

## MEMORANDUM

TO: Homeowners Association Members  
Andrews Farm Section I

FROM: Andy Westbrook   
Homeowners Association President/Treasurer

DATE: October 29, 2002

As you are aware, we were all contacted by the developer, Lewis White, at the beginning of the year and asked that we form a Homeowners Association in order to transfer the common property of our neighborhood from him to the Association as well as to assume the bills which he has been paying to date (we have been reimbursing him at the end of each year). I reluctantly agreed to head this up in the first year provided that Lewis gave me plenty of time to get this done. I have probably "maxed out" the plenty of time issue as six months have quickly clicked by and I am now sharing with you my draft of the By-Laws for Andrews Farm Homeowners Association - Section I, Inc. as well as several matters in which our Homeowners Association needs to address.

### ANDREWS FARM HOMEOWNERS ASSOCIATION - SECTION I, INC. BY-LAWS (Draft prepared 10/23/02)

As per our meeting in March, I have included much of the input that was provided to me and I will attempt to briefly outline in this memo.

- Each lot owner(s) will designate one voting member who will always serve on the Board (the thought process here is that there are only 11 lots within our neighborhood and that way each lot owner would always be represented on the Board).
- We will rotate the President/Treasurer position beginning with Lot 2 (which is our lot) and it will advance to the next lot in numeric order each year (for example, Steve Smith, who owns Lot 3 will follow me)
- The Vice President/Secretary position will rotate forward in the same manner each year (in the first year, Steve Smith as owner of Lot 3 and the following year would rotate to either George or Betty Price who own Lot 4)
- We decided to utilize a management company for sending out invoices and memos to the homeowners and to ensure that we have ongoing continuity within the Association. We have chosen Hinson Management Company as they are the only area property management company that specializes or makes a market in subdivision management.

- If an individual is not willing to serve as the President/Treasurer when it is their respective turn, then they will need to remit an amount equal to one year's assessment to the Association. This in order to be fair to those who are willing to serve in this capacity.
- There will be a late fee when the Homeowners Association assessment is delinquent for 30 days (\$50) and when delinquent for 90 days (\$100) and then shall accrue interest at 8% plus any collection related expenses.

## COVENANTS

These are outlined in Article IX – Obligations of Owners of the By-Laws (many of these covenants are already contained in the Declaration of Covenants & Restriction – Andrews Farm Section I dated December 19, 1997). The recorded declaration with the covenants and restrictions contained therein remains in place until 2017.

- No owner shall make any structural modifications or alterations to a residence, fence or wall without first obtaining written approval from the Association. (Section E)
- No signage is allowed other than standard size "For Sale" signs. (Section F)
- No owner may cut or clear a tree of the diameter of more than 10 inches without written approval from the Association. (Section J)
- Pets (Section L)
- Noise Ordinance (Section G)
- Garbage/Trash Cans: Must not be visible from street (Section M)
- Satellite Dish: Must not be visible from the street (Section N)
- No camper, motorcycle, boat trailer, motor home, recreational vehicle or commercial vehicle (Section O)
- Tools, lawnmowers, yard equipment, etc. (Section P)

I believe that the By-Laws more fully discusses the input that I have received over the last 6 months and I welcome your review and any comments or suggestions prior to November 11<sup>th</sup> so that I can finalize these By-Laws.

## ENGAGEMENT OF HINSON MANAGEMENT

- I have engaged Jenneane Froman of Hinson Management (her rate will be \$22 per month to manage the Association). This includes mailings to the Homeowners Association, collection of assessments and other matters, etc.
- Jenneane Froman and I are coordinating as to placing the liability insurance on the Homeowners Association and common area. I have contacted Rick Mitchell at Nationwide Insurance who currently has the liability insurance on the subdivision (his is to provide quotes for \$1,000,000 and \$2,000,000 aggregate coverage) and I would be glad to contact others if you have suggestions.

### 2002 ASSESSMENT

The 2002 assessment will be \$400 per lot and will be billed from Hinson Management Company in the near future.

### 2002 EXPENSES

Enclosed is a copy of items paid by Anderson & White, Inc., the developer, totaling \$3,082.14 for the first nine months of the year and this does not include the cost of our attorney, Gary Compton (estimated to be \$500 for forming the Homeowners Association Tax ID #, etc.), the cost of the liability insurance, the cost of Hinson Management and of course, the expenditures for Duke Power and the landscaping company for the final three months of the year. It is anticipated at this time that Hinson Management Company will invoice each property owner for the \$400 for 2002 and will invoice each of us in January for the 2003 assessment – also projected to be \$400.

### UPDATED LIST OF PROPERTY OWNERS

I have included an updated list of all 11 property owners for your information. Please contact me if there are any changes to this listing.

### TRANSITION FROM DEVELOPER TO HOMEOWNERS ASSOCIATION

As you are aware, we informally formed the Homeowners Association on March 28, 2002, however, the finalization of the By-Laws and engagement of our attorney, Gary Compton, will allow us to receive our Tax ID Number, legally form the Association and transition the yard maintenance/Duke Power expenditures from the developer to the Association as well deed the retention pond from Anderson & White, Inc. to the Association. We are requesting from Anderson & White copies of the existing lease agreement on the lighting with Duke Power as well as the copy of our agreement with Visionary Landscape Company.

### HOMEOWNERS WHO PURCHASED THEIR PROPERTY DURING 2002

For those homeowners who purchased their lot/home in 2002, I would suggest that you coordinate with the seller in order to prorate the 2002 expenditure so that you are able to collect the portion from the seller that represents the months in which the property was owned by the seller.

Should you have any suggestions or comments, please do not hesitate to call me at home 585-4061 or at my office at 580-2003. I ask that you review the attached By-Laws and in the event that you have suggested changes, contact me no later than Monday, November 11<sup>th</sup>. Thank you.

/ms

Attachments: Homeowner Listing dated 10/30/02  
Copy of Existing Declaration of Covenants dated 12/19/97  
Expenditures (incurred by Anderson & White, Inc.) through 9/30/02  
Copy of proposed By-Laws prepared on 10/23/02

Cc: Gary L. Compton, Attorney at Law  
296 Daniel Morgan Avenue  
Spartanburg, SC 29306

Jenneane Froman  
Hinson Management, Inc.  
PO Box 6451  
Spartanburg, SC 29304

ANDREWS FARM HOMEOWNERS ASSOCIATION - SECTION I, INC

|                                                                                                                                                                              | <u>BOARD MEMBER</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| LOT 2                                                                                                                                                                        |                     |
| Mr. & Mrs. L. Andrew Westbrook, III (Andy & Cathy)<br>103 Autumn Wood Court<br>Spartanburg, SC 29302<br>585-4061                                                             | Andy Westbrook      |
| LOT 3                                                                                                                                                                        |                     |
| Mr. Steven Smith (Steve)<br>104 Autumn Wood Court<br>Spartanburg, SC 29302                                                                                                   | Steve Smith         |
| LOT 4                                                                                                                                                                        |                     |
| Mr. & Mrs. George W. Price, III (George & Betty)<br>219 Talmadge Drive<br>Spartanburg, SC 29307<br>579-3703                                                                  | *TBD                |
| LOT 5                                                                                                                                                                        |                     |
| Mr. & Mrs. George Mitchell (George & Cabel)<br>115 Sycamore Court<br>Spartanburg, SC 29302<br>573-9725                                                                       | Cabel Mitchell      |
| Lot 7                                                                                                                                                                        |                     |
| Mr. David G. White (vacant lot)<br>PO Box 631<br>Spartanburg, SC 29304<br>573-9503                                                                                           | David White         |
| LOT 8                                                                                                                                                                        |                     |
| Patricia Lowe King (Patti)<br>110 Sycamore Court<br>Spartanburg, SC 29302<br>583-7158                                                                                        | Patti King          |
| LOT 9                                                                                                                                                                        |                     |
| Anderson & White, Inc. (Callis Anderson & Lewis White)<br>C/o Anderson Construction (house under construction)<br>125 Venture Boulevard<br>Spartanburg, SC 29306<br>595-0846 | Callis Anderson     |
| LOT 10                                                                                                                                                                       |                     |
| Dr. & Mrs. Brant Bynum (Brant & Judy)<br>116 Sycamore Court<br>Spartanburg, SC 29307<br>582-1355                                                                             | *TBD                |

LOT 11

Mr. & Mrs. David Burr  
PO Box 3394  
Pawley's Island, SC 29585  
843-237-5598

\*TBD

LOT 12

Anderson & White, Inc. (Callis Anderson & Lewis White)  
C/o Anderson Construction (house under construction)  
PO Box 3522  
Spartanburg, SC 29302  
595-0846

Callis Anderson

LOT 14

Denise and Barry Bryson  
120 Sycamore Court  
Spartanburg, SC 29302  
585-6396

\*TBD

\*TBD – Indicates that the Board Member has yet to be named from the lot/homeowners.  
Please contact Andy Westbrook to name the designated Board Member prior to  
November 11, 2002.

As per our earlier meeting, each lot owner(s) will designate one voting member who will  
serve on the Board of the Homeowners Association (the thought process here is that there  
are only 11 lots within our neighborhood and that way each lot owner will always be  
represented on the Board).

# ANDREWS FARM

- 2002 -

| <u>DUKE POWER COMPANY</u> |                          | <u>VISIONARY LANDSCAPE</u>                    |
|---------------------------|--------------------------|-----------------------------------------------|
| 1/16/02                   | \$ 145.15                | 7/1/02 (April & May) \$ 580.00<br>(+ 4 lots)  |
| 2/19/02                   | \$ 145.15                |                                               |
| 3/19/02                   | \$ 145.15                | 8/26/02 (June & July) \$ 520.00<br>(+ 3 lots) |
| 4/12/02                   | \$ 145.15                |                                               |
| 5/12/02                   | \$ 145.15                | 10/10/02 (Aug & Sept) \$ 400.00               |
| 6/11/02                   | \$ 145.15                |                                               |
| 7/16/02                   | \$ 146.56                | Total \$1,500.00                              |
| 8/12/02                   | \$ 146.56                |                                               |
| 9/11/02                   | \$ 146.56                | <u>CLAUDE RIDINGS</u>                         |
| 10/10/02                  | \$ 146.56 (thru 10/4/02) | 4/25/02 (Bush hog) \$ 125.00<br>(3 lots)      |
| Total                     | \$1,457.14               | Total \$ 125.00                               |

Total Spent by Anderson & White, Inc.  
(1/1/02 through 9/30/02) = \$3,082.14

STATE OF SOUTH CAROLINA )  
COUNTY OF SPARTANBURG )

WILLREAS, Anderson & White, Inc., are the owners of a certain tract of land which has been subdivided into eleven residential lots (11) as shown on a plat of Andrews Farm Section I, surveyed by Neil Phillips, dated March 6, 1997, and recorded in Plat Book \_\_\_\_\_, at Page \_\_\_\_\_, in the RMC office for Spartanburg County. Said subdivision being referred to as Andrews Farm, Section I.

WHEREAS, Anderson & White, Inc. have agreed to establish a general plan of development as herein set out to restrict the use and occupancy of the property for the protection of the property and the future owners thereof.

NOW THEREFORE, in consideration of the above recited premises, Anderson & White, Inc. hereby declare that the same shall be and is hereby subject to the following restrictions, covenants and building standards relating to the use and occupancy thereof, which are to be construed as Land Use Restrictions, Protective Covenants, and Building Standards running with the land and the lots hereinafter described and shall ensure to the benefit of and be binding upon the heirs, successors, and assigns of Anderson & White, Inc., and all other acquiring parties and persons. Hereinafter, Anderson & White, Inc. shall be referred to as the DEVELOPERS.

1. The property which is subject to the conditions set forth herein is more particularly described as Andrews Farm, Section I, Lots 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, and 14 as recorded in Plat Book \_\_\_\_\_, at Page \_\_\_\_\_, in the RMC office for Spartanburg County.
2. - Residential Use - All lots shall be used only for residential purposes and only one single family residence may be erected on any lot. The owner of any lot in the above described subdivision and/or builder on any lot in the above described subdivision shall provide the DEVELOPERS or their successors with a description of the proposed dwelling to be located on any lot including floor plans, elevation plans, and plot plan showing conformance with all side, rear and front setback lines. The DEVELOPERS shall assume no responsibility for dwellings which are built in violation of setback lines. The owner and/or builder shall verify all lot line dimensions and setback lines prior to starting construction. Any discrepancy in platted distances with the distances measured in the field shall be reported to the DEVELOPERS or their successors immediately. The



DEVELOPERS will review and provide written approval of the plans and dwelling description. Failure to provide the DEVELOPERS with plot plans and dwelling description shall in no way be a defense against violating the restrictions. The DEVELOPERS retain the discretion to disapprove the plans if not in conformance with the restrictions and the general development of the subdivision. The DEVELOPERS also may disapprove plans purely for aesthetic reasons deemed reasonable by the DEVELOPERS.

3. Written Approval Required - Except as otherwise stated herein, no home, garage, carport, driveway, playhouse, fence, wall, swimming pool, antenna, fuel tank, tennis court, garbage receptacle, clothesline, mailbox, nor any other structure or improvement, shall be commenced, erected or maintained upon the property, nor shall any exterior addition to any existing structure or change or alteration thereto to be done, until complete, final plans and specifications thereof showing the nature, kind, shape, height, materials, basic exterior finishes and colors, site location, floor plans and all elevations on all sides of the structure, containing the names of the builder or contractor and the owner, have been submitted to and approved in writing by the DEVELOPERS, Plans and specifications will be deemed approved if not rejected within ten (10) days after submission to DEVELOPERS.

4. Building Standards - All construction and improvements must meet or exceed the minimum residential building standards set forth in various Codes and Publications of the Council of American Building Officials for One and Two Family Dwelling Units, or of any successor organization. No dwelling shall be erected unless it contains the minimum required square footage of enclosed dwelling area. The term "enclosed dwelling area" as used in these minimum size requirements shall mean the total enclosed area within a dwelling that is served by heat and completed for occupancy; provided, however, that such term does not include garages, boat sheds, terraces, decks, open porches, and the like areas; provided further, that shed-type porches, even though attached to the house are specifically excluded from the definition of the aforesaid term "enclosed dwelling area." The minimum enclosed dwelling area shall not be less than 2000 square feet. In no case shall concrete block be exposed; if used for foundation or any wall, it shall be stuccoed or brick veneered.

5. Minimum Setback Lines - are described on said Plat; also the DEVELOPERS shall have the right to control the maximum setback lines and may require dwellings to be staggered purely for aesthetic reasons. No improvements shall be located closer than 40' to the front of any lot, closer than 15' to the side of any lot, or closer than 40' to the rear line of any lot (refer to setback lines on revised plat, dated December 10th, 1997).

6. Completion of Construction - The exterior of all houses and other structures must be completed within one (1) year after the construction of same shall have commenced., except where such completion is impossible or would result in great hardship to the owner or builder due to strikes, fires, national emergency or natural calamities.
7. Prohibited Building Materials. Concrete blocks, cement bricks or concrete walls shall not be used in the construction of any building, garage or hobby-type/storage building unless the exterior of same is faced with brick or stone, stucco, or some other material approved by DEVELOPER, or its nominee. No asbestos shingles or asbestos siding shall be used for the exterior of any building or structure. No building or structure may have more than 15% vinyl, masonite or other type siding on the exterior and balance shall be in brick, stone, stucco or wood unless approved in writing by DEVELOPER, or its nominee.
8. Garages - All garages shall be enclosed by doors, and such doors shall not directly face any street on which the lot abuts, unless approved in writing by DEVELOPER.
9. Trees - No trees nor any flowering trees may be removed nor may any major clearing of small trees be performed without the approval of the DEVELOPERS.
10. Maintenance of Lot - Every owner of an unimproved lot shall keep property free of debris and unsightly underbrush, weeds or other unsightly vegetation. In the event that the DEVELOPERS deem that the lot or tract is being maintained in violation of this paragraph and that such violation should be corrected, the DEVELOPERS shall give reasonable notice to the owner to correct the appearance of such lot or tract. If after thirty days, such Owner has failed to correct same, the DEVELOPERS may enter upon the property to correct its conditions and assess the Owner for the costs thereof, which assessment may be filed as a lien against such lot or tract, as provided herein.
11. No Subdivision - Unless approved in writing by the DEVELOPERS, no Lot shall be subdivided, nor shall the boundary lines of any such Lot or Tract be changed. Two or more lots may be combined for the purpose of creating a larger lot, but no portion of any such combined lots may be subdivided or sold without written approval of the DEVELOPERS. The DEVELOPERS reserve the right to replat any lot or tract still owned by the DEVELOPERS and shown upon recorded plats of the property in order to modify the boundary lines and to take such other steps reasonably necessary or desirable to make such re-platted lot or tract suitable and fit as a building site to include, but not be limited to, the relocation of easements, walkways, right of way and roads.
12. Sewage. All sewage shall be disposed of through the Spartanburg Sanitary Sewer District system.

13. No Commercial Activity. No industry, business, trade, occupation or profession open to the general public, whether commercial or otherwise, shall be conducted, maintained or permitted on any part of the property.
14. Recreational Vehicles - Any camper, boat, trailer, motor home, recreational or commercial vehicles must be stored behind the closed doors of the garage, or located where it cannot be seen from the street. No motorcycles, motorbikes, minibikes, go-carts or other small vehicles shall be operated on any lot. No trailer, tent, barn, tree house or other similar outbuilding or structure shall be permanently placed on any lot at any time. No bus, transfer tractor, transfer trailer or tractor-trailer combinations shall be allowed in Andrews Farm, Section I Subdivision at any time except for loading and unloading. Also, no other trucks with a total length of over eighteen (18) feet shall be allowed at any time, except for loading and unloading.
15. Outside Pets - Such as cats, dogs, or caged birds may be kept in reasonable numbers, provided they are kept in fenced areas or on leashes. House pets such as fish, hamsters and gerbils are permitted.
16. Grade Changes - The established grade of a lot is not to be changed by any individual so as to adversely affect an adjacent property owner or owners. All major site work and grading shall be approved by the DEVELOPERS. Each lot owner and his contractor, subcontractors and other agents shall take full responsibility for controlling surface water run-off and sediment that may adversely affect any other property.
17. No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to the neighborhood. There shall not be maintained any plants, animals, or device or thing of any sort whose normal activities or existence will in any way diminish or destroy the enjoyment of other property in the neighborhood by owners thereof.
18. No signboard shall be displayed on any lot except "For Sale" and such sign shall not be more than 2' x 3' in size except the DEVELOPERS shall have the right to use additional signs for development of the subdivision.
19. Each lot owner shall provide space for parking two (2) automobiles off the street prior to the occupancy of any dwelling constructed on said lot in accordance with reasonable standards established by the DEVELOPERS. The parking area and driveway of all dwellings shall be paved with asphalt, or concrete, or other material if approved by the DEVELOPERS.

20. If garbage or trash is to be kept outside the dwelling area, each lot owner shall provide receptacles for such in a screened area or provide underground receptacles or similar facility.
21. As noted on said Plat, all lots are subject to a drainage and utilities easement on all lot lines except on front lines adjoining the road right-of-ways. Additional easements are specified on said plat.
22. No structure of a temporary character shall be placed upon any lot at any time, provided, however, that this prohibition shall not apply to shelters used by the contractor during the construction of the main dwelling house, it being clearly understood that these latter temporary shelters may not, at any time, be used as residences or permitted to remain on the lot after completion of construction.
23. No fuel tanks or similar storage receptacles may be exposed to view, and may be installed only within the main dwelling house, within the screened area or buried underground.
24. All fencing location, material and size, must be approved by the DEVELOPERS. No metal chain link fencing will be allowed.
25. The DEVELOPERS have installed street lighting, a detention pond, and brick and wooden fences to enhance the beauty and enjoyment of the subdivision. All lot owners acknowledge by acceptance of a deed to be responsible for 1/11 of all cost of maintenance, operation, repair, rebuilding or re-installing of these systems along with appropriate landscaping along the entrance.
26. Exposed satellite dishes will NOT be permitted in Andrews Farm, Section I.
27. All mailboxes in Andrews Farm, Section I must be approved by the DEVELOPERS. The DEVELOPERS will initially supply these mailboxes, at cost, to the lot owners, but the DEVELOPERS have no future duty relative to the mailboxes.
28. The restrictions, covenants, and building standards contained herein are to run with the land and shall be on all parties and all persons claiming under the grantors until January 1, 2017, at which time said restrictions, covenants, and standards shall automatically renew unless a majority of all the lot owners in the Andrews Farm, Section I subdivision shall agree in writing at least thirty (30) days before January 1, 2017, to extend the time of said restrictions, covenants and standards.

29. Restrictions may be amended anytime by approval of 10 of 11 lot owners in writing.
30. DEVELOPERS reserve the right to amend these restrictions without the approval of any lot owner during the development of the project or until all lots have been sold.

#### ASSESSMENTS

31. Initial Assessment - Beginning January 1, 1997, the annual assessment shall be Three Hundred Dollars (\$300.00) per lot. This assessment shall be paid before January 10th of each year. The purpose of this assessment is to establish a fund for payment of the cost of maintenance, operation, repair, rebuilding, and re-installing as outlined in Item 25 of this agreement.
32. The lot owners shall designate one (1) lot owner to be in charge of collecting the assessment fee in January of each year and also of dispersing any charges, levies or expenses of the system outlined in Item 25.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be signed and sealed by its duly authorized officers or agents as of December 19, 1997.

In the Presence of :

Anderson and White, Inc.

By:

W. Lewis White, President

STATE OF SOUTH CAROLINA    )  
                                      )  
COUNTY OF SPARTANBURG    )

PROBATE

Personally appeared the undersigned witness and made oath that (s)he saw the within named Anderson and White, Inc. by W. Lewis White, President sign, seal and as his act and deed deliver the within written instrument and that (s)he, with the other witness subscribed above, witnessed the execution thereof.

SWORN TO BEFORE ME THIS  
the 19th day of December, 1997.

(SEAL)

Notary Public for South Carolina  
My Commission Expires :

# ANDREWS FARM HOMEOWNERS ASSOCIATION – SECTION I, INC.

## DRAFT

### By-Laws

#### Article I

##### Name and Location

The name of this organization shall be “Andrews Farm Homeowners Association – Section I, Inc.”. The principal office of the Association shall be located in the City of Spartanburg, State of South Carolina.

#### Article II

##### Purpose

Section A. The purpose of the Association shall be to provide a collective government form of administration for the Owners of lots in a residential community known as “Andrews Farm Homeowners Association – Section I, Inc.” located in the City of Spartanburg, South Carolina; to enforce and interpret the provisions of “Andrews Farm Homeowners Association – Section I, Inc.” Protective Covenants and rules and regulations enacted by the Association for recreational, social and aesthetic development and maintenance of “Andrews Farm Homeowners Association – Section I, Inc.”; to provide for the acquisition, construction, management, maintenance and care of Association property, including detention, common areas and other improvements, for the benefit of Owners of residences, of residential lots in “Andrews Farm Homeowners Association – Section I, Inc.”; to own, manage and control the common areas and the activities of the Owners relating thereto and of all persons using the common areas and all things pertaining to and/or related thereto; to operate as a residential real estate management association, within the meaning of § 501 (c) (3) of the Internal Revenue Code of 1986; to assess and collect such membership dues, fees or assessments as shall be necessary for the purpose of acquiring, constructing or providing management, maintenance and care of Association property, for the exclusive benefit of Association members; and to carry out all activities, promulgate all rules and to have all responsibilities and purposes that are given to the Association in the Protective Covenants and in these By-Laws.

Section B. The Association is organized exclusively as a “Homeowners Association” within the meaning of § 501 (c) of the International Revenue Code of 1986.

## ANDREWS FARM HOMEOWNERS ASSOCIATION – SECTION I, INC.

Section C. The Association shall be solely responsible for the following matters and things within “Andrews Farm Homeowners Association – Section I, Inc.”; provided, however, nothing herein shall prevent the Association from contracting with or employing third parties to carry out such activities, provided all costs of the same shall be borne solely by the Association, and further provide that the acceptance of carrying out these functions by any third person or entity, including any agency of government, shall not relieve the Association of the ultimate responsibility for the same, such things being namely:

- (1) Maintaining, regulating use of and improving all Common Areas, including areas which the Association holds title ownership, and easements along streets and roads, and rights-of-way and along boundaries of the Property, which areas exist for the general benefit of all Owners. Such maintenance shall include, but shall not be limited to, maintaining and regulating the use of the entrance area, detention pond and all other improvements, cutting grass, plantings and maintenance of shrubs, trees and other improvements, and performance of all of the tasks necessary and desirable to keep such Common Areas neat, attractive and in order; with the exception that lots still owned by the developer and/or a builder will be kept neat, attractive and in order by them.
- (2) Establishing rules and regulations and enforce same relating to appearance of individual Lots within “Andrews Farm Homeowners Association – Section I, Inc.” including but not limited to, if Board of Directors of the Association deems necessary, contracting for basic lawn maintenance for either common areas or Owner’s property or both.
- (3) Enforcing performance of the Protective Covenants governing “Andrews Farm Homeowners Association – Section I, Inc.” by the Owners. These Protective Covenants are entitled “Declaration of Protective Covenants, Conditions, Restrictions and Easements of Andrews Farm Homeowners Association – Section I, Inc.” and were recorded in the Office of Register of Mesne Conveyance for Spartanburg County, South Carolina, in Deed Book.



## ANDREWS FARM HOMEOWNERS ASSOCIATION – SECTION I, INC.

### Article III Members

Each and every Owner of a residential lot or residence in “Andrews Farm Homeowners Association – Section I, Inc.” residential community shall, upon acquisition of ownership in a Lot, become a member of this Association, which membership shall terminate automatically when such Owner ceases to be an Owner (i.e., no longer having an ownership interest of record in a Lot). Members shall be appurtenant to and may not be separated from ownership of a Lot. Upon sale, conveyance, devise or other transfer of any kind of or nature of any Lot, such subsequent transferee shall automatically become a member hereof and likewise the vote appurtenant to the Lot shall automatically pass to the transferee and membership of the transferor shall be immediately terminated, regardless of whether any membership certificate or voting certificate is transferred. The President/Treasurer of the Association must be notified of any such transfer by delivery of written notice thereof.

### Article IV Application

Section A. All present and future owners, tenants, future tenants, agents, servants, employees, guests, invitees and any other person using the Common Areas or occupying any residential dwelling (a “Residence”) upon a Lot located in “Andrews Farm Homeowners Association – Section I, Inc.” are hereby subject to all matters set forth in these By-Laws, and to all rules and regulations which may be promulgated by the Board of Directors on behalf of the Association, and all provisions of the Protective Covenants. **A mere acquisition or rental of a residence or use of the Common Areas or any facilities of the Association shall signify that these By-Laws and all rules are accepted, ratified and shall be complied with.**

### Article V Meetings of Members

Section A. Voting. There is hereby assigned to each Lot one (1) vote, which shall be voted by the Owner thereof, as provided in the Protective Covenants. The vote assigned to each Lot may not be split in any fashion. If one person is the Owner of a Lot, he or she shall be entitled to vote such vote. If a Lot is owned by more than one person, the Owners shall designate

## ANDREWS FARM HOMEOWNERS ASSOCIATION – SECTION I, INC.

one of them as the “Voting Owner”, and shall notify the Association in writing of such designation. In the event a corporation owns a Lot, the corporation shall designate one agent thereof as entitled to vote and shall notify the Vice President/Secretary in writing. In the case of multiple or corporate ownership of a Lot, the vote appurtenant thereto shall not be exercised in the event of a disagreement among such multiple owners, until written designation of the person entitled to vote has been delivered to the President/Treasurer. The person entitled to cast the vote appurtenant to a Lot is herein referred to as the “Voting Owner”. The designated Voting Owner for each Lot shall remain the Voting Owner, entitled to cast the vote for that Lot on all matters to come before the Association for vote, until the President/Treasurer receives written notice of change.

Section B. Majority. As used in these By-Laws, the term “Majority of Owners” shall mean those Owners who are Voting Owners entitled to vote fifty-one (51%) percent of the total votes appurtenant to all of the Lots of “Andrews Farm Homeowners Association – Section I, Inc.” owned by Owners. Unless otherwise required herein or in the Protective Covenants, the affirmative vote of a majority of owners shall be required to adopt any decision affecting the Association.

Section C. Quorum. Except as may be otherwise provided in these By-Laws or in the Protective Covenants, the presence in person or proxy of a minimum of six Voting Owners (11 total) shall constitute a Quorum. A Quorum is necessary to transact any business of the Association. If a Quorum is not present at any meeting of the Owners, a majority of the Owners present may adjourn the meeting from time to time without further notice.

Section D. Proxies. At any meeting of Owners, an Owner entitled to vote may vote in person or by proxy executed in writing by the Owner or by his duly authorized attorney-in-fact. Each proxy shall be filed in a form as determined by the Board of Directors with the President/Treasurer at least five (5) days before the appointed time for a regular meeting and at least one (1) day before the appointed time for a special meeting of the Association. No proxy shall be valid after three (3) months from the date of its execution, unless otherwise provided in the proxy.

**ANDREWS FARM HOMEOWNERS ASSOCIATION – SECTION I, INC.**

Section E. Informal Action by Members. Any action required by law to be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by two-thirds (2/3 or 8 of 11) of the Voting Owners entitled to vote with respect to the subject matter thereof.

Section F. Transfer. Membership in the Association is not transferable or assignable (except as the same may be assigned by way of proper proxy). Transfer of an Owner's Lot or his interest therein in any fashion shall automatically terminate his membership in the Association and all of its voting rights therein.

Article VI  
Board of Directors

Section A. General Powers The affairs of the Association shall be managed by its Board of Directors. The Board of Directors shall exercise authority in establishing the governing policies of the Association, and shall exercise its power and discharge its duties in good faith with a view to the best interest of the Association. The Board of Directors shall have sole authority to make all decisions concerning the Association, except that neither the Board of Directors or the Association shall be authorized to adopt any measure which would affect the rights of any mortgagee holding a mortgage upon the property or any Lot, or any Common Area or portion thereof, without such mortgagee" written consent. The Board of Directors shall have the right to establish rules and regulations regarding use of any Common Areas and (if existing), and to the extent granted by the Protective Covenants, the Lots, and to impose penalties for violation thereof. The Board of Directors may establish such committees as may be deemed necessary to assist the Directors in carrying out the mission of the Association.

Section B. Number and Tenure. The Board of Directors shall consist of the number of lot owners. It was decided at the first meeting held on March 28, 2002 that the President/Treasurer would rotate according to the corresponding lot number beginning with Lot 2 and rotate forward each year. Members of the Board shall serve on the Board for as long as they are a lot owner. If a lot owner is unwilling to serve as the President/Treasurer upon their respective year, then they can "skip the President/Treasurer"

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rotation upon consideration to the Association equal to one year's assessment.

Section C. Any Director who shall cease to be an Owner or who shall be delinquent in payment of any assessment shall automatically cease to be a member of the Board of Directors.

Section D. Each Director must be an Owner in good standing and current in the payment of all assessments and dues.

Section E. Duties. The Board of Directors shall have the following duties and responsibilities:

- (1) Transact all Association business and prescribe the rules to the extent granted in the Protective Covenants for "Andrews Farm Homeowners Association – Section I, Inc." and particular for all Common Areas and facilities therein and property thereof, and appoint such officers, clerks, agents, servants or employees as it may deem necessary in its sole discretion in carrying out such activities, and to fix their duties and compensation.
- (2) Set an annual budget and determine the assessments necessary for the operation of the Common Areas.
- (3) Fix, impose and collect penalties for violations of these By-Laws and any rules adopted for the Association.
- (4) Carry out all other duties and obligations imposed and exercised all rights granted to it by the Protective Covenants and by these By-Laws.

Section F. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than these By-Laws immediately after, and at the same place as, the annual meeting of Owners. The Board of Directors may provide by resolution of the time and place for the holding of additional regular meetings of the Board without other notice than such resolution.

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Section G. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President/Treasurer or any three Directors so long as a reasonable effort is made to contact each director and provide a reasonable amount of notice of the special meeting. The person or persons authorized to call special meetings of the Board may fix any place within the City of Spartanburg, South Carolina as the place for holding any special meeting of the Board called by them.

Section H. Notice. Notice of any special meeting of the Board of Directors shall be given at least ten (10) days prior thereto in writing, in person or by mail to each Director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in an envelope properly addressed with postage prepaid. Any Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction nor the purpose of any regular or special meeting of the Board need to be specified in the notice or the waiver of notice of such meeting, unless specifically required by law or by these By-Laws.

Section I. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section J. Manner of Acting. The act of a majority of the members of the entire Board of Directors shall be necessary to pass any resolution or authorize any act of the Association unless a different vote is required herein, in the Protective Covenants or by law.

Section K. Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors may be filled by the majority vote of a quorum of the members at any regular or special meeting. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section L. Removal. A Director may be removed at any time by a vote of two-thirds (2/3) of all of the Board of Directors, excluding the member to be removed.

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Section M. Compensation. Directors as such shall not receive any compensation for their services, but nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefore.

Section N. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if consent in writing, settling forth the actions so taken, shall be signed by all of the Directors.

### ARTICLE VII ASSESSMENTS

Section A. Each Owner of any Lot in “Andrews Farm Homeowners Association – Section I, Inc.” (hereinafter referred to as “The Property”), 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 to the Association:

- (1) Annual Assessments or changes;
- (2) Special Assessments for Capital Improvements; and
- (3) Assessments for the fines imposed by the Board of Directors, such Assessments to be established and collected as hereinafter provided. **The annual and special Assessments and fines, together with interest, costs and reasonable attorney’s fees, shall be a charge against the land and shall be a continuing lien upon the Lot against which such Assessment is made.** Each such Assessment, together with interest, costs and reasonable attorney’s fees, shall also be the personal obligation of the person who was the owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessment shall not pass to an Owner’s successors in title unless expressly assumed by them (but shall continue, unless extinguished as herein provided, as a lien against the Lot).

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Section B. The Assessment levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and residents in the Property and for the improvement and maintenance of the Common Areas and/or Recreational Areas.

Section C. In addition to the annual Assessments authorized, the Association may levy, in any assessment year, a special assessment applicable to that year only 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 Areas, including fixtures and personal property related thereto, provided that any such assessment shall be approved by a vote of not less than two-thirds (2/3) of members entitled to vote at a meeting duly called for such purpose.

Section D. Written notice of any meeting called for the purpose of taking any action under section C of this Article VII shall be sent to all owners not less than thirty (30) days nor more than sixty (60) days prior to such a meeting. At the first such called meeting, the presence of at least 60% of all members entitled to vote, whether in person or by proxy, shall be required to 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 on-half (1/2) of the required quorum at the initial meeting. No such subsequent meeting shall be held than sixty (60) days following the preceding meeting.

Section E. Both annual and special Assessments shall be fixed at a uniform rate for all lots and shall be collected on a yearly basis.

Section F. The annual Assessments provided for herein shall commence, as to all lots, on the day the owner of the lot accepted a deed for the lot; as to all lots of the developer (when performing as a builder) or to any builder the annual assessment shall commence six (6) months from the date of the transfer of the lot to it. The Board of Directors 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 Board of Directors shall establish the due date. The Association shall, upon demand, and for a reasonable charge, furnish within five (5) days of receiving written request a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. A properly

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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. Failure to provide such a certificate within the five (5) day period shall be deemed a waiver of any claim for Assessments previously owed.

Section G. The Board of Directors shall annually, not less than fifteen (15) days prior to the meeting of the Owners, prepare a proposed budget for the ensuing 12-month period to include such sums as it deems necessary and adequate to provide for the expense of maintaining the Common Areas and such other expenses as are deemed necessary or appropriate expenses of the Association. The Board of Directors shall thereafter submit the proposed budget for the ensuing 12 months to the Owners for consideration at the annual meeting. At the annual meeting, a budget for the ensuing 12 months shall be approved by a majority of the Voting Owners entitled to vote at such meeting. The Board shall then send notice to all of the Owners of the monthly Assessment payable for the ensuing year, such notice to be provided not less than thirty (30) days prior to the date the first such Assessment becomes due; provided, however, each of the Owners shall continue to be liable for and to pay Assessments at the then current rate until notice of the new amount of Assessment is given as provided in this section.

Section H. Any assessment not paid within thirty (30) days after the due date shall be subject to a late fee of \$50.00 (fifty dollars and no/100) and \$100.00 (one hundred dollars and no/100) if unpaid after ninety days of the due date. The Association shall have a lien, which will be established as provided in the Protective Covenants, upon each Lot for payment of all Assessments not paid within thirty (30) days of the due date, in the amount of such unpaid Assessment, together with interest thereon from the due date at the rate of eight (8%) percent per annum, plus late charges of administrative charges, if any, and the costs of collection thereof, including a reasonable attorney's fee. The Association may bring a legal action against the Owner personally obligated to pay the same, or foreclose the lien against his Lot. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Areas or by abandonment of his Lot.

Section I. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage. The lien for the Assessment also shall be subordinate to any other recorded mortgage or other lien



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recorded prior to the time such Assessment (or installment thereof, if payable in installments) became due and payable. Sale or transfer of any Lot shall not effect the Assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such Assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

**Section J.      The Board of Director shall have the right to assign any claim and/or lien rights of the Association for the recovery of delinquent Assessments for reasonable value.**

**ARTICLE VIII**  
**OFFICERS**

**Section A. Officers.**    The Officers of the Association shall be a President/Treasurer and Vice-President/Secretary, all of whom shall be elected by and from the Board of Directors. The Board of Directors may appoint additional Officers as it shall deem desirable, such Officers to have the authority to perform the duties prescribed, from time to time, by the Board of Directors. Officers shall serve according to their lot number (i.e., in year one – 2002, Lot 2 President/Treasurer and Lot 3 Vice President/Secretary and rotating forward thereafter.

**Section B. Election and Term of Office.**    The Officers of the Association shall rotate annually by the Board of Directors, immediately following the annual meeting of the members, and shall serve for a term of one year, depending on the office held. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until his successor shall have been duly elected and shall have qualified. Officers shall be eligible for re-election as outlined above. Officers shall rotate according to the outline above based on their lot number. If a lot owner is unwilling to serve they shall be allowed to pass upon consideration of a fee equal to an additional one year's assessment.

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Section C. Removal. Any Officers elected by the Board of Directors may be removed by a vote of a majority of the entire Board of Directors, whenever in its judgment the best interests of the Association would be served thereby. A removal of any officer shall necessitate the party removed to pay one year's annual assessment in consideration.

Section D. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section E. President/Treasurer. The President/Treasurer shall be the Principal Executive Officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meeting of the Owners and of the Board of Directors. He may sign, with the Vice President/Secretary or any other proper Officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws or by statute to some other Officer or Agent of the Association. He shall appoint committees as prescribed by these By-Laws or as may be prescribed by action of the Board of Directors, and shall be an ex-officio member of all committees. The President/Treasurer shall perform all duties incident to the office of President/Treasurer and such other duties as may be prescribed by the Board of Directors from time to time. The President/Treasurer shall have the custody of the Association funds and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association, and shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse such funds of the Association as he may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President/Treasurer and Directors, at the regular meetings of the Board, or whenever they may require, an account of all his transactions as President/Treasurer and of the financial condition of the Association. He shall make a financial report at all regular meetings of the Board and at any other time as may be requested by the Board. He shall present an annual financial report to the Board after the close of the fiscal year listing all receipts and disbursements and make the books available for any audit that may be requested by the Board. If he is required by the Board of Directors, he shall give a bond in such sum and

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ARTICLE IX  
OBLIGATIONS OF OWNERS

Section A. Each Owner is obligated to pay all yearly and special Assessments levied or imposed by the Association, for such purposes as are enumerated in the Protective Covenants and in these By-Laws. All assessments shall be paid within thirty (30) days of the due date. Written notice of the change in any assessment and the date payment is due shall be sent to each Owner at the address given by such Owner to the Vice President/Secretary of the Association. Assessments may include yearly payments to a general operating reserve in a reserve fund for replacements and all other things as required or determined by the Voting Owners to be included in the budget.

Section B. The amount of Assessment levied shall be paid on or before the due date. If not paid within thirty (30) days of the due date, the amount of such assessment, plus any other charges thereon, including late charges of \$50.00 (fifty dollars and no/100) after thirty (30) days and \$100.00 (one hundred dollars and no/100) after ninety (90) days past due or administrative charges (if the Board elects to implement the same), and costs of collection, including reasonable attorney's fees, unless prohibited by law, shall constitute and become a lien on the Owner's Lot. Such lien right shall accrue and be enforceable as provided for in accordance with the terms and provisions of the Protective Covenants. The notice of lien which is to be recorded shall state the amount of such delinquent Assessments and such other charges as shall be owed, and shall designate the Lot which has been assessed, and a copy shall be mailed to the Owner thereof. Upon payment of said delinquent Assessments and charges or satisfaction thereof, if notice of lien has been recorded in the public records, the Board shall, within a reasonable time, cause to be delivered to the Owner a notice in recordable form stating the satisfaction of said lien. The priority of the lien shall be as provided in the Protective Covenants.

Section C. The lien provided herein may be foreclosed by suit by the Board acting on behalf of the Association in like manner as a mortgage and in accordance with the provisions of the Protective Covenants, and in such event, the Association may be a bidder at the foreclosure sale. The Association, through its Board or any duly authorized agent or designee, may file notice of and foreclose such lien and also pursue any other remedy

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with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the Association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association; and in general, perform all the duties incident to the office of President/Treasurer and such other duties as may from time to time be assigned to him by the President/Treasurer or by the Board of Directors.

Section F. Vice President/Secretary. In the absence of the President/Treasurer or in the event of his inability or refusal to act, the Vice-President/Secretary shall perform the duties of the President/Treasurer, and when so acting, shall have the powers of and be subject to all the restrictions upon the President/Treasurer. He shall assist the President/Treasurer and shall perform such other duties as from time to time may be assigned to him by the President/Treasurer or by the Board of Directors. The Vice President/Secretary shall attend all meetings of the Owners and of the Board of Directors and shall keep the minutes of such meetings in one (1) or more books provided for that purpose, and shall record all votes of such meetings. The Vice President/Secretary shall keep a current, accurate record of the names and addresses of all Owners, members of the Board of Directors, and Officers, showing when each was elected and the term to be served. The Vice President/Secretary shall give, or cause to be given, notice of all meetings and special meetings of the Board of Directors, and shall perform such other duties as may be assigned by the President/Treasurer or the Board of Directors. He shall keep in safe custody the seal of the Association, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed, it shall be attested to by his signature or by the signature of the President/Treasurer. The Vice President/Secretary, upon approval by the Board, may employee whatever professional secretarial and stenographic personnel or services as are necessary to properly carry out the duties of the office.

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against any Owner owing money to the Association, which is available by law or in equity for the collection of debts.

Section D. Each Lot shall be utilized for residential purposes only, provided, however, such shall not prevent rent or lease by an Owner to a lessee or renter exclusively for residential purposes.

Section E. No Owner shall make any structural modifications or alterations to a residence, fence or wall without first obtaining written approval of the Association, as provided in the Protective Covenants.

Section F. No occupant of a residence shall post any advertisements, posters, or signs of any kind in or on the Common Areas or on his Lot, except as shall be authorized by the Board; provided, however, this provision shall not be applicable to the Developer or third parties granted permission by the Developer during the period it is selling residential units. Provided further, that any Owner may advertise his or her Lot for sale by using a "For Sale" sign so long as such sign is attractive in its appearance and does not exceed the dimensions of two feet by three feet (2' x 3').

Section G. Occupants of residences must use extreme care about making noises or using musical instruments, radios, televisions and/or amplifiers that may disturb occupants of other residences, and in the event an occupant is notified by the Board of Directors or its duly authorized agent, such occupant shall immediately cease and desist such activity.

Section H. Nothing contained herein shall in any way limit the power of the Association and/or the Board to issue or promulgate rules as they deem necessary or desirable for the use, occupancy and enjoyment of Andrews Farm Homeowners Association – Section I, Inc." and the use of the Common Areas by the Owners and/or the occupants of residences. **All obligations imposed by the Protective Covenants are hereby incorporated by reference as further obligations of the Owners.**

Section I. The Board of Directors shall have the right to enter into such agreements with independent third party providers as it deems desirable to provide common services to the Owners. Such right shall include, but shall not be limited to, Duke Power Lighting, Association Liability Insurance, Subdivision Management Agency and contracting for basic lawn

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maintenance for either Common Areas or Owner's property or both with third party providers.

Section J. No Owner may cut or clear a tree of a diameter of more than ten (10) inches from his or her Lot without first obtaining written approval of the Association as provided in the Protective Covenants.

Section K. All mailboxes for the Lots shall be well maintained and shall not be deemed to detract from the aesthetics of the property.

Section L. Outside pets such as cats, dogs, or caged birds may be kept in reasonable numbers, provided they are kept in fenced areas including underground pet fences on their property or on leashes. House pets such as fish, hamsters and gerbils are permitted.

Section M. If garbage or trash is to be kept outside the dwelling area, each lot owner shall provide receptacles for such in an area not visible from the street..

Section N. Exposed (visible from the street) satellite dishes will not be permitted in Andrews Farm Homeowners Association – Section I, Inc.

Section O. Any camper, boat trailer, motor home, recreational vehicle, motorcycle or commercial vehicle are not to be stored, parked or maintained on the property unless not visible from the road and properly screened from adjoining properties.

Section P. All tools, lawnmowers, yard equipment and similar equipment must be kept in an enclosed area and hidden from public view.

ARTICLE X  
MORTGAGES

Section A. The Board shall, at the request of any actual or prospective mortgagee or purchaser of a Lot, report within five (5) business days of receiving a request, the amount of any unpaid Assessments which may be due from the Owner of the Lot so mortgaged, to be mortgaged, or to be sold.

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ARTICLES XI  
RULES AND REGULATIONS

Section A. The Board of Directors shall be and is hereby empowered to promulgate and adopt such rules from time to time and to amend and alter any rules previously promulgated and adopted as it may, in its sole discretion, determine to be necessary and desirable for the continued maintenance and upkeep, use and enjoyment of any Common Areas, and as necessary for the overall appearance of “Andrews Farm Homeowners Association – Section I, Inc.” and for the health, safety and welfare of occupants of residences. Such rules shall be binding and enforceable upon all Owners, their families, guests, invitees, and/or lessees, and all occupants of residences.

ARTICLES XII  
CONTRACTS, CHECKS, DEPOSITS, AGREEMENTS AND FUNDS

Section A. The Board of Directors may authorize any Officer or Officers or Agent or Agents of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and/or the Owners (if permitted hereunder or in the Protective Covenants). Such authority may be general or confined to specific instances.

Section B. All checks, drafts or orders for the payment of notes or other evidences of indebtedness issued in the name of the Association shall be signed by such Officer or Officers, Agent or Agents of the Association in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instrument shall be signed by the President/Treasurer (or duly authorized Assistant Treasurer) and by the Vice-President/Secretary.

Section C. All funds of the Association received by it from or on behalf of the Owners shall be deposited from time to time to the credit of the Association at such banks, insurance companies, trust companies or other depositories as the Board may select or as the circumstances and purposes of such deposits may require; provided, however, all such accounts shall be maintained in an institution in which deposits are insured by the Federal government or an agency thereof.

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Section D. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for general purposes or for any of the special purposes of the Association.

Article XIII  
Certificates of Membership

Section A. Any Owner failing to pay Assessments when due may have his or her membership in the Association suspended by the Board. The Vice President/Secretary shall notify any Owner so suspended immediately in writing. Suspension of an Owner shall suspend all rights of such Owner to membership in the Association, including the right to notice of membership meetings, to vote at membership meetings, and to use the Common Areas and any facilities and improvements owned, maintained or operated by the Association.

ARTICLE XIV  
BOOKS AND RECORDS

Section A. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE XV  
FISCAL YEAR

Section A. The fiscal year of the Association shall begin on the first day of January and end on the last day of the following December.

ARTICLE XV  
INDEMNIFICATION

Section A. The Association shall have the power, in accordance with South Carolina Code § 33-13-180 (1976), to indemnify any person or persons made a party to any suit, action or proceeding, whether civil, criminal, administrative or investigative, including an action by, or brought on behalf



## ANDREWS FARM HOMEOWNERS ASSOCIATION – SECTION I, INC.

of the Association from and against any and all the expenses, liabilities or other matters referred to in or covered by said Section, including attorney's fees actually incurred, provided that the person acted in good faith in an official capacity and in a manner not believed to be in opposition to the best interests of the Association. Such power of indemnification 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. Nothing herein shall be construed to allow for the indemnification of any person or persons serving as director, officer, employee or agent of the Association where the activities or lack thereof which precipitated the suit, action or proceeding have been judged by the Board of Directors to be negligent, willful, wanton, reckless or violative of criminal or civil law. In the event the Board of Directors elects to indemnify any director, officer, employee or agent of the Association, the Board of Directors shall have the absolute right to select the attorney or attorneys to be employed in the defense of such action.

### ARTICLE XVII MISCELLANEOUS

Section A. Questions concerning the interpretation of these By-Laws or any rules and regulations adopted by the Board of Directors shall be determined by a vote of a majority of the entire Board of Directors.

Section B. Robert's Rules of Order shall apply in any meeting of the Board and of the Association unless in conflict with these By-Laws, the Protective Covenants or provisions of law, in which case these By-Laws, the Protective Covenants and/or applicable law shall control.

### ARTICLE XVIII COMPLIANCE

Section A. These By-Laws are intended to comply with the requirements of the Protective Covenants. In the event any of these By-Laws conflict with the provisions of the Protective Covenants, the provisions of the Protective Covenants shall apply, unless variances are permitted, in which case the provisions of these By-Laws shall apply.

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ARTICLE XIX  
AMENDMENTS TO BY-LAWS

Section A. These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a vote of two-thirds (2/3) of the Board of Directors and two-thirds (2/3) of all the Voting Owners entitled to vote, at any regular or special meeting at which a quorum is present, provided that at least ten (10) days written notice is given to the Owners and to the Board of Directors of the intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

ARTICLE XX  
DISSOLUTION

Section A. Upon the dissolution of the Association or the winding up of its affairs or other liquidation of its assets, the property and residual assets of the Association, after the payment of the debts of the Association, shall be conveyed to the Association's successor, or if there is no such successor to the Association, to the Owners, with the Owner of each Lot being allotted an equal share.

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2002.

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_