

**To:** All Members of the Association.  
**From:** Board of Directors  
**Date:** March 13, 2007

**Reference:** By-Laws

Dear Member

Enclosed you will find the Final Copy of the 2007 Edisto Lake and Edisto Lake Ridge By-Laws to be voted upon by all the members. This has been a long process. However we believe the end product was worth the time and effort.

As you may recall, the membership approved changes to the By-Laws in July 2006 which mainly dealt with the Edisto Lake Ridge issues. Before the Annual Meeting of October 2006 all members were sent a copy of the proposed By-Laws with all the other issues that need to be discussed and additions made by the members at that meeting. Once these additional amendments and language changes were approved by the membership and included the complete document, it went to our attorney, Henry Taylor, for review and recommendations. Due to Mr. Taylor's court schedule and the holidays, we received that information back around the first part of February. The final product is now being mailed out to you for your vote.

Please review the complete document then follow the instruction that is written on the ballot to mail in your vote. **Please note the deadline date for the Independent Party to receive the ballots.** The final vote will be counted by the Nomination Committee at the April 23<sup>rd</sup> Board of Directors Meeting and the results will be published in the Minutes of that Meeting.

**PLEASE KEEP THE ENCLOSED COPY OF THE BY-LAWS FOR YOUR RECORDS. IT WILL BE THE FINAL COPY IF APPROVED.**

Sincerely,

Jack L. Hensell II, President

**BY-LAWS**  
**OF**  
**EDISTO LAKE**  
**And**  
**EDISTO LAKE RIDGE**  
**PROPERTY OWNERS ASSOCIATION**

**Post Office Box 1321**

**Wagener, South Carolina 29164**

**Original Date of By-Laws October 1981**

**By-laws updated at Annual or Special Meeting:**

**Annual Meeting February 23, 1997**

**Annual Meeting October 19, 2003**

**Annual Meeting October 10, 2004**

**Annual Meeting November 20, 2005**

**Special Meeting July 9, 2006**

**Annual Meeting October 8, 2006 to be validated by mail-out Ballot April 23<sup>rd</sup> 2007 ✓**

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**BY-LAWS  
OF  
EDISTO LAKE PROPERTY OWNERS ASSOCIATION**

**ARTICLE 1**

**NAME AND LOCATION**

The name of the Corporation is Edisto Lake Property Owners Association, Inc., hereinafter referred to as the "Association". The principal office of the Corporation shall be located at P.O. Box 1321, Wagener, South Carolina 29164, but meetings of members and directors may be held at such places within the State of South Carolina as may be designated by the Board of Directors.

**ARTICLE 2**

**PURPOSES**

The purpose of this Corporation shall be to operate and maintain the common properties, as defined herein below, owned by the Association on a non-profit basis, with charges to be made to cover expenses of operation, maintenance, and improvements.

**ARTICLE 3**

**DEFINITIONS**

**Section 1 – "Association"** shall mean and refer to Edisto Lake Property Owners Association, Inc., a South Carolina non-profit corporation, its successors and assigns.

**Section 2 – "Owner"** shall mean and refer to the owner as shown by the real estate records in the R. M. C. Office from time to time for Aiken County, South Carolina, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any residential lot in the Edisto Lake Subdivision and/or Edisto Lake Ridge Subdivision but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to mortgagee or holder of a security deed, or the heirs, successors, or assigns thereof, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a similar proceeding, deed in lieu of foreclosure or otherwise; nor shall the term "Owner" mean or refer to any lessee or tenant of an owner. Where the Owner is a natural person, the members of his immediate family shall enjoy the same rights, duties, and privileges on all matters other than voting matters and liability for assessments as does the Owner. Where the Owner is other than a natural person, Owner may designate not more than four (4) persons having an ownership interest in owner or property, who shall enjoy the same rights, duties, and privileges on all matters other than voting matters and liability for assessments as does the Owner.

**Section 3 – “Guest”** shall mean or refer to persons using the residence and facilities of any Owner without paying therefor.

**Section 4 – “Tenant”** shall mean and refer to a person using and occupying the residence and facilities of any Owner pursuant to a lease, rental contract, or other such document or arrangement.

**Section 5 – “Member”** shall mean and refer to all those Owners who are members of the Association as provided in Article 4, Section 1, hereof.

**Section 6 – “Common Property”** shall mean and refer to those tracts of land with any improvements thereon which are deeded to the Association. The common property that is and/or will be deeded to the Association shall consist of the roads, parkways, spillways, dam, and lake in Edisto Lake Subdivision and Edisto Lake Ridge Subdivision referred to herein above. The Term “Common Property” shall also include any personal property acquired by the Association if said property is designated as “Common Property”. All Common Property is to be devoted to and intended for the common use and enjoyment of the Owners, their guests and tenants, subject to the fee schedules and operating rules which may be adopted by the Association, and subject to the covenants, conditions, and restrictions contained in the Deed from the developer, Edisto Lake, Inc., to the initial purchaser.

**Section 7 – “Assessment Year”** shall mean and refer to the fiscal year of the association from January 1, through December 31.

**Section 8 – “Independent Party”** shall be a person or persons who do not own property located at Edisto Lake or Edisto Lake Ridge, are not financially dependent upon a member of the Board of Directors, are not employed by a member of the Board of Directors, who are not related to a member of the Board of Directors, and do not have a present or past business relationship or other interest or relationship that would render or give the appearance of rendering the Independent Party partisan in any of the affairs of the Association or its Board of Directors. The Independent Party shall be selected by the Board of Directors. For services rendered to the Association, an Independent Party may be paid a reasonable fee as determined by the Board of Directors.

**Section 9 – “Edisto Lake Subdivision”** shall mean all lots that abut and surround Edisto Lake and common areas attached thereto. Further, described in plats and deeds and other documents located and recorded in Aiken County, South Carolina.

**Section 10 – “Edisto Lake Ridge Subdivision”** shall mean that property as defined in the Declaration of Covenants, Conditions and Restrictions for Edisto Lake Ridge filed in the Office of the Register of Deeds for Aiken County, South Carolina.

**Section 11 – “Changes to the By-Laws”** shall have the common meaning of any of the methods of changing the By-Laws; Adopting, Amending, Revising.

## ARTICLE 4

### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

**Section 1 – Membership.** Every Owner as defined in Article 3 who is required to be a member of the Association by virtue of covenants, conditions and restrictions pertaining to his lot, or who elects to become a member of the Association, shall be a member of the Association.

**Section 2 – Voting.** Each member of the Association shall have one (1) vote for each lot that the member owns in the Edisto Lake Subdivision and/or Edisto Lake Ridge Subdivision. When any property entitling the owner to membership in the Association is owner of record in the name of two (2) or more persons or entities, whether fiduciaries, joint tenants, tenants in common, tenants in partnership or in any other manner of joint or common ownership, or if two (2) or more persons or entities have the same fiduciary relationship respecting the same property, then such joint owners shall appoint, in writing, one of such owners to cast the vote or votes to which they may be entitled.

Upon written notification to the Board of Directors, the voting rights of any member may be assigned by the same member to a lessee who has entered into a lease with a term of two (2) years or more; provided, however, that the member may not assign to such lessee any vote or votes not attributable to the property actually leased by such lessee. Voting for Members of the Board of Directors and changes to the By-Laws shall be by Members Present, Proxy and by Valid Written Mail-In Ballot. All other business shall be voted upon by Members Present and by Proxy. When voting, members shall select which one method is desirable to them to cast their vote, and only one vote shall be counted per lot. Should any member cast his/her vote in an election of Directors, or on a change(s) in By-Laws, or on any other matter by more than one of the allowable methods, the Member's vote shall be determined in the following order of preference: First, by Member if present at the meeting; Second, by mail-in ballot; or Third, by proxy. The vote counters shall ensure that only one vote per lot is cast and that only one of the three methods is used when voting for members of the Board and/or changing of the By-Laws.

**Section 3 – Quorum** required for any action authorized at an Annual or Special Meetings of the Association. The quorum required for any action which is subject to a vote of the members at any Annual or Special meeting of the Association members shall be as follows:

Subject to the giving of proper notice, the first time a meeting of the members of the Association is called to vote on a particular action proposed to be taken by the Association, the availability of votes in the form of members present at the meeting, by proxy, and by written mail-in ballot (when applicable), entitled to cast thirty (30%) percent of the total vote of the membership, shall constitute a quorum.

If the required quorum is not forthcoming at any such meeting, a second meeting shall be called subject to the giving of proper notice and the required quorum at such meeting shall be the availability of votes in the form of members present at the meeting, by proxy, and by written mail-in ballot (when applicable), entitled to cast twenty-five (25%) percent of the total vote of the membership.

In the event the required quorum is not present at the second meeting, a third meeting shall be called subject to the giving of proper notice and there shall be no quorum requirement for such third meeting.

Unless otherwise provided, any reference hereafter to "votes cast at a duly called Annual or Special Meetings" shall be construed to be subject to the quorum requirements established by this Section, and any other requirements for such "duly called meeting" which may be established by the By-Laws of the Association.

For the purpose of this section, notice shall be deemed properly given, in accordance with Article 5, Section 3.

**Section 4 – Proxies.** Subject to the provisions of Article 4, Section 2 hereof, all members of the Association may vote and transact business at any Annual or Special Meeting of the Association by proxy stamped with the seal of the Association, authorized in writing and mailed to or hand-delivered to an Independent Party, who is selected by the Board of Directors, at the address of the Independent Party, with the envelope containing the proxy or proxies being unopened until the Annual or Special duly called meeting.

Only proxies properly executed and mailed or hand delivered and unopened to the independent party's mailing address and received on or before the date indicated shall be counted in the voting process. A proxy will not be valid unless stamped with the seal of the Association. A proxy shall indicate the lot number of the assigning member, bear the signature of the assigning member, and be assigned to only one member of the Association.

**Section 5 – Written Mail-In Ballots.** Subject to the provisions of Article 4, Section 2 and Article 15, Section 1 hereof, all members of the Association may vote and transact business for the purpose of Amending these By-Laws or to elect members to the Board of Directors at a duly called Special or Annual Meeting of the Association by valid mail-in written ballot mailed or hand-delivered to an independent party, selected by the Board of Directors, at the address of the independent party, with the valid mail-in written ballot envelope being unopened until the Meeting. Only mail-in written ballots with the seal of the Association affixed and properly executed and mailed or hand-delivered to the independent party's address and received on or before the date indicated on the ballot shall be counted in the voting process. To be valid, the Mail-in Ballot shall be signed by the property owner/member and shall specify the Lot number of the owner/member.

## ARTICLE 5

### MEETINGS OF MEMBERS

**Section 1 – Annual Meeting.** Meetings of members shall be held annually at the offices of the Association or at such other place convenient to the members. The time and place of annual meetings shall be set by the Board of Directors of the Association.

**Section 2 – Special Meetings.** Special meetings of the members may be called at any time by the President of the Association, by the Board of Directors, or upon written request of no less than ten (10) members and submitted to the Board of Directors stating the need, reason and purpose of such meeting. The Board of Directors upon receiving a

request of members for a Special Meeting shall set the Special Meeting within 30 days from receiving the request from the members. Special Meetings requested by the membership shall be limited to the purpose or purposes set forth in the request for a Special Meeting. Members requesting a Special Meeting may withdraw their request at any time prior to the meeting whereupon the meeting shall be cancelled.

**Section 3 – Notice of Meetings.** Written notice of an Annual or Special Meeting of the members shall be given at least ten (10) days but not more than thirty (30) days prior to such meetings, to each member entitled to vote thereat. Such notice shall specify the time and place of the meeting and in case of a special meeting, the purpose of the meeting.

Any notice required to be sent to any member under the provisions of these By-Laws shall be deemed to have been properly sent, and notice thereby given, when mailed, with the proper postage affixed, to the last known address of the person or entity who appears as owner in the public record of Aiken County, South Carolina. Notice to one of two or more co-owners of a residential lot shall constitute notice to all co-owners. It shall be the obligation of every member to immediately notify the Secretary of the Association, in writing, of any change of address. Any person who becomes an owner and member in the calendar month in which said notice is mailed shall be deemed to have been given notice, if notice was given to his predecessor in title. Should a question be raised as to the date of proper notice, the postmark of the Notice shall be used to establish the date of Notice.

## **ARTICLE 6**

### **BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE**

**Section 1 – Number.** The Association shall be governed by a Board of Directors consisting of seven (7) members to be elected by the members of the Edisto Lake Property Owners Association. Five (5) members of the Board shall be elected from owners/members of the Edisto Lake Subdivision and two (2) members shall be elected from owners/members of the Edisto Lake Ridge Subdivision. Until such time as there are a sufficient number of individual lot owners within the Edisto Lake Ridge Subdivision available to serve as Board Directors, the two Edisto Lake Ridge Board Directors may be appointed by Edisto Lake Ridge, LLC; the developer of Edisto Lake Ridge Subdivision.

**Section 2 – Term of Office.** Directors shall be elected at the Annual Meeting of the members. The term of office of each director shall be two years or until there is a duly elected Director to take his or her place unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve. To provide continuity of governance, the terms of the Board members shall be staggered, with three (3) Edisto Lake Board Members and one (1) Edisto Lake Ridge Board Member elected at one Annual Meeting and two (2) Edisto Lake Board Members and one (1) Edisto Lake Ridge Board Member elected at the next Annual Meeting. In the event there is a tie vote between candidates for Directors, the incumbent director(s) shall hold their office until such time as the tie vote is resolved by a second Valid Written Mail-In Ballot vote.

**Section 3 – Resignation and Removal.** Any Director may resign at any time by giving written notice to the Board of Directors. Any Director may be removed from the Board, with or without cause, by a majority vote at a duly called meeting of the Association with a quorum present. In the event of death, resignation, or removal of a Board Member, his or her successor shall be appointed by the remaining members of the Board and shall serve the unexpired term of his or her predecessor. Due to an immediate conflict of interest, should a Director of the Association file a legal litigation against the Association, the Director should immediately resign or he or she can be removed as a Director of the Board by majority vote of the remaining members of the Board. A Director shall be removed for missing three (3) consecutive meetings of the Board of Directors, also see Article 9 Section C.

The membership shall be notified by letter as soon thereafter as reasonable of such actions.

**Section 4 – Vacancies.** A vacancy on the Board of Directors may be filled by appointment by the remaining Board Members. The member appointed to such vacancy shall serve for the remainder of the term of the Director replaced and shall have full powers and duties of that position.

**Section 5 – Compensation.** Directors as such shall not receive any salaries or any form of compensation for their services.

**Section 6 – Indemnification.** To the fullest extent allowed by law, members of the Board of Directors, Officers and Committee members shall be indemnified and held harmless by the Association for any liability resulting from an act performed or omission made by them in good faith on behalf of the Association, except for acts or omissions of gross negligence, intentional misconduct, or knowing violation of the law. The Board of Directors is authorized to obtain insurance coverage to provide for the Indemnification obligation of the Association.

## ARTICLE 7

### NOMINATION AND ELECTION OF DIRECTORS

**Section 1 – Nomination.** Nomination for election to the Board of Directors shall be made by nominating committees. One committee will be formed for the nomination of the Edisto Lake Directors and a separate committee will be formed for the nomination of Edisto Lake Ridge Directors. The nominating committee for Edisto Lake Ridge directors shall be comprised solely of Edisto Lake Ridge Subdivision owners. The nominating committee for Edisto Lake directors shall be comprised solely of Edisto Lake Subdivision owners. Owners/members who own lots in both Subdivisions may serve on either nominating committee but not both at the same time.

Each nominating committee shall consist of a chairperson who shall be a member of the Board of Directors, and two or more members of the Association from each subdivision. The nominating committees, as defined above, shall be appointed by the Board of Directors at least two months prior to the Annual Meeting of the members. The nominating committees 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. The nominating committees shall determine that all nominees are members in good standing, current in payment of dues and assessments of the Association, no pending legal litigation against the Association and meet the requirements of Section 2 below. There shall be no nominations from the floor of the Meeting and there shall be no "write-in" candidates allowed on ballots. Two members of each nominating committee shall be appointed as vote counters, however should these members be unavailable the Board of Directors may appoint replacement members to be vote counters.

**Section 2 – Cut off date for Nomination to the Board of Directors.**

If a member desires to be nominated to run for the Board of Directors, he or she shall contact the appropriate nominating committee in writing and offer his or her name for nomination and such written offer must be received before the cut off date. The nominating committees shall submit their complete slate of nominees within two days after the cut off date for nominations to the Board of Directors. The Board of Directors shall establish and publish the cut off date and notify all the members of the cut off date in the minutes of the meetings of the Board of Directors and at least two meetings prior to the Annual or Special Meeting. The minutes of each meeting of the Board of Directors shall be prepared and distributed to the Members as soon after the Meeting as practicable. Candidates for the Board of Directors may submit a short resume which will accompany the Ballots along with the Notice of the Annual or Special Meeting.

**Section 3– Election.** Election to the Board of Directors shall take place at the Annual Meeting by the members. Provided however, Edisto Lake Ridge Directors may be elected by valid written mail-in ballot as soon as there are sufficient lot owners in Edisto Lake Ridge to run for the Board of Directors. Thereafter, Edisto Lake Ridge board members shall be elected at the annual meeting of members pursuant to the procedures set forth in Article 4.

Each lot owner will be allowed one (1) vote for each vacancy on the Board. The Election of Members of the Board of Directors shall be subject to the quorum requirements and can be voted upon by Members Present or Proxy vote or by Mail-In Ballot, subject to Article 4 and all sections thereof.

The nominees receiving the highest number of votes shall be elected. Should there be a tie vote between candidates for the Board of Directors then this tie shall be resolved by a second Valid Written Mail-In Ballot vote of the membership. The incumbent Director shall remain until the position is filled by the tie-breaking vote. The Board of Directors shall mail the Valid Written Mail-In Ballots for the tie-breaking vote as soon as reasonably practicable but not more than 2 weeks after the date of the meeting. The Board of Directors may then hold a Board Meeting in which the vote counters may count the results of the tie-breaking vote.

The vote counters shall ensure that there is only one vote cast for each lot. Invalid ballots shall be set aside and not counted but the vote counters shall report the number of invalid votes set aside and the reason therefore. The number of votes received by each candidate shall be announced to the members present. Any objection to the results of the election shall be deemed waived unless raised and resolved prior to the close of the meeting. The election results shall be final upon the close of the meeting.

## ARTICLE 8

### MEETINGS OF DIRECTORS

**Section 1 – Regular Meetings.** Regular meetings of the Board of Directors shall be held at least bi-monthly. The directors shall also meet at such other times as may be necessary to perform their duties as directors. Meetings shall be held at such place and hour as may be fixed from time to time by resolution of the Board.

**Section 2 – Special Meetings.** Special meetings of the Board of Directors shall be held when called by the President of the Association, or by a majority of the directors, after not less than two (2) days notice to each director.

**Section 3 – Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority vote of the directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

**Section 4 – Minutes of the meetings of the Board of Directors.** The minutes of each meeting of the Board of Directors shall be prepared and distributed to the Members as soon after the meeting as is practicable. The minutes shall also include a report from the Treasurer.

## ARTICLE 9

### POWERS, DUTIES AND LIMITATIONS OF THE BOARD OF DIRECTORS

**Section 1 – Powers.** The Board of Directors shall have the power to:

- A. Suspend the voting rights and right to the use of any recreational facilities of any member during any period in which such member shall be in default of payment of any assessment levied by the Association.
- B. Exercise for the Association all powers, duties, and authority vested in or delegated to this Association in managing the general affairs of the Association and not reserve to the membership by other provisions of these By-Laws, by the Articles of Incorporation, or by statute.
- 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 a member, an independent contractor, an accountant, an attorney, or such other employees as they deem necessary, and to prescribe their duties.

**Section 2 – Duties.** It shall be the duty of the Board of Directors to:

- A. Establish, levy, assess, and collect the assessment or charges pursuant to provisions of these By-Laws and pursuant to the covenants, conditions and restrictions applying to each lot.
- B. Cause to be kept, a complete record of all its acts and corporate affairs.
- C. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- D. Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- E. Cause all officers or employees having fiscal responsibilities to be bonded.
- F. Cause the common properties to be maintained.
- G. See that all provisions of these By-Laws are complied with.

**Section 3 – Limitations of the Board of Directors:** The Board of Directors shall not exceed the approved annual budget by more than \$3,000.00 for any expenses, capital or otherwise, without approval of the membership unless such expenditure is necessary to avoid endangering life, causing further injuries to persons or property, and/or subjecting the Association to further liability, or in a case of a valid emergency. All members shall be immediately notified of any such expenditure.

**Section 4 – Special Appointments.** The Board of Directors may appoint such other Officials as the affairs of the Association may require, each of whom shall hold appointment for such period, have such authority and perform such duties as the Board may from time to time determine. Such appointee shall not replace any Elected Board Directors or assume any officer's title nor completely assume all responsibilities and duties of an elected Director(s) nor act as an elected Director or have voting powers on the Board of Directors, unless as provided by Article 6 Section 4 - Vacancies.

## ARTICLE 10

### OFFICERS AND THEIR DUTIES

**Section 1 – List of Officers.** The officers of this Association shall be a President, Vice President, Secretary, and Treasurer. The officers' positions shall be selected by the new Board of Directors amongst themselves as soon after the Annual Meeting as can be accomplished but no later than two weeks.

**Section 2 – Officers Powers and Duties.** The powers and duties of the Officers are as follows:

**President**

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall, along with the Treasurer, shall co-sign all bonds, leases, mortgages, deeds, contracts, checks, promissory notes, and other written instruments. The President shall serve as an “Ex-officio” member of all committees except the nominating committee.

**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.

**Secretary**

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the board and of the Members, and 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.

**Treasurer**

- (d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; along with the President, co-sign all checks and promissory notes of the Association and other documents as defined in section (a) above, keep proper books of account and perform such other duties as required by the Board.

**ARTICLE 11**

**DUES AND ASSESSMENTS**

**Section 1 – Creation of the Lien and Personal Obligations for Dues and Assessments.**

Each Owner of any residential lot becomes a Member of the Association and covenants and agrees to pay to the Association any annual dues and assessments which shall be imposed or levied by the Association as provided herein, such dues and assessments to be a charge and continuing lien on the Owner’s real property and improvements thereon. Such dues and assessments, together with interest thereon and cost of collection, as hereinafter provided, shall be the joint and several personal

obligation of the persons who were the Owners of such real property at the time when the assessments or dues first became due and payable. In the case of co-ownership of a residential lot, all of such co-owners shall be jointly and severally liable for the entire amount of the dues and assessments.

Any prospective transferee of a residential lot shall, upon written request thereof, be entitled to receive from the Board of Directors of the Association within ten (10) business days of the receipt of such request a statement of the assessments due but unpaid on said residential lot. Failure of the Board to deliver said statement within the time specified shall entitle the buyer to purchase said property free of any responsibility for the past due assessments or dues.

**Section 2 – Purpose of Dues and Assessments.** The dues and assessments levied by the Association shall be used exclusively for protection, improvements, maintenance, repair, upkeep or beautification, clean-up and operation of the common property, including the payment of taxes and insurance and payment for the cost of labor, equipment, materials, management, supervision, accounting, legal or other expenses incidental thereto, the amount of such assessments to be subject to the limitations provided herein below in Section 3.

**Section 3 – Limitations on Dues and Assessments.** The Dues and Assessments shall be recommended, by the Board of Directors of the Association, to the membership, subject to the following limitations.

**A. The amount of the dues or assessments** for supervision, maintenance, and repair of the common property shall be recommended by the Board of Directors at its discretion; provided that such assessments shall not exceed the amounts necessary to properly supervise, repair, maintain, beautify or keep clean the common areas; the maintenance to include services which are normally incidental to the operation of such property and shall be approved by the membership at a duly constituted meeting.

**B. The dues and assessments,** as approved by the membership shall be paid annually. The date that dues and assessments are due and payable shall be set by the Board of Directors.

**Section 4 – Special Assessments for Capital Improvements.** In addition to the assessments authorized above, 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 cost of any construction, or replacement of a capital improvement or special maintenance upon the common property, provided that the amount of the assessment for any capital improvements to the common property shall be recommended by the Board of Directors and approved by majority of the votes represented by the membership present, either in person or by proxy at a duly called meeting of the membership. Prior to the initiation of any such improvements, the Board of Directors shall seek bids from various contractors or other entities performing the improvement or service. On contracts of Five Thousand dollars (\$5,000.00) or more, a contract containing proper information shall be obtained and approved by the Board.

**Section 5 – Effect of Non-payment of Dues and/or Assessments; the Personal Obligation of the Owners; Remedies of the Association.** Any dues or assessments not paid within (30) thirty days after the due date shall be increased to include a penalty of One (\$1.00) Dollar per day from the due date; then upon written notice of such delinquency being sent to the last address of the member as provided to the Association, such dues or assessment, penalty, the cost of collection, and a reasonable attorney's fee, shall become a charge and continuing lien upon the land and all improvements thereon against which each such assessment is made until paid.

If the assessments or dues are not paid within six (6) months after the due date, the lien created as stated herein may be collected by the Association by an action of law, or by an action to foreclose said lien against the Owner, his heirs, successors, devisees, personal representatives, and assigns.

**Section 6 – Preparation of Annual Financial Statement and Budget.** The Board of Directors shall annually prepare or have prepared a statement showing assets and liabilities of the Association and a statement of revenues, costs, and expenses for such year, such statement to be available to each member and presented at each Annual Meeting. The Board of Directors shall present a Budget for approval of the members at each Annual Meeting.

**Section 7 - Special Annual Assessment for Edisto Lake Ridge Lot Owners.** The Association may levy a special annual assessment for the lot Owners/Members of the Edisto Lake Ridge Subdivision, in accordance with the Declaration of Covenants, Conditions and Restrictions for Edisto Lake Ridge Subdivision filed of record with the Register of Deeds for Aiken County, South Carolina.

## **ARTICLE 12**

### **BOOKS AND RECORDS**

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association or place to be agreed upon. Copies may be purchased at reasonable cost.

## **ARTICLE 13**

### **COMMITTEES**

**Section 1-** The Board of Directors shall appoint two (2) nominating committees as provided in Article 7 herein. Additionally, the Board of Directors may designate such other committees as it deems appropriate in carrying out the purposes of the Association.

## ARTICLE 14

### FISCAL YEAR

The fiscal year of the Association shall be from January 1 through December 31.

## ARTICLE 15

### PROCEDURES FOR CHANGING THE BY-LAWS AND CONFLICTS

**Section 1 – Procedure.** These by-laws may be changed by a majority vote of the members by the following Procedures:

- A) Within the notice of a Special or Annual meeting, *Special Notice* shall be given that the By-Laws will be considered for change at the next Annual or Special Meeting. The *Special Notice* shall include all proposed changes to the By-Laws referred to hereafter as "Scope of Notice".
- B) At such duly called meeting and after Scope of Notice having been given, the members present may, in open discussion, debate the changes. The membership, at this point, will only be voting to propose the language changes. Language changes shall be approved by a motion upon the floor and by majority vote of members present. After such meeting of the proposed By-Law language changes, a new copy of the proposed By-Laws shall be published and mailed to the membership for voting by Valid Written Mail-in Ballot.
- C) Such ballots shall be returned to the independent party and remain unopened until the following Board of Directors meeting. The former Nominating Committee members, or other appointed members, shall act as vote counters. The "Vote Counters" shall meet in executive session for the purpose of counting such votes. The changes to the By-Laws shall be adopted by a majority vote from the results of the Valid Written Mail-in Ballots.
- D) Any member has a right to attend this Vote Counting Meeting of the Board of Directors.

**Section 2 – Conflicts.** In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in the case of any conflict between the deeds from Edisto Lake, Inc. to the Edisto Lake Subdivision Owners and these By-Laws, the deeds shall control; in the case of any conflict between the Declaration of Covenants, Conditions and Restrictions for Edisto Lake Ridge and these by-laws, the Declaration of Covenants, Conditions, and Restrictions for Edisto Lake Ridge shall control.

## **ARTICLE 16**

### **CORPORATE SEAL**

The Association shall have a seal in circular form and having within its circumference the name of the Association, the year of its organization, and the words "Corporate Seal, South Carolina".

## **ARTICLE 17**

### **ROBERTS RULES OF ORDER**

This Association adopts "Roberts Rules of Order" in its latest version as may be published on any procedure or parliamentary procedure not specifically stated and reserved by and in these By-Laws.

## **ARTICLE 18**

### **TERMINATION OF ASSOCIATION**

In the event that the Association is not able to function substantially as contemplated by the terms thereof, for any reason, as adjudicated by any court or other tribunal having jurisdiction over the parties hereto and subject matter hereof, all common property belonging to the Association at the time of such adjudication shall revert to the developer, Edisto Lake, Inc., and the company shall own and operate such common property as Trustees for the use and benefit of the owners within the Subdivision subject to the provisions of these By-Laws and the provisions contained in the Deed from the developer to the initial purchaser, the Declaration of Covenants, Conditions and Restrictions for Edisto Lake Ridge, and the agreement to restrict property and to provide representation in the Property Owners' Association; provided however, that the developer shall have the option of not accepting the reversion of the property to it, in which case all common property belonging to the Association at the time of such adjudication shall be transferred to a Trustee appointed by the Court of Common Pleas of Aiken County, South Carolina, which Trustee shall own and operate said common property for the use and benefit of the members subject to the provisions set forth herein.

The Trustees shall have the power to dispose of the common property free and clear of the limitations imposed hereby; provided, however, that such disposition shall first be found to be in the best interest of the members by the Court of Common Pleas of Aiken County, South Carolina. The proceeds of such a sale, if any, shall first be used for the payment of any debts or obligations constituting a lien on the common property, then for payment of any obligations incurred by the Trustee in the operation, maintenance, repair and upkeep of such property, then for the payment of any other obligations with the remainder to be distributed among the members.