MOUNTAIN LAKES COMMUNITY ASSOCIATION

AMENDED BY LAWS
(initial approval at 10/8/2013 Annual Meeting; Article V, Section 10 modified by Board 12/09/15; Article V, Section 5 modified by Board 4/13/2016)

ARTICLE I
NAME AND LOCATION

Section 1. Name. The name of the corporation is Mountain Lakes Community Association, hereinafter referred to as the "Association."

Section 2. Location. The principal office of the Association shall be located in Oconee County, South Carolina. The registered office of the Association may be, but need not be, identical with the principal office.

Section 3. Nonprofit Organization. As a nonprofit association organized pursuant to the provisions of the South Carolina Nonprofit Corporation Code, Mountain Lakes Community Association, shall have no capital stock and no shareholders. The Association may pay reasonable compensation to individuals and businesses for services rendered and may make payments and distributions in furtherance of its stated purpose.

ARTICLE II
PURPOSE

To enhance and protect our lifestyle quality,
by sharing and communicating information of general interest
on issues that impact the lakes, property values, and living environment around our lakes and in our counties.

We seek to leverage our collective knowledge, resources and influence in political, legislative and purchased service areas to achieve this mission.

ARTICLE III
MEMBERSHIP

Section 1. Our targeted membership is defined as property owners (subdivisions, neighborhoods and individuals) on or adjacent to lakes within or touching Oconee County. It is strongly encouraged that members are presidents or primary officers of homeowners' associations, or are appointed by them to represent their associations. Representatives of neighborhoods who do not have structured homeowners associations and individual homeowners whose property is not part of an association are also eligible for membership as well as other individuals who share the mission statement objectives.

Section 2. Dues will be assessed by the Board of Directors (hereinafter sometimes referred to as the "Board") on an annual basis and may be assessed according to the number of property owners in a subdivision, whether a subdivision or neighborhood has an organized homeowner's association, or a combination thereof.

Section 3. All dues paying members are eligible to vote and are hereafter referred to as Voting Members.

ARTICLE IV
MEMBERSHIP MEETINGS

Section 1. Annual Meetings. The Association shall hold an annual meeting of the Voting Members each year during the month of October, on a date as determined by a vote of the Board of Directors, and each subsequent regular annual meeting of the Voting Members shall be held during that same designated month each year thereafter, or on such other date as determined by a vote of the Board of Directors.

Section 2. Special Meetings. Special meetings of the Voting Members may be called at any time by the President or by the Board of Directors, or if the holders of at least five (5%) percent of the voting power of the Association sign, date, and deliver to any officer of the Association one or more written demands for the meeting describing the purpose or purposes for which it is to be held.

Section 3. Place of Meetings. All meetings of the Voting Members shall be held at such place, within Oconee County, South Carolina as shall be determined by the Board of Directors.

Section 4. Notice of Meetings. Written or email notice of each meeting of the Voting Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of said notice, postage prepaid, or emailing said notice not less than ten (10) days nor more than sixty (60) days before the date of such meeting to each Member, addressed to the mailing or emailing address last appearing on the books of the Association, or supplied by such persons to the Association for the purpose of notice. Each Member shall be encouraged to send Notice of the Meeting to the Property Owners within his/her community. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of ten (10%) per cent of Voting Members entitled to cast, or of proxies entitled to cast, votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or these Bylaws.

Section 6. Proxies. At all meetings of Voting Members, each Voting Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Email proxies sent from a Voting Member's email address will be accepted as authenticated written proxies, even if they are not signed. Every proxy shall be revocable and expire at the conclusion of the designated meeting for which the proxy was established.

Section 7. Action by Voting Members. Except as provided otherwise in the Articles of Incorporation, any act or decision approved by a vote of no less than a majority of all votes present at a duly held meeting of the Voting Members at which a quorum is present shall be regarded as the act of the Voting Members.

Section 8. Waiver of Notice. Any Voting Member may, at any time, waive notice of any meeting of the Voting Members in writing and such waiver shall be deemed equivalent to the giving of such notice.

Section 9. Alternative Voting Procedure.

(a) Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written or electronic ballot to every Member entitled to vote on the matter. All votes shall be taken by written ballot or electronic ballot and shall be kept confidential. Written or electronic notice describing the matter to be voted upon, a ballot and other material necessary to insure voting control and Member privacy (the "Voting Materials") shall be delivered to all Members eligible to vote not less than twenty (20) days, nor more that forty (40) days before the date established by the Board for counting votes. Notice and delivery of Voting Materials for Members choosing to use a written ballot shall be deemed complete and delivered five (5) days after having been deposited in the United States Mail, first class mail, with appropriate and necessary postage affixed, addressed to the Member at his or her address as it appears on the records of the Association. Notice and delivery of Voting Materials for Members choosing to use an electronic ballot shall be deemed complete and delivered when sent to the e-mail address of the Member as it appears on the records of the Association. Members shall cast their votes by marking and returning the ballots as instructed therein.

(b) Registration for use of electronic ballot - Members choosing to vote by electronic ballot must complete a registration form and forward it to the Association 60 days in advance of any matter requiring a membership vote and will remain in effect until revoked by the Member. Any change made back to paper ballot must be made at least 45 days in advance of any matter requiring a membership vote.

(c) A written or electronic ballot shall:
(a) set forth each proposed action; and
(b) provide an opportunity to vote for or against each proposed action.

(d) Approval by written or electronic ballot pursuant to this section is valid only when the number of votes cast by written or electronic ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(e) All requests for votes by written or electronic ballot shall:
   (a) indicate the number of responses needed to meet the quorum requirements;
   (b) state the percentage of approvals necessary to approve each matter other than election of directors; and
   (c) specify the time by which a ballot must be received by the Association in order to be counted.

(f) A written or electronic ballot may not be revoked after it is submitted.

(g) Members shall cast their vote subject to their voting rights as defined herein. They shall record their vote by marking and returning the ballot as instructed thereon. Specific voting instructions and materials shall insure that only ballots from eligible voters are counted, and that the privacy of individual Members is maintained.

(h) Ballots marked and returned in accordance with instructions shall be counted, and totals certified, by the Nominating Committee, or by persons designated by the Nominating Committee for that purpose. A Member may, by request, observe the counting of the ballots by the Board.

(i) Voting results shall be given to the Board which will announce the results to the Membership.

(j) Unless otherwise required by these Bylaws or applicable law, a quorum shall be represented by 10% of the votes entitled to be cast on a matter.

(k) In order to implement electronic voting, the Board shall have the authority to use software adapted to such purpose, implement a web-based system, use an email-based system, or otherwise determine the method of implementation, provided the Board determines that the system adopted will allow the accurate counting of votes, limit voting to authorized voters, prevent tampering, preserve confidentiality, and otherwise assure the integrity of the voting process.

ARTICLE V
BOARD OF DIRECTORS

<u>Section 1. Number.</u> The business and affairs of the Association shall be managed by a board with a minimum of seven directors who shall be Members. Additional Board members may be added for a one year term or for a term determined by the Board or by majority vote at the annual meeting, as long as the total number of Board members is an odd number.

<u>Section 2. Nomination.</u> Nomination for election to the Board of Directors shall be made by a Nominating Committee appointed by the Board. This committee shall consist of a Chairman, who shall be the current President of the Association, and two or more Members of the Association. Nominations also may be made from the floor at the Annual Meeting. The Nominating Committee shall be appointed by the Board of Directors at each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

<u>Section 3. Election.</u> Except as provided in Section 2, directors shall be elected at the annual meeting of the Voting Members by ballot. At such election, each Voting Member or his/her proxy may cast one vote for each vacancy of a Board position. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

<u>Section 4. Term of Office.</u> Each director shall hold office for the term for which he/she was elected, or until his/her death, resignation, retirement, removal, disqualification or until his/her

successor is elected and qualified. At the Annual Meeting during which the first proposed Amendments to the Bylaws are presented, the Voting Members shall elect five (5) members of the Board of Directors for a term of three (3) years, who shall be the persons receiving the first, second, third, fourth, and fifth largest number of votes, three (3) Members of the Board of Directors for terms of two (2) years, who shall be the persons receiving the sixth, seventh, and eighth largest number of votes, and three (3) Members of the Board of Directors for terms of one year, who shall be the persons receiving the ninth, tenth, and eleventh largest number of votes. At all annual elections thereafter, directors shall be elected by the Members to succeed the directors whose terms then expire. At subsequent annual meetings, the directors elected will serve for a term of three (3) years. Nothing herein contained shall be construed to prevent the election of a director to succeed himself.

Section 5. Removal.

(a) The members may remove one or more directors elected by them without cause.

(b) A director may be removed under subsection (a) only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors

(c) A director elected by members may be removed by the members only at a meeting called for the purpose of removing the director and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.

(d) The entire Board of Directors may be removed under subsection (a).

(e) A director elected by the Board may be removed without cause by the vote of two-thirds (2/3) of the directors then in office. However, a director elected by the Board to fill the vacancy of a director elected by the members may be removed without cause by the members, but not the Board.

(f) For purposes of this section, “members” refers to members entitled to vote for directors.

Adopted at 4/13/16 Board Meeting

(g) A director elected by the members after April 13, 2016 may be removed by the board if a majority of the directors then in office vote for the removal for any of the reasons set forth below: 1) unacceptable reasons for non-attendance at multiple board meetings, 2) violating the by-laws by not becoming an individual member of the association, 3) actions reflecting negatively on MLCA.

Section 6. Powers. The Board of Directors shall manage the business and affairs of the Association and may exercise all powers of the Association, subject to any restrictions imposed by law, by the Articles of Incorporation, or by these Bylaws.

Section 7. Meetings of Directors. The first meeting of each new Board of Directors for the purpose of electing officers of the Association, and transacting such other business as may be brought before the meeting shall be held following the Annual Meeting of the Membership. The

Board of Directors may, by resolution, provide for the time and the place of other regular meetings, and no notice of such regular meetings need be given.

Section 8. Special Meeting of Directors. Special meetings of the Board of Directors may be called by the President or by a majority of Directors, and written notice of the time and place of such meeting shall be given to each Director by first class mail, email notification, or in person at least two (2) days before the meeting. Any Director may execute a waiver of notice either before or after any meeting, and shall be deemed to have waived notice if he or she is present at such meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be stated in the notice or waiver of notice of such meeting. Any meeting may be held at any place within Oconee County, South Carolina.

Section 9. Quorum. A majority of the Directors in office at any time shall constitute a quorum for the transaction of business at any meeting. When a quorum is present, the vote of a majority of Directors present shall be the act of the Board of Directors, unless a greater vote is required by law, by the Articles of Incorporation, or by these Bylaws.

Adopted at 12/9/15 Board Meeting

Section 10. Action of Board without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting with the written or emailed consent of a majority of the Directors and filed with the minutes of the proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as an affirmative vote of the Board of Directors or committee, as the case may be.

Section 11. Committees. The Board of Directors, by resolution adopted by a majority of all of the Directors, may appoint committees as it deems necessary or desirable. Any committee so designated shall serve at the pleasure of the Board of Directors and may exercise such authority as is provided by these Bylaws or delegated by the Board of Directors, subject to applicable law.

Section 12. Telephone and Email Conference Meetings. The members of the Board of Directors or any committee thereof may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other simultaneously during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 13. Filling Unexpired Terms. In the event of death, resignation, or removal of a Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor. The Members may elect a Director at any time to fill any vacancy not filled by the Directors.

Section 14. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties according to policy. The Board may hire temporary or permanent employees to help it conduct the Association's business.

ARTICLE VI
OFFICERS

Section 1. In General. The officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer. The President and Vice President shall be elected by the Board of Directors from its membership. The Board may appoint a Secretary and a Treasurer and such other officers or assistant officers as may be required. The Secretary and Treasurer may be members of the Board but are not required to be. Each officer shall hold office until his or her successor has been elected or appointed and qualified, or until his or her earlier resignation, removal from office or death.

Section 2. President. The President shall be the Chief Executive Officer of the Association and shall give general supervision and direction to the affairs of the Association, subject to the direction of the Board of Directors.

Section 3. Vice President. The Vice President shall act in the case of the absence or disability of the President and shall have other duties as may be assigned by the President or the Board of Directors.

Section 4. Secretary. The Secretary shall give notice of all meetings of the Board of Directors for which notice is required, shall keep the minutes of the proceedings of the Board of Directors, and shall maintain the general records of the Association, except those required to be in the custody of the Treasurer. The Secretary shall sign and execute all documents that require the Secretary's signature and execution.

Section 5. Treasurer. The Treasurer shall be responsible for the maintenance of proper financial books and records of the Association, and shall have custody of its funds and other assets.

Section 6. Other Authority and Duties. Each officer, employee and agent of the Association shall have such other duties and authority as may be conferred upon him or her by the Board of Directors or delegated to him or her by the President.

Section 7. Removal. Any officer may be removed from offices elected or appointed by the Board of Directors at any time by a majority vote of the Board, and such vacancy may be filled by the Board of Directors.

ARTICLE VII
DEPOSITORIES AND SIGNATURES

Section 1. Depositories. All funds of the Association shall be deposited in the name of the Association in such bank, banks, or other financial institutions as the Board of Directors may from time to time designate and shall be drawn out on checks, drafts, or other orders signed on behalf of the Association by such person or persons as the Board of Directors may from time to time designate.

Section 2. Execution of Legal Instruments. All contracts, deeds and other instruments shall be signed on behalf of the Association by the President or by such other officer, officers, agent or agents as the Board of Directors may from time to time provide.

ARTICLE VIII
LIABILITY AND INDEMNITY

Section 1. Liability of the Board. The members of the Board of Directors shall not be liable to any members for any mistake of judgment, negligence, or otherwise except for their own individual willful misconduct or bad faith.

Section 2. Indemnification.

a. Definitions - For purposes of this Article VIII Liability and Indemnity, a "Covered Person" shall mean the Association's Directors, Officers, appointed committee members and other persons appointed by the Board to assist it in an official. Expenses, Liabilities, Party and Proceeding shall have the meaning specified in SC Code Ann. Section 33-31-850.

b. Insurance. The Association may carry directors and officers insurance, and other liability insurance, with respect to the respective liabilities of Covered Persons, the terms and conditions of such insurance coverage to be in the discretion of the Board. In no event shall the Association be liable to any Person for failure to carry such insurance coverage, or by reason of any coverage, or lack of coverage, with respect thereto.

c. Indemnification. Subject to S.C. Code Ann. Sections 33-31-850 through 858 (Law Co-op. 1976), each Covered Person who:

1. conducted himself in good faith; and
2. was at all relevant times acting in his official capacity as a Covered Person with The Association; and
3. reasonably believed that his conduct was in its best interests,

now or hereafter serving as such who is made a Party to a Proceeding may be indemnified by the Association to the maximum extent permitted by law against any and all claims, expenses, and liabilities to which he or she has, or shall become subject by reason of serving or having served as a Covered Person, or by reason of any action alleged to have been taken, omitted or neglected by him or her in such capacity. The decision as to indemnification shall be made by the disinterested members of the Board. In connection therewith, the Board may consider the recommendation of a disinterested attorney employed by it for such purpose.

c. Other Remedies - The rights of indemnification herein provided for shall not be exclusive of any rights to which the Covered Person may otherwise be entitled by law. The Association may in the discretion of the Board pay for or reimburse the reasonable expenses incurred by a Covered Person who is a party to a proceeding in advance of final disposition of the proceeding in accordance with S.C. Code Ann. Sections 33-31-853.

d. Insurance - The Association may carry insurance to cover the indemnification permitted in this Bylaw, and the coverage may be broader than the presumed liability.

ARTICLE IX
AMENDMENT OF ARTICLES OF INCORPORATION OR BYLAWS

The Board of Directors shall have the power to alter and amend the Articles of Incorporation or Bylaws and to repeal the Bylaws or to adopt new bylaws. Action by the Directors with respect to the Articles of Incorporation or Bylaws shall be taken by an affirmative vote of a majority of all of the Directors then in office.

ARTICLE X
DISSOLUTION

Section 1. Dissolution. Dissolution of the Association shall be effected by a two-thirds affirmative vote of the Voting Members at an Annual Meeting or at a Special Meeting duly called for that purpose as identified above in Article IV, Section 2; provided all members have received advance notification of the vote. Upon such a vote, the Association should attempt to wind down its affairs by the end of the current fiscal year, if possible. If there are on-going matters that preclude an immediate dissolution, then the Association must stay in existence until such time that the matters are resolved.

Section 2: Asset Distribution. Upon dissolution of the Association, its property and assets shall be distributed as follows:

1. All liabilities and obligations of the Association shall be paid, satisfied and discharged or adequate provision made for the satisfaction of all debts of the Association.
2. Assets held by the Association requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed.
3. Any remaining assets shall be distributed among such charities and/or tax-exempt institutions whose purposes are, in whole or in part, compatible with those of the Association as determined by a simple majority vote of the Board of Directors.

ARTICLE XI
RULES OF PROCEDURE

Section 1. Policies and Procedures. Any policies or procedures not contrary to law or these bylaws may be approved or amended by a simple majority vote of the Board of Directors. Written notification of policy or procedure changes will be provided to Voting Members at the next Annual or Special Meeting of Voting Members after such changes have been approved.

Section 2. Meeting Procedure. Any meeting of the Association and/or its officers shall be conducted in accordance with any generally accepted procedure agreed upon by the Board of Directors and announced to the Voting Members, except that the President shall in all events be a full voting member of the Board of Directors.

ARTICLE XII
MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 2. Notice by the Association to the Members, Officers and/or Directors.

(a) Unless otherwise specified herein, notice may be oral or written.

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

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

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

(1) when received;

(2) five (5) days after its deposit in the United States mail, if mailed correctly addressed and with first class postage affixed;

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

(4) fifteen (15) days after its deposit in the United States mail, if mailed correctly addressed and with other than first class, registered, or certified postage affixed.

(5) On the date an email is sent, if sent by email to the correct email address of the recipient, as shown on the records of the Association.

(e) Written notice is correctly addressed to a member of the Association if addressed to the member's address shown in the Association's current list of members. An email is correctly addressed if addressed to the member’s email address shown in the Association’s current list of members.

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

(g) If S.C. Code Ann. §33-31-705(b) or any other provision of the S.C. Non-Profit Corporation Act prescribes notice requirements for particular circumstances, those requirements govern.