At such time as Declarant does not own any lots within the subdivision, changes to the said covenants, in whole or in part, may be made by approval of 75% of the lots owners.

2. If the parties hereto, or any of them or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for the Declarant or any other person or persons owning any real property situated in said development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages or other dues for such violation and reasonable attorney fees.

3. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

4. All lots delineated and laid out on the said plat shall be known and described as residential lots and shall not be used for business

purposes in any manner. No structure shall be erected, altered, placed or permitted to remain on any residential building lot other than one single family detached dwelling not to exceed two (2) stories in height and a private garage and/or carport for not more than three(3)cars. It is expressly prohibited to erect any other structure for habitation on a lot.

5. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

6. No trailer, basement, tent, shack, garage, barn or other outbuilding erected in the subdivision shown on said plat shall at any time be used as residence temporarily or permanently nor shall any structure of a temporary character be used as a residence; no dwelling house shall be occupied or made use of on any lot unless thoroughly and absolutely completed and no building shall be occupied as living quarters while the dwelling house is under construction or while awaiting the construction of said dwelling house.

7. No one-story dwelling shall have less than 1,000 square feet of heated living space. This does not include porches, carports, breezeways, or garages. Living space shall be determined by measuring the outside dimensions of the building, which encompasses heated and air-conditioned spaces. Two story dwellings shall have not less than 1,100 square feet of dwelling area.

8. No structure of any kind shall be erected, installed, altered or maintained on any lot until and unless the complete design, plans, specifications and location shall have been approved in the writing by the Declarant. All plans must be approved or disapproved by the Declarant within thirty (30) days after they have been submitted and in the event no disapproval is made within thirty (30) days the plans shall be deemed to have been approved. At such time as the Declarant shall have not held title to any lot subject to these covenants for a period of twelve months the right of the Declarant hereunder shall pass to the property owners.

9. No fence shall be erected around the front lines of any lot or the front yard of any dwelling in this subdivision, except a small ornamental fence not to exceed thirty-six (36") inches in height to the front corner of the dwelling. Privacy fences on the sides of a lot from the front corner of a dwelling to the rear property corners and along the back of the lot not to exceed six (6') feet in height shall be allowed. Design and location of fences must be approved pursuant paragraph #8 hereof.

10. No satellite dishes, antennas or other unsightly structures

shall be permitted on any lot without proper screening approved pursuant paragraph #8 hereof.

11. Any motor home, camping trailer, motorcycle, motor bicycle and/or similar equipment used for personal enjoyment of a resident of a lot shall at all times be screened and parked to the rear of the dwelling or completely within the garage and shall not be parked in the front or side thereof. Such equipment shall at all times be neatly stored and positioned to be inconspicuous.

13. Any disabled or wrecked vehicle, and/or similar equipment or vehicles shall be at all times parked completely within a garage and shall at all times be neatly stored and positioned to be inconspicuous.

14. The Declarant reserves the right to amend these covenants or to correct any typographical or other technical errors without the consent of any other party as long as it holds title to any lot subject to these covenants.

15. No animals or poultry, except house pets, shall be kept or maintained on any lot in the subdivision. No house pets shall be allowed to become a nuisance. Pets shall not be kept for breeding and sale of offspring.

16. No used building which has been torn down and removed in units from any other location shall be erected or placed on any other lot or lots, but this shall not prevent the erection of a building from material, which may have been salvaged from other buildings.

17. All papers and instruments hereinabove provided for to be filed with or submitted to the Developer shall be delivered personally or sent by Registered or Certified Mail Return Receipt Requested to 103 Sweet Briar Road, Greenville, SC 29615, Attn: Joe Thomason, or any such other address as the Declarant shall specify.

18. All residences and other structures, except fences upon any of the residential lots shall be set back from street or roadway on which said lot adjoins and shall be set back from any other boundary line of the said lot as provided for by Spartanburg County zoning regulations.

19. An easement shall exist along the front and rear lot line over, under and upon a strip of land ten (10') feet in width and upon a strip of land five (5') feet in width on the side lines of each lot for the construction, drainage, operation and maintenance of pipes, wires, and conduits for the transmission and conveyance of electricity, communication, gas, water, sewage, and drainage together with the construction and maintenance of supports and distributing

apparatus appertaining thereto, or to any other public or quasi-public service.

IN WITNESS WHEREOF, Slow Creek Holdings, LLC has caused these presents to be signed and sealed in its name by its Managing Member and thereunto duly authorize this 11<sup>th</sup> day of August, 2011.

Signed, sealed and delivered

SLOW CREEK HOLDINGS, LLC

in the presence of:

Kiana M. Stuart  
April B. Goble

BY: Joe B. [Signature]  
managing members

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

The within instrument was acknowledged before me by its maker.

SWORN to before me this

11<sup>th</sup> Day of August, 2011.

April B. Goble

Notary Public for South Carolina

My commission expires: 8/2/2017

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STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF SPARTANBURG )

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Recorded 4 Pages on 6/5/2012 11:57:10 AM  
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Dorothy Earle, Register



DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR  
CANDLEWOOD SUBDIVISION SECTION I PHASES 3-E AND 3-F

WHEREAS, Slow Creek Holdings, LLC, (hereinafter referred to as "Declarant") a South Carolina Limited Liability Corporation, is the owner of a certain tracts of land in Spartanburg County known as Portion Phase 1 - Section 3F CANDLEWOOD recorded in Plat Book 166 at page 730. In order to preserve the character of the project as a residential area and to protect the same from uses inconsistent therewith, the Declarant does hereby covenant and agree on behalf of itself, its successors and assigns, with all persons who shall hereafter purchase any of the said property to impose these covenants, conditions, and restrictions.

1. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2021, at which time said covenants shall be automatically extended for successive periods of ten (10) years. For so long as Declarant owns one or more lots within the subdivision, changes to said covenants may be made pursuant to Paragraph 14 hereof. At such time as Declarant does not own any lots within the subdivision, changes to said covenants, in whole or in part, may be made by approval of 75% of lot owners.

2. If the parties hereto, or any of them or their heirs or assigns, shall violate or attempt to violate any of the covenants herein, it shall be lawful for the Declarant or any other person or persons owning any real property situated in said development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages or other dues for such violation and reasonable attorney fees.

3. Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

4. All lots delineated and laid out on the said plat shall be known and described as residential lots and shall not be used for business

purposes in any manner. No structure shall be erected, altered, placed or permitted to remain on any residential building lot other than one single family detached dwelling not to exceed two (2) stories in height and a private garage and/or carport for not more than three (3) cars. It is expressly prohibited to erect any other structure for habitation on a lot.

5. No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

6. No trailer, basement, tent, shack, garage, barn or other outbuilding erected in the subdivision shown on said plat shall at any time be used as residence temporarily or permanently nor shall any structure of a temporary character be used as a residence; no dwelling house shall be occupied or made use of on any lot unless thoroughly and absolutely completed and no building shall be occupied as living quarters while the dwelling house is under construction or while awaiting the construction of said dwelling house.

7. No one-story dwelling shall have less than 1,000 square feet of heated living space. This does not include porches, carports, breezeways, or garages. Living space shall be determined by measuring the outside dimensions of the building, which encompasses heated and air-conditioned spaces. Two story dwellings shall have not less than 1,100 square feet of dwelling area.

8. No structure of any kind shall be erected, installed, altered or maintained on any lot until and unless the complete design, plans, specifications and location shall have been approved in the writing by the Declarant. All plans must be approved or disapproved by the Declarant within thirty (30) days after they have been submitted and in the event no disapproval is made within thirty (30) days the plans shall be deemed to have been approved. At such time as the Declarant shall have not held title to any lot subject to these covenants for a period of twelve months the right of the Declarant hereunder shall pass to the property owners.

9. No fence shall be erected around the front lines of any lot or the front yard of any dwelling in this subdivision, except a small ornamental fence not to exceed thirty-six (36") inches in height to the front corner of the dwelling. Privacy fences on the sides of a lot from the front corner of a dwelling to the rear property corners and along the back of the lot not to exceed six (6') feet in height shall be allowed. Design and location of fences must be approved pursuant paragraph #8 hereof.

10. No satellite dishes, antennas or other unsightly structures

shall be permitted on any lot without proper screening approved pursuant paragraph #8 hereof.

11. Any motor home, camping trailer, motorcycle, motor bicycle and/or similar equipment used for personal enjoyment of a resident of a lot shall at all times be screened and parked to the rear of the dwelling or completely within the garage and shall not be parked in the front or side thereof. Such equipment shall at all times be neatly stored and positioned to be inconspicuous.

13. Any disabled or wrecked vehicle, and/or similar equipment or vehicles shall be at all times parked completely within a garage and shall at all times be neatly stored and positioned to be inconspicuous.

14. The Declarant reserves the right to amend these covenants or to correct any typographical or other technical errors without the consent of any other party as long as it holds title to any lot subject to these covenants.

15. No animals or poultry, except house pets, shall be kept or maintained on any lot in the subdivision. No house pets shall be allowed to become a nuisance. Pets shall not be kept for breeding and sale of offspring.

16. No used building which has been torn down and removed in units from any other location shall be erected or placed on any other lot or lots, but this shall not prevent the erection of a building from material, which may have been salvaged from other buildings.

17. All papers and instruments hereinabove provided for to be filed with or submitted to the Developer shall be delivered personally or sent by Registered or Certified Mail Return Receipt Requested to 103 Sweet Briar Road, Greenville, SC 29615, Attn: Joe Thomason, or any such other address as the Declarant shall specify.

18. All residences and other structures, except fences upon any of the residential lots shall be set back from street or roadway on which said lot adjoins and shall be set back from any other boundary line of the said lot as provided for by Spartanburg County zoning regulations.

19. An easement shall exist along the front and rear lot line over, under and upon a strip of land ten (10') feet in width and upon a strip of land five (5') feet in width on the side lines of each lot for the construction, drainage, operation and maintenance of pipes, wires, and conduits for the transmission and conveyance of electricity, communication, gas, water, sewage, and drainage together with the construction and maintenance of supports and distributing

apparatus appertaining thereto, or to any other public or quasi-public service.

IN WITNESS WHEREOF, Slow Creek Holdings, LLC has caused these presents to be signed and sealed in its name by its Managing Member and thereunto duly authorize this 9<sup>th</sup> day of May, 2012.

Signed, sealed and delivered

SLOW CREEK HOLDINGS, LLC

in the presence of:

STRTEGIC REAL ESTATE MGT, LLC  
Managing Member

Amanda Katsaros  
Amanda Katsaros

BY: Ronald E. Bruner  
member

STATE OF SOUTH CAROLINA

COUNTY OF SPARTANBURG

The within instrument was acknowledged before me by its maker.

SWORN to before me this

9 Day of May, 2012.

Kelly B. Wort

Notary Public for South Carolina

My commission expires: October 31, 2017

Vertical text on the left margin, possibly a stamp or recording information.

FIRST AMENDMENT TO THE DECLARATION  
OF  
COVENANTS, CONDITIONS, RESTRICTIONS  
FOR  
CANDLEWOOD SUBDIVISION SECTION I PHASES 3-E AND 3-F

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS FOR CANDLEWOOD SUBDIVISION SECTION I PHASES 3-E AND 3-F (the "Amendment"), made on the date hereinafter set forth by SLOW CREEK HOLDINGS, LLC, a South Carolina Limited Liability Company (together with its successors and assigns hereinafter referred to as "SCH" or "Declarant").

WITNESSETH:

WHEREAS, SCH is the Declarant (as that term is used in the Declaration, hereinafter defined) over certain property in the County of Spartanburg, State of South Carolina (collectively, the "Properties"), which is more particularly described as:

ALL that certain piece parcel or lot of land situate, lying and being in the State of South Carolina, County of Spartanburg being shown and designated as Lots 46-50, 53-68, 124, 125, 126, 139, 141, 142, 145-154 and 269 as shown on plat of Candlewood Subdivision recorded in Plat Book 160 at Page 270 and having, according to said plat, metes and bounds as shown thereon.

ALSO, All that certain piece parcel or lot of land situate, lying and being in the State of South Carolina, County of Spartanburg being shown and designated as 11.75 acres more or less, on a plat entitled "Final Plat Candlewood Subdivision, Phase I – Section 3F" recorded on Plat Book 166 at Page 101, and having, according to said plat, metes and bounds as shown thereon.

This being the same property conveyed to The Palmetto Bank by Deed of Gordon G. Cooper, Master in Equity for Spartanburg County recorded on March 30, 2010 in Deed Book 95-W, Page 275, and re-recorded on October 19, 2010 in Deed 97-D, Page 160, Spartanburg County records.

WHEREAS, the Properties are subject to those Declaration of Covenants, Conditions and Restrictions for Candlewood Subdivision Section I Phases 3-E and 3-F recorded in Deed Book 98-Z at Page 669; and Declaration of Covenants, Conditions and Restrictions for Candlewood Subdivision Section I Phases 3-E and 3-F recorded in

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Dorothy Earle, Register



Deed Book 100-W at Page 735; as the same may be amended, renewed or extended from time to time in the manner herein provided (collectively, the "Declaration");

WHEREAS, SCH is the "Declarant" under the Declaration;

WHEREAS, Section 1 and Section 14 the Declaration provides that so long as the Declarant owns one or more of the Properties, the Declarations may be amended by the Declarant Without the approval of any other party; and

WHEREAS, as of the date of this Amendment, the Declarant holds title to one or more of the Properties, and Declarant desires to amend the Declaration on the terms set forth herein.

NOW, THEREFORE, SCH, as Declarant under the Declaration pursuant to the terms of the Declaration, hereby declares that the Declaration is hereby amended as set forth in this Amendment and that all of the Properties 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 real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINED TERMS

SECTION 1. Except as expressly modified herein, all terms used herein that are defined in the Declaration shall have the same meanings herein as set forth therein. All references in the Declaration to the "Declaration" shall henceforth mean and refer to the Declaration, as amended by this Amendment.

SECTION 2. The title of the Declaration shall be fixed to correct a scrivener error. The Declaration shall now be "Declaration of Covenants, Conditions and Restrictions for Candlewood Subdivision Phase I Sections 3-E and 3-F".

SECTION 3. The following terms will be added to the Declaration:

- a. "Approved Builder" shall mean and refer to any builder which may be selected by Declarant to buy Lots and to construct homes for sale on the Properties. For avoidance of doubt, D.R. Horton, Inc. is an Approved Builder.
- b. "Association" shall mean and refer to the Candlewood Property Owners Association, Inc., its successors and assigns which the Declarant shall incorporate under the law of the State of South Carolina as a non-profit corporation.
- c. "Board of Directors" or "Board" shall mean and refer to the body responsible for administering the Association, selected as provided in the Bylaws and serving the same role as the board of directors under South Carolina corporate law.
- d. "Bylaws" shall mean and refer the Bylaws of Candlewood Property

Owners Association, Inc., attached for informational purposes as Exhibit "A" as the same may be amended.

- e. "Declarant" shall mean and refer to SLOW CREEK HOLDINGS, LLC, as well as its successors and assigns, if Declarant shall make an express conveyance of its rights as developer hereunder to such successor or assign. At such time as Declarant no longer is the Owner of a Lot, the rights of Declarant under this Declaration shall inure without further action to the Association.
- f. "Declaration" shall mean and refer to his Declaration of Covenants, Conditions and Restrictions for Candlewood Subdivision Phase I Sections 3-E and 3-F, as it may be amended or supplemented from time to time.
- g. "Lot" shall mean and refer to portions of the Properties shown as separately numbered plot of land shown upon any recorded subdivision map of the Candlewood Subdivision more particularly set forth in Plat Book 160 at Page 270 and that 11.75 acres more or less, on a plat entitled "Final Plat Candlewood Subdivision, Phase I – Section 3F" recorded on Plat Book 166 at Page 101, which may be independently owned and is intended for development, use, and occupancy as a detached single-family residence. The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon.
- h. "Member" shall mean and refer to every person or entity who holds membership with voting rights in the Association.
- i. "Owner" shall mean and refer to one or more Persons who hold the record fee simple title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation.
- j. "Person" shall mean and refer to an individual, corporation, limited liability company, partnership, trustee, or any other legal entity.
- k. "Property" and "Properties" shall mean and refer to the real property described in the Recitals of the FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS FOR CANDLEWOOD SUBDIVISION SECTION I PHASES 3-E AND 3-F.
- l. "Rules and Regulations" shall mean and refer to the rules and regulations set forth in Exhibit "B," as they may be supplemented and modified by the Declarant and or Board.

## ARTICLE II

### AMENDMENTS TO THE DECLARATION

SECTION 1. Except as otherwise expressly specified herein, the Declaration is hereby amended as of the date of this Amendment.

SECTION 2. Section 14 of the Declaration shall be amended by adding the following sentence:

Notwithstanding the forgoing, the Declaration shall not be amended or modified without the prior written consent of the Approved Builder(s).

SECTION 3. The following Sections and subsections will be added to the Declaration:

SECTION 20 MEMBERSHIP AND VOTING RIGHTS

SECTION 20.1 MEMBERSHIP. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot.

SECTION 20.2. VOTING RIGHTS: Voting rights of the Members shall be appurtenant to the ownership of the Lots. There shall be two classes of Members with respect to voting which are as follows:

(a) Class A: "Class A Members" shall be all Owners, except the Class B Member(s). As to all matters with respect to which Members are given the right to vote, each Member shall be entitled to one (1) vote for each Lot he or she owns. In any situation where a Class A Member is entitled to exercise the vote for his or her Lot, and there is more than one Owner of such Lot, the vote for such Lot shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise it. Owners not in good standing with the Association and whose Assesments are not paid current are not allowed to maintain voting rights.

(b) Class B: "Class B Member(s)" means the Declarant and any Approved Builder(s) who own a Lot, and shall be entitled to three (3) votes for each Lot owned by Declarant or Approved Builder(s), respectively. The Class B Membership shall cease and be converted to Class A Membership when Declarant and any Approved Builder(s) elect by written notice to the Association to convert their Class B membership to Class A Membership or when the last Lot is transferred by deed to an entity or individual other than the Declarant or an Approved Builder.

Section 20.3. TRANSFER OF MEMBERSHIP. Membership in the Association is appurtenant to Lot ownership and shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon a transfer of title to such Lot, and then only to the transferee. Any prohibited transfer of an Association membership shall be void and of no force or effect. Any transfer of title or interest to a Lot shall operate automatically to transfer the appurtenant membership rights in the Association to the new Owner. Prior to any transfer of title to such a Lot, the transferring Owner, other than the Declarant or any Approved Builder shall give seven (7) days prior written notice to the Board of such transfer, which shall include the name and address of the acquiring Owner and the date of transfer.

**SECTION 21 COVENANT FOR MAINTENANCE AND ASSESSMENTS.**

**SECTION 21.1 CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS.** The Declarant, for each Lot, hereby covenants, and each Owner, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association (a) annual assessments or charges ("Annual Assessments") and (b) special individual assessments as more particularly described below ("Special Individual Assessments"), such assessments to be established and collected as hereinafter provided. The Annual Assessments and Special Individual Assessments (collectively, "Assessments" and, individually an "Assessment"), together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made as of that date upon which such Assessment is made and continuing until paid. Each such fee and Assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to such Owner's successors in title unless expressly assumed by them, but shall remain a lien upon the transferred Lot. Declarant agrees to subsidize all costs of the Association until sixty (60) Lots are sold to Class A Members. Notwithstanding the provisions of this Section, Lots owned by Declarant or Approved Builder(s) shall be exempt from Assessments during Declarant's or Approved Builder(s) ownership of the Lot(s), and the Annual Assessment for such Lot(s) shall commence upon the date of sale of the Lot to a Class A Member.

**SECTION 21.2. PURPOSE OF ASSESSMENTS.**

(a) The Assessments levied by the Association shall be used exclusively to promote the, health, safety and welfare of the residents of the Lots and in particular for the procurement and maintenance of insurance in accordance with the Bylaws; the lighting of streets (whether public or private); the costs associated with duties of managing the Association; the employment of attorneys and other agents to represent the Association when necessary; and such other needs as may arise.

(b) 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 Association, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the articles of incorporation of the Association and the Bylaws. 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 the other Owners. Although all funds and common surplus, including other assets of the Association, and any increments thereto or profits derived there from 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 Lot. When a Owner shall cease to be a Member by reason of his 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 Association.

**SECTION 21.3. MAXIMUM ANNUAL ASSESSMENT.** Subject Section 21.1, beginning January 1, 2015, the initial Annual Assessment shall be \$150.00 per Lot, and shall be collected annually.

(a) The maximum Annual Assessment for the calendar year beginning January 1, 2016 and for each calendar year thereafter shall be established by the Board of Directors by preparation of a budget and assessment of the charges based upon each Lot's pro rata portion of this budget. For each calendar year thereafter, this may be increased by the Board of Directors without approval by the Members (i) an amount not to exceed ten percent (10%) of the maximum annual assessment of the previous year, or (ii) by such sum is proportionally equal with the increase in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, Bureau of Labor Statistics, whichever is greater.

(b) The maximum Annual Assessment for the calendar year beginning January 1, 2016 and for each calendar year thereafter may be increased above ten (10%) percent of the maximum Annual Assessment for the previous year only by an affirmative vote of two-thirds (2/3) of all Members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the Annual Assessment at an amount not in excess of the maximum. The Board shall fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of the Annual Assessment shall be sent to every Owner subject thereto. 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.

(d) Written notice of any meeting called for the purpose of taking any action authorized under this Section shall be sent to all Owners not less than thirty (30) days and no 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 forty (40%) percent 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 21.4. SPECIAL INDIVIDUAL ASSESSMENTS.** In addition to the Annual Assessments, the Board shall have the power to levy a Special Individual Assessment applicable to any particular Owner 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 Bylaws or

any Rules and Regulations promulgated by the Association or Declarant pursuant to this Declaration or the Bylaws. The due date of any Special Individual Assessment levied pursuant to this Section 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 upon which such Special Individual Assessment shall be due.

SECTION 21.5 RATE OF ANNUAL ASSESSMENT. Annual Assessments must be fixed at a uniform rate for all Lots.

SECTION 21.6 EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION. Any Assessment not paid within thirty (30) days after the due date shall become delinquent and shall be subject to a late payment penalty of Twenty Five and no/100 (\$25.00) Dollars, and in addition thereto 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 Lot in the same manner as prescribed by the laws of the State of South Carolina for the foreclosures of mortgage, and interest, costs 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 payment of the Assessment provided for herein by 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. The remedies herein provided shall not be exclusive, and the Association may enforce any other remedies to collect delinquent assessments as may be provided by law.

SECTION 21.7 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the Assessments against a Lot provided for herein shall be subordinate to the lien of any first mortgage made in good faith and for value upon such Lot. Sale or transfer of any Lot shall not affect the assessment lien or liens provided for in the preceding section. However, the sale or transfer of any Lot which is subject to any such first mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as 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 assessments thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any first mortgage or deed of trust.

SECTION 22 GENERAL PROVISIONS

SECTION 22.1. ENFORCEMENT. The Declarant, any Approved Builder (so long as it owns a Lot), 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 of the Association or

Bylaws. The Declarant or the Association shall have the right to impose Special Individual Assessments for infractions of such restrictions. In the event that the Declarant, any Owner, or the Association resorts to litigation to remedy a violation of this Declaration, such Owner, Declarant, any Approved Builder or the Association, as applicable, shall be entitled to recover court costs, reasonable 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 and shall be a continuing lien upon the Lot against which each such enforcement is made. Each such enforcement together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the enforcement was required. The personal obligation for the costs of enforcement shall not pass to the Owner's successors in title unless expressly assumed by them. Failure by the Declarant, Association, an Approved Builder 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 Declarant, an Approved Builder or the Association shall have the right to request that law enforcement, public safety and animal control officers come on the Properties to facilitate the enforcement of the laws, codes and ordinances of any governmental authority.

In addition to the rights and remedies hereinabove enumerated, and not as any limitation thereof, if the Association or the Declarant determines that any provision of these Covenants has been violated, the Association or the Declarant may, in its discretion, seek appropriate relief at law or equity to assure that the purposes of these Covenants are fulfilled. After having given thirty (30) days written notice to the Owner of any Lot involved, setting forth the specific violation or breach of these Covenants and the action required to be taken by the Owner to remedy such violation or breach and if, at the end of such time, reasonable steps to accomplish such action have not been taken by the Owner, the Association or the Declarant can enforce these Covenants by entering upon a Lot to abate or remove any violation, and any such entry shall not be deemed a trespass. Failure to enforce any of these Covenants shall not be deemed a waiver of the right to do so.

Section 22.2 NO IMPLIED LIABILITIES OR DUTIES. Any Rules or Regulations established by Declarant or the Association WILL NOT EXPRESSLY OR IMPLIEDLY CREATE ANY DUTY OF CARE to any Owner or resident of any Lot.

Section 22.3 INTERPRETATION. In all cases, the provisions set forth or provided for in the Declaration will be construed together and given that interpretation or construction which, in the opinion of Declarant or the Board of Directors will best effect the intent of the general plan of development. The provisions hereof will be liberally interpreted and, if necessary, they will be so extended or enlarged by implication as to make them fully effective.

### ARTICLE III

#### MISCELLANEOUS

SECTION 1. Effect of this Amendment. Except as expressly provided herein, the Declaration shall remain unmodified and in full force and effect. References to the Declaration shall be deemed to be references to the Declaration as modified hereby.

SECTION 2. Recitals. The Recitals are incorporated herein by reference and

considered a part of this Amendment.

SECTION 3. This Amendment may not be modified orally, and any modification shall be effective only if reduced to writing and signed by the Declarant and the Approved Builder(s). The captions are inserted only for the convenience of the reader and shall not be construed to interpret or modify the terms of the Amendment.

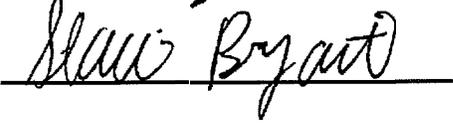
Section 4. Gender and Grammar. The singular wherever used herein will be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or other entities or to individuals, men or women, will in all cases be assumed as though in each case fully expressed.

Section 5. Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Amendment to any Person or to any Property will be prohibited or held invalid, such prohibition or invalidity will not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and to this end the provisions of this Amendment are declared to be severable.

(Signatures to Follow)

IN WITNESS WHEREOF, the undersigned hereto have caused this Amendment is executed on this \_\_\_\_\_ day of January, 2015.

  
\_\_\_\_\_

  
\_\_\_\_\_

Slow Creek Holdings, LLC  
By: Strategic Real Estate Management, LLC

By:   
Name: JOE G. THOMASON  
Title: MANAGER

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF GREENVILLE ) PROBATE

PERSONALLY appeared the undersigned witness and made oath that (s)he saw the within named Joe E. Thomason in his representative capacity sign, seal the First Amendment To The Declarations of Candlewood Subdivision and that (s)he, with other witness subscribed above witnessed the execution thereof.

SWORN to me this 5<sup>th</sup>  
day of January 2015  
Louise Bryant  
Stacy Bryan + (SEAL)

  
Witness

Notary Public for SC  
My commission expires: JULY 9, 2023

REC 1080 PG 706

**Exhibit A  
Bylaws**

**BYLAWS**

**OF**

**CANDLEWOOD PROPERTY OWNER'S ASSOCIATION**

**BYLAWS**  
**OF**  
**CANDLEWOOD PROPERTY OWNER'S ASSOCIATION**

**ARTICLE 1**  
**ENTITY INFORMATION**

**SECTION 1.1. NAME**

The name of the corporation is **CANDLEWOOD PROPERTY OWNER'S ASSOCIATION**, 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 designated by either the President of the Association or its Board Directors from time to time, unless otherwise required by law. The registered office of the Association must be located in Spartanburg County, 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 (i) provide maintenance services to the Owners; and (ii) administer and enforce all covenants, conditions and restrictions applicable to the Property known as Candlewood Subdivision located in Spartanburg County, South Carolina, and to engage in other activities allowed by law which are necessary for the Association to carry out its rights, duties and responsibilities set forth in the Declaration.

**SECTION 1.5. ENTITY**

The Association is a nonprofit mutual benefit corporation organized under the South Carolina Nonprofit Corporation Act of 1994. The Articles of Incorporation were filed with the South Carolina Secretary of State on January 20, 2015.

**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 meanings set forth in that certain Declaration of Covenants, Conditions and Restrictions for Candlewood Subdivision Section I Phases 3-E and 3-F recorded in Deed Book 98-Z at Page 669; and Declaration of Covenants, Conditions and Restrictions for Candlewood Subdivision Section I Phases 3-E and 3-F recorded in Deed Book 100-W at Page 735, as the same may be supplemented and amended from time to time (the "Declaration").

**ARTICLE 3  
MEETINGS OF MEMBERS**

**SECTION 3.1. MEMBERSHIP.**

The Members of the Association shall be the "Members" as defined in Section 5.2 of the Declaration.

**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 the day of the same month of each year thereafter, at the hour of 7:00 o'clock, P.M., or on such other date and time as determined by the Board of Directors. If the day for the annual meeting 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 one-third(1/3) of all of the votes appurtenant to the Lots.

**SECTION 3.4. PLACE OF MEETINGS.**

All meetings of the Members shall be held at such place, within Spartanburg County, South Carolina, as shall be determined by the Board of Directors of the Association.

**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, or supplied by such Member to 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 a 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. VOTING RIGHTS.**

All numbered lots on the Subdivision plat (as defined in the Declaration) shall have one (1) vote for each Lot owned. Where two (2) or more persons own a Lot, they shall have a combined one (1) vote, and they must determine how they will vote the single vote attributable to the Lot as no fractional votes shall be allowed. Declarant and any Approved Builder(s) (as defined in the First Amendment to the Declaration) who own a Lot, and shall be entitled to three (3) votes for each Lot owned by Declarant or Approved Builder(s), respectively.

**SECTION 3.8. 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 preceding meeting.

**SECTION 3.9. 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 (i) 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 3.10. 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 (2/3) of all Lots represented 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 3.11. 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. If all 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 3.12. INFORMAL ACTION BY MEMBERS.**

Any action which may be taken at any annual, regular or special meeting of the Members may be taken without a meeting if: (i) one or more consents in writing, setting forth the action so taken, shall be signed by those Members representing at least eighty (80%) percent of the voting power and filed with the Secretary of the Association to be kept in the Association's minute book as authorized by Section 33-31-704 of the Code of Laws of South Carolina (1976) as amended; or (ii) such action is approved by written ballot using the procedures set forth in Section 33-31-708 of the Code of Laws of South Carolina (1976), as amended.

**ARTICLE 4  
BOARD OF DIRECTORS**

**SECTION 4.1. NUMBER.**

The business and affairs of the Association shall be managed initially by a Board of two (2) directors, who are: Joe G. Thomason and James H. Cassidy.

**SECTION 4.2. INITIAL DIRECTORS.**

The initial directors listed in Section 4.1 shall serve until the first annual meeting of the Association or until such time as their successors is duly elected and qualified.

**SECTION 4.3. NOMINATION.**

Nomination for election to the Board of Directors shall 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 close of such annual meeting until the close of the next annual meeting 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. Directors need not be Members of the Association.

**SECTION 4.4. ELECTION.**

Directors shall be elected at the annual meeting of the Members by written ballot or by show of hands. 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 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. The Board of Directors shall have the power, acting alone, to declare the office of the director vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his 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 service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

**SECTION 4.8. SALARIES OF EMPLOYEES AND AGENTS.**

Except as provided elsewhere in these Bylaws, the Board of Directors shall set the salaries of all employees and agents of the Association.

**ARTICLE 5  
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 resolution of the Board of Directors. Should said meeting 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 (2) 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 date, time 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 residence or business address not fewer than three (3) days before such meeting, or by giving the same to him personally or faxing, e-mailing or telephoning the same to him at his 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 notice of meetings may be waived in accordance with Section 33-31-823 of the Code of Laws of South Carolina (1976), as amended.

**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 the directors without a meeting is nevertheless 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 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 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 Members or to the Association for any mistake of judgment, negligence, or otherwise except for (i) a breach of the director's duty of loyalty to the Association or Members; (ii) their own individual willful misconduct or bad faith; or (iii) for any transaction from which a director derived an improper personal benefit. The Members 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 made 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 Member(s).

**ARTICLE 6**

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

**SECTION 6.1. POWERS.**

The Board of Directors shall have power to:

- (a) formulate, publish and enforce reasonable rules and regulations concerning the use and enjoyment of the yard space of each Lot;

(b) 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;

(c) 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;

(d) employ agents, independent contractors, or such other employees as they deem necessary, and prescribe their duties;

(e) employ attorneys and accountants to advise, serve and represent the Association when deemed necessary;

(f) 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;

(g) appoint and remove at pleasure all officers, agents 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;

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

(i) 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;

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

(k) appoint members of the Architectural Committee as described in the Declaration.

(l) suspend the voting rights of a Member during any period in which such Member is in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed thirty (30) days for infraction of published rules of the Association; and

(m) borrow money for the purpose of improving, maintaining, repairing or replacing facilities maintained by the Association and pledge or hypothecate any or all of the Association's real or personal property including accounts receivable as security for such borrowing.

**SECTION 6.2. DUTIES.**

It shall be the duty of the Board of Directors to:

(a) cause to be kept a record of its acts and corporate affairs in accordance with the Code of Laws of South Carolina (1976), as amended, 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 Lots;

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

(c) as more fully provided in the Declaration:

(1) fix annually the amount of the assessments and special assessments applicable to the Lots within Candlewood Subdivision allowed under the Declaration which assessments will increase or decrease from year to year based on the cost and expense associated with owning, maintaining, repairing, and reconstructing the Common Area, including, but not limited to all landscaping, private roads, private utilities and appurtenances thereto owned by the Association;

(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 due date or bring an action at law against the Owner personally obligated to pay the same; the costs and legal fees of which shall be assessed against the Owner;

(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 made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment);

(e) 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

**SECTION 6.3. METHOD TO HANDLE DEADLOCKS.**

The Directors will act reasonably and in good faith to avoid deadlocks in all such votes, consents, approvals and ratifications. If such a deadlock shall occur, the Directors shall appoint at the Company expense a disinterested and competent person (the "Mediator" who shall submit a proposed solution to the deadlocked matter within five (5) business days of his appointment, or such longer period as the Directors may agree. Such proposed solution may be adopted by the Directors, or if not so adopted, the deadlock shall be submitted to three (3) disinterested and competent persons other than the Mediator (the "Arbitrators"), one appointed by each Director and one appointed by the Mediator. Resolution of the deadlocked matter shall be governed by the arbitration rules of the South Carolina Uniform Arbitration Act, and the place of arbitration shall be in South Carolina. The Arbitrators' findings and decision shall be final and binding on the Company and the Directors.

**ARTICLE 7**

**OFFICERS AND THEIR DUTIES**

**SECTION 7.1. OFFICERS.**

The officers of the Association shall be a President and Vice-President, a Secretary, and a Treasurer, and such other officers as the Board of Directors may from time to time by resolution appoint. The President shall be a member of the Board of Directors.

**SECTION 7.2. APPOINTMENT OF OFFICERS.**

The appointment 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 appointed annually by the Board of Directors and each shall hold office for one (1) year or until his death, resignation, retirement, removal, disqualification, or his successor is appointed 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 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 the 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 OFFICES.**

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. 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 orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all leases, promissory notes, mortgages, deeds and other written instruments and shall have such check signing authority as may be approved by the Board of Directors.

**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 meetings and proceedings of the Board of Directors and of the Members, shall authenticate records of the Association, 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 proceedings and action 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 shall appoint a Nominating Committee, as provided in these Bylaws.

**SECTION 8.3. OTHER COMMITTEES.**

The Board of Directors may create such other committees as the Board of Directors may from time to time appoint. The Board of Directors shall appoint members of the Architectural Committee as described in the Declaration.

**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**  
**BOOKS AND RECORDS**

**SECTION 9.1. ASSOCIATION RECORDS.**

The Association shall:

(a) keep as permanent records, minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or Directors without a meeting, and a record of all actions taken by committees of the Board of Directors;

(b) maintain appropriate accounting records;

(c) maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members, in alphabetical order by class, showing the Lot number where such Members reside;

(d) maintain its records in written form or in another form capable of conversion into written form within a reasonable time; and

(e) keep a copy of the following records at its principal office:

(1) its Articles of Incorporation or Restated Articles of Incorporation and all amendments to them currently in effect;

(2) its Bylaws or Restated Bylaws and all amendments to them currently in effect;

(3) resolutions adopted by its Board of Directors relating to characteristics, qualifications, rights, limitations, and obligations of Members or any class of the Members;

(4) the minutes of all meetings and records of all actions approved by the Members for the past three (3) years;

(5) all written communications to Members generally within the past three (3) years, including the financial statements furnished for the past three (3) years.

(6) a list of the names and business or home addresses of its current Directors and Officers; and

(7) its most recent report of each type required to be filed by it with the Secretary of State.

**SECTION 9.2. INSPECTION OF RECORDS BY MEMBERS.**

(a) Subject to Subsection 9.3 below, a Member is entitled to inspect and copy, at a reasonable time and location specified by the Association, any of the records of the Association described in Subsection 9.1(e) above if the Member gives the Association written notice or a written demand at least five (5) business days before the date on which the Member wishes to inspect and copy.

(b) Subject to Subsection 9.3 below, a Member is entitled to inspect and copy, at a reasonable time and reasonable location specified by the Association, any of the following records of the Association if the Member meets the requirements of Subsection 9.2(c) below and gives the Association written notice of at least five (5) business days before the date on which the Member wishes to inspect and copy:

(1) excerpts from any records required to be maintained under Subsection 9.1(a) above to the extent not subject to inspection under Subsection 9.2(a) above;

(2) accounting records of the Association; and

(3) subject to Subsection 9.4 below, the Membership list.

(c) A Member may inspect and copy the records identified in Subsection 9.2(b) above only if:

(1) the Member's demand is made in good faith and for a proper purpose;

(2) the Member describes with reasonable particularity the purpose and the records the Member desires to inspect; and

(3) the records are directly connected with this purpose.

(d) This section does not affect:

(1) the right of a Member to inspect records under Section 33-31-720 of the Code of Laws of South Carolina (1976), as amended (regarding

Members' list for voting) or, if the Member is in litigation with the Association, to the same extent as any other litigant; or

(2) the power of a court to compel the production of corporate records for examination.

**SECTION 9.3. SCOPE OF INSPECTION RIGHTS**

(a) A Member's agent or attorney has the same inspection and copying rights as the Member the agent or attorney represents.

(b) The right to copy records under Section 9.2 above includes, if reasonable, the right to receive copies made by photographic, xerographic or other means.

(c) The Association may impose a reasonable charge, covering the costs or labor and material, for copies of any documents provided to the Member. The charge may not exceed the cost of production or reproduction of the records.

(d) The Association may comply with a Member's demand to inspect the record of Members under Subsection 9.2(b)(iii) by providing the Member with a list of its Members that was compiled no earlier than the date of the Member's demand.

**SECTION 9.4 LIMITATION ON USE OF MEMBERSHIP LIST.**

Without consent of the Board of Directors, a Membership list or any part of a Membership list may not be obtained or used by a person for any purpose unrelated to a Member's interest as a Member. Without limiting the generality of the foregoing, without the consent of the Board of Directors, a Membership list or any part of the list may not be:

(a) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election to be held by the Association;

(b) used for any commercial purpose; or

(c) sold to or purchased by any person.

**SECTION 9.5. FINANCIAL STATEMENT FOR MEMBERS.**

Upon receipt of a written demand from a Member, the Association shall furnish the demanding Member its latest annual financial statements that include a balance sheet as of the end of the fiscal year and a statement of operations for that year.

**ARTICLE 10  
ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual assessments and special assessments. Any 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 as described in the Declaration or the highest rate then permitted by law, whichever is lower. The Association may bring an action at law against the Member personally obligated to pay the same and/or foreclose the lien on the Lot in the same manner as prescribed by the laws of the State of South Carolina for the foreclosure of mortgages. The lien of the Association against such Lot must be established by, and shall be effective from the time of filing of a Notice of Lis Pendens in the Office of the Clerk of Court of Spartanburg County. Failure by the Association to enforce any covenant or lien herein contained shall in no event be deemed a waiver of its right to do so. The interest, 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 Lot or the Common Area.

**ARTICLE 11  
CORPORATE SEAL**

The Association shall have a seal in circular form having within its circumference the words **CANDLEWOOD PROPERTY OWNER'S ASSOCIATION**.

**ARTICLE 12  
AMENDMENTS**

The Board of Directors acting unanimously shall have the power to amend or repeal these Bylaws. Additionally, these Bylaws may be amended, or repealed at a regular or special meeting of the Members or by informal action by the Members in accordance with Section 3.12 above by a vote of at least two-thirds (b) of the Lots represented at a duly held meeting of the Members at which a quorum is present in person, by proxy, by written consent or by ballot.

Notwithstanding anything in this Article to the contrary, the Declarant, as defined in the Declaration, may at its option amend these Bylaws, with approval of D.R. Horton, so long as D.R. Horton owns at least one lot within Candlewood Subdivision. No approval or consent of any other person or entity shall be required for such amendment to the Bylaws.

**ARTICLE 13**  
**CONTROLLING DOCUMENTS**

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. The Association is a South Carolina Nonprofit Corporation. To the extent the Articles of Incorporation, the Bylaws or the Declaration do not address matters of corporate governance, or if there are any provisions of the foregoing which are prohibited by the South Carolina Nonprofit Corporation Act, as may be amended from time to time, then the relevant provisions of such Act shall control.

**ARTICLE 14**  
**MISCELLANEOUS**

**SECTION 14.1. FISCAL YEAR.**

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

**SECTION 14.2. MERGERS.**

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of the entire Class A Membership and two-thirds (2/3) of the entire Class B Membership, if any.

**SECTION 14.3. NOTICE.**

(a) If any other Sections of these Bylaws prescribe notice requirements for particular meetings or circumstances, those requirements govern rather than those in Section 14.3(b) below. If the Articles of Incorporation, the Declaration or these Bylaws prescribe notice requirements which are not inconsistent with the South Carolina Nonprofit Corporation Act, those requirements govern over those set forth in such Act.

(b) Notices required, permitted or desired to be given by a Member, the Association or an agent of either shall be subject to the following:

- (1) Notice may be oral or written.

(2) Notice may be communicated in person; by telephone, telegraphy, teletype, facsimile transmission (FAX), or other form of wire or wireless communication; or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or other forms of public broadcast communications.

(3) Oral notice is permissible if reasonable under the circumstances and is effective when communicated in a comprehensible manner. Oral notice also includes notice through broadcast transmission.

(4) Written notice, if in a comprehensible form, is effective at the earliest of the following:

(a) when received;

(b) five days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed;

(c) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee;

(d) fifteen days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered, or certified postage affixed.

(5) Written notice is correctly addressed to a Member if addressed to the Member's address shown in the Association's current list of Members.

(6) A written notice or report delivered as part of a newsletter, or other publication regularly sent to Members constitutes a written notice or report if addressed or delivered to the Member's address shown in the Association's current list of Members, or in the case of Members who are residents of the same household and who have the same address in the Association's current list of Members, if addressed or delivered to one of such Members, at the address appearing on the current list of Members.

(7) Written notice is correctly addressed to the Association, other than in its capacity as Member, if addressed to its registered agent or to its Secretary at its principal office shown in its most recent Notice of Change of Principal Office and if none has been filed, in its Articles of Incorporation or

to such other address as the Association has communicated in writing to Members for use in corresponding with the Association.

**SECTION 14.4. PRONOUNS.**

Whenever in these Bylaws words, including pronouns, are used in the masculine, they shall be read and construed in the feminine or neuter whenever they would so apply; and wherever in these Bylaws words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively wherever they would so apply.

**ARTICLE 15**

**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 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 actually and reasonably incurred by him 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 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 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 a 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.

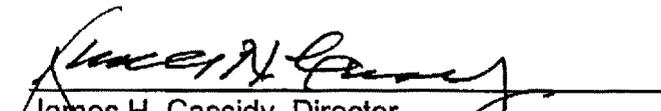
The Association's indemnity of any person who is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of the Association, or is or was serving at the request of the Association as a director or officer of another corporation, 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 Article 15, 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.

BYLAWS ADOPTED AS OF THE 29<sup>th</sup> DAY OF January, 2015.

BY DIRECTORS:

  
Joe G. Thomson, Director

  
James H. Cassidy, Director

830108 D PG 730

**Exhibit B**  
**Rule and Regulations**

**Exhibit B  
Rule and Regulations**

All of the said lots shall be used for single family dwellings.

No trailer, basement, tent, shack, garage, barn or other outbuilding erected on any of the lots shall at any time be used as a residence, temporarily or permanently. Nor shall any structure of temporary character be used as a residence.

No junk cars or disabled vehicles shall be kept on any lot.

No chickens or livestock shall be kept or raised on any lot.

No noxious or offensive trade or practices which shall constitute a nuisance shall be carried on or conducted on any of the lots or any portion of the lots hereinabove referred to.

All yards shall be maintained on a regular basis.