

BY-LAWS OF LAKE FRANCES OWNERS, INC.

ARTICLE I  
OFFICES

Sec. 1. The name of the Corporation Shall Be Lake Frances Owners, Inc.  
The office of the corporation shall be located in Charleston County, South Carolina.

ARTICLE II  
DEFINITIONS

The following words and terms which when used in these By-Laws or any other amendment (unless the context shall clearly indicate otherwise) shall have the following meaning:

"Lot" shall mean and refer to any plot of land, together with any improvements thereon, that abuts on Lake Frances.

"Of Record" shall mean recorded in the Register of Mesne Conveyance (R. M. C.) of Charleston County, South Carolina.

"Property Owner" shall mean and refer to the owner of record as shown by the real estate records of Charleston County, whether it be one or more persons, firms, associations, corporations, or other legal entities, of fee simple title to any Single Family Residential Lot. The term "property owner" shall not refer to any lessee or tenant of the property owner.

"Shareholder" shall mean and refer to any property owner who elects to participate and whose lot abuts on Lake Frances.

"Voting Shareholder" shall mean and refer to a shareholder who is current with annual dues and assessments.

"Non-Voting Shareholder" shall mean and refer to a shareholder who is not current with annual dues and assessments.

"Immediate Family" shall mean and refer to a shareholder's spouse, children, son-in-law, daughter-in-law, parents and grandchildren.

ARTICLE III  
SHAREHOLDERS

Sec. 1 Shareholder shall mean and refer to any property owner who elects to participate and whose lot abuts on Lake Frances.  
There will be two classes of shareholders. A voting shareholder shall mean and refer to a shareholder who is current with annual dues and assessments. A non-voting shareholder shall mean and refer to a shareholder who is not current with annual dues and assessments.

Sec. 2 Voting of Shares.

Each property owner, whose lot abuts Lake Frances, will be entitled to one share. Each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

Sec. 3 Voting of Shares by Certain Holders.

Shares standing in the name of another corporation or home owners association may be voted by such officers, agent or proxy as the by-laws of such corporation or association may prescribe, or in the absence of such provision, as the president of such corporation or association may determine.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name.

Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into this name.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to the corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

Sec. 4 Voting of Shares Transferred by Sale of a Lot.

A share transferred by the sale of a lot maybe voted by the receiver(buyer) if dues and assessments have been paid.

Sec. 5 Informal Action by Shareholders.

Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if the consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

**ARTICLE IV  
MEETINGS**

**Sec. 1 Annual Meeting.**

The annual meeting of the shareholders shall be held on a date adopted by the Board of Directors for the purpose of electing directors and for the transaction of such other business properly before the meeting. If the day fixed for the annual meeting is a legal holiday, it shall be held on the next convenient business day. If the election of directors shall not be held on the day designated, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as may be reasonably appropriate.

**Sec. 2 Special Meetings.**

Special meetings of the shareholders, unless otherwise prescribed by statute, may be called by the president or by any two members of the Board of Directors, and shall be called by the president at the request of the holders of not less than one-tenth of all the outstanding voting shares of the corporation entitled to vote at the meeting.

**Sec. 3 Place of Meeting.**

The Board of Directors may designate any place within Charleston County, South Carolina for any annual or special meeting. The president may designate any place in Charleston County as the location for a special called meeting.

**Sec. 4 Notice of Meeting.**

Written or printed notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than 30 days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

**Sec. 5 Closing of the Transfer Books or Fixing of Record Date.**

For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days preceding such meeting.

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In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than 50 days and, in case of a meeting of shareholders, not less than 10 days prior to the date on which the particular action requiring such determination of shareholders is to be taken.

Should the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of the shareholders, the date on which notice of the meeting is circulated shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless otherwise extended.

### Sec. 6 Voting Lists.

The officer or agent having charge of the stock transfer books for shares of the corporation, at least 10 days before each meeting of shareholders, shall make a complete list of the shareholders entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address and the number of shares held by each, which list, for a period of 10 days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at all time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original stock transfer book shall be prima facie evidence as to who are the shareholders entitled to examine such list or transfer books or to vote at any meeting of shareholders.

### Sec. 7 Quorum

20% of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. The shareholders/proxies present at a duly organized meeting may continue to transact business until adjournment or until not less than fifteen (15) shareholders/proxies remain to transact business.

### Sec. 8 Proxies.

At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE V  
BOARD OF DIRECTORS

**Sec. 1 General Powers.**

The business and affairs of the corporation shall be managed by its Board of Directors.

**Sec 2 Number, Tenue and Qualifications**

The number of directors of the corporation shall be seven(7). Each director shall hold office for two(2) years or until his successor shall have been elected and be qualified. The initial board of directors' years of service makeup shall be staggered 4 and 3. One and two year terms will be determined by drawing numbers.

**Sec:3 Regular Meetings:**

A regular meeting of the Board of Directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place, within Charleston County, South Carolina, for the holding of additional regular meetings without other notice than such resolution.

**Sec 4. Special Meetings.**

Special meetings of the Board of Directors may be called by or at the request of the president or any director. The person or persons authorized to call special meetings of the board of Directors may fix any place, within Charleston County, South Carolina, as the place for holding any special meeting of the Board of Directors called by them.

**Sec 5 Notice.**

Notice of any special meeting of the Board of Directors shall be given at least 2 days previously thereto by written notice delivered personally or mailed to each director at his designated address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at a 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 of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

**Sec 6 Quorum.**

A majority of the number of directors fixed by Section 2 of the Article V shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a majority is present at a meeting, a majority of the directors may adjourn the meeting from time to time without further notice.

**Sec. 7 Manner of Acting.**

The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Boards of Directors.

**Sec. 8 Vacancies.**

Any vacancies occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall serve until the next annual meeting. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting or at called meeting of shareholders for that purpose.

**Sec. 9 Compensation**

No compensation shall be paid to officers or any director of the corporation.

**Sec. 10 Presumption of Assent.**

A director of the corporation who is present at a meeting of the Board of Directors, at which action on any corporate matter is taken, shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

**ARTICLE VI  
OFFICERS**

**Sec. 1 Number**

The officers of the corporation shall be the president, vice president, secretary, and treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

**Sec. 2 Election and Term of Office.**

The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and qualified or until his death, resignation or removal.

**Sec. 3 Removal.**

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contracts rights, if any, of the person so removed.

**Sec. 4 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.

**Sec. 5 President.**

The president shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all the business and affairs of the corporation. He shall, when present, preside at all meetings of the shareholders and of the Board of Directors. He may sign, with the secretary or any other proper officer of the corporation there unto authorized by the Board of Directors, certificates for shares of the corporation, any deeds, mortgages, bonds, contracts, or any 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 to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

**Sec. 6 Vice President**

In the absent of the president or in the event of his death, inability or refusal to act, the vice president shall perform the duties of the president, and so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice president may sign, with the secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

**Sec. 7 Secretary**

The secretary shall: (a) keep the minutes of the shareholders' and the Board of Directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep the register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (e) sign with the president, or vice president, certificates for shares of the corporation, the issuance of which shall have

been authorized by resolution of the Board of Directors: (f) have general charge of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office secretary and such other duties as from time to time may be assigned by the president or by the Board of Directors.

**Sec. 8 Treasurer.**

If required by the Board of Directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall; (a) have custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these by-laws; and (b) in general perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the Board of Directors.

**ARTICLE VII CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Sec. 1 Contracts:** The Board of Directors may authorize any officer or officers, agent or agents, to enter into contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

**Sec. 2 Loans:** No loans shall be contracted on behalf of the corporation; and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Sec. 3 Checks, Drafts, etc.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent, or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. Checks shall have the signature of the treasurer and one other officer.

**Sec. 4 Deposits.** All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

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ARTICLE VIII  
CERTIFICATES FOR SHARES AND THEIR TRANSFER

Sec. 1 Certificates for Shares.

Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the president or vice president and by the secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be cancelled and no new certificate shall be issued until the former certificate shall have been surrendered and cancelled except that in case of a lost, destroyed or mutilated certificate a new one may be issued upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Sec. 2 Transfer of Shares.

Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record, by his assignee, or by their legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney by power of attorney duly executed and filed with the secretary of the corporation. The person in whose name shares are recorded on the books of the corporation may be deemed by the corporation to be the owner thereof for all purposes. Shares can only be transferred to and from property owners whose lots abut Lake Frances.

ARTICLE IX  
FISCAL YEAR

The fiscal year of the corporation shall begin on January 1 and end on December 31.

ARTICLE X  
SEAL

The board of directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and such other inscription as may be appropriate.

ARTICLE XI  
WAIVER OF NOTICE

Sec. 1

When any notice is required to be given to any shareholder or director of the corporation under the provisions of these by-laws or under the provisions of the Articles of Incorporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII  
EXECUTIVE COMMITTEE

Sec. 1

The directors are authorized in their discretion to appoint from their number an executive committee which shall be vested with the powers of the board when the same is not in session.

ARTICLE XIII GRIEVANCE

Sec. 1

Any shareholder who has a dispute or grievance concerning these by-laws, the enforcement thereof, or regarding some use of the lake, or any other related matter, shall submit such dispute or grievance in writing to the Board of Directors for their consideration and action. The decision of the Board of Directors shall be presented in writing and all parties agree to be bound by that decision.

ARTICLE XIV AMENDMENTS

Sec. 1

These by-laws may be amended by following the two part procedure set forth in sub-paragraphs (a) and (b).

(a) All amendments must be in writing and presented for consideration at either the annual meeting or a special meeting of the shareholders. The proposed amendment shall be presented for consideration and vote. The purpose of the vote is to determine if the amendment, as then written or modified, shall be presented to the voting shareholders of the corporation. If a simple majority of the voting shareholders present vote yes, then the amendment will be circulated according to paragraph (b).

(b) Any amendment which has been approved according to paragraph (a) will be circulated to all those shareholders who were qualified voting shareholders on the date the proposed amendment was approved for circulation. A signature page shall be circulated and the amendment will be considered adopted when 75% of the voting shareholders have affixed their signatures. If the necessary signatures are not obtained in 60 days, the amendment will be deemed not adopted.

ARTICLE XV

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DUES AND ASSESSMENTS

Sec. 1 Purpose of Dues.

The annual dues levied by the corporation shall be used exclusively for the improvement, maintenance, upkeep, and enhancement of the lake.

Sec. 2 Determination of Dues and Assessments:

The dues/assessments for shareholders shall be set by the Board of Directors and shall be effective until the next annual meeting or special meeting called for the specific purpose of reviewing dues/assessments. Shareholders shall be billed as determined by the Board, and dues/assessments will be based primarily upon the Annual Budget referenced in section 4 below. All dues/assessments bills shall be due and payable thirty(30) days from the date of mailing of the same. Payment made after thirty(30) days is subject to 10% added to dues or assessments. After sixty(60) days of non payment of dues or assessments, shareholder becomes a non voting shareholder.

Sec.3 Annual Statements.

The fiscal year of the corporation shall begin on January 1 and end on December 31. The President, Treasurer, or such other officer as may have custody of the funds of the corporation shall annually, within ninety(90) days after the close of the fiscal year of the corporation, prepare a general itemized statement showing the actual assets and liabilities of the corporation at the close of the fiscal year, and a statement of revenues, costs and expenses. Such officer shall furnish to each stockholder of the corporation, who may request therefore in writing, a copy of such statement within thirty(30) days after receipt of such request. Such copy may be furnished to the shareholder in person or by mail.

Sec. 4 Annual Budget.

The Board of Directors shall prepare and make available to all shareholders at least thirty(30) days prior to the first day of the following fiscal year, a budget outlining anticipated receipts and expenses for the following fiscal year. The financial books of the corporation shall be available for inspection by all shareholders at reasonable times.

ARTICLE XVI

COVENANTS, RESTRICTIONS, RIGHTS, RULES, REGULATIONS, AND EASEMENTS APPLICABLE TO LAKE FRANCES AND COMMON GROUNDS.

Sec. 1

(a) Lake Frances is for the exclusive use by its shareholders or their tenants and Lawton Bluff residents, not on the lake. Lawton Bluff residents, not on the lake, who want to use the lake, will pay annual dues/assessments not to exceed 30% of the lake front property owners annual dues/assessments. Only shareholders or their tenants and Lawton Bluff residents, not on the lake, and their immediate family or guest may enter upon the lake. Shareholders or their tenants and Lawton Bluff residents must accompany their guest when they use the lake. Immediate family is defined as the stockholder's or their tenant's and Lawton Bluff resident's spouse, children, son-in-law, daughter-in-law, parents, grandchildren. Any person who enters upon or uses the lake without written permission of the Lake Frances Owners Corporation, will be considered a trespasser and subject to legal prosecution. Lawton Bluff residents, who pay the annual dues/assessments, will be issued an identification card that shows they are authorized to use the lake. Persons using the lake will do so at their own risk and responsibility and the Lake Frances Owners, Inc. shall not be held liable for any accidents or injuries.

(b) Shareholders or their tenants and Lawton Bluff residents, not on the lake, may grant permission to fish on the lake. This permission must limit guests or family members from trespassing upon the shareholders' private properties that abuts the lake. A valid South Carolina recreation fishing licence is required for fishing on the lake from water crafts mentioned below.

(c) No boats, rafts, kayaks in excess of 14 feet or canoes in excess of 16 feet in length shall be permitted on the lake and all boats, rafts, kayaks or canoes, on said lake, cannot be propelled by any means other than oar, paddle, sail, or electric motor. Lake will not be used for any organized type competition with boats, rafts, canoes, or kayaks. Houseboats shall not be allowed on the lake.

(d) No fishing or boating on lake after dark or before sun-up. No loud noises or radios are allowed. Lake users shall stay 50 feet from private properties. No swimming or hunting is allowed on lake.

(e) Due to the marginal supply of water to Lake Frances, pumping of water from the lake is not permitted.

(e) Piers, boat landings, projections, or retaining walls into Lake Frances will not be constructed without prior approval of the Board of Directors. Any stockholder, desiring to construct any such structure on the lake, will submit a written request to the Board of Directors for authorization. The written request will be accompanied by a detailed drawing of the proposed structure and a sketch showing its proposed location. The structure shall be appropriate for the size and location of the lot. The Board of Directors has sole discretion in determining the suitability of the design. The structure shall not extend more than 20' beyond the shareholder's property line. The structure shall not be larger than 160 square feet, including the walkway and the pierhead. Once approved by the Board of Directors, the stockholder will construct the structure according to the detailed drawing. Any deviations or changes to the detailed drawing must be approved by the Board of Directors before the structure can proceed. A written response shall be given by the Board of Directors within the sixty(60) days of receipt of the request. If no response is given within sixty(60) days time period, the drawing shall be deemed to have been approved. Existing structures in the lake can remain. Any changes to existing structures must be approved by the Board of Directors, using the procedures above.

Resolution and ByLaws  
Lake Frances Owners, Inc.

RESOLVED, the Board of Directors of Lake Frances Owners, Inc., a Non-profit Corporation organized and existing under the laws of the State of South Carolina, does hereby authorize the President and Secretary of Lake Frances Owners, Inc., to record the within Resolution and By Laws of the aforesaid corporation and take whatever action is necessary to accomplish this task. These By-Laws being the same that were approved at the organizational meeting of the shareholders of Lake Frances Owners, Inc. and adopted by the Board of Directors.

In witness whereof, we have hereunto subscribed our names this 6th day of June, 2002.

Witnesseth:

Lake Frances Owners, Inc.

L. Bontae Wood  
W.D. Murphy

By: Jack Fanning Jr  
Its: President  
By: Carley J. Edwards  
Its: Secretary

STATE OF SOUTH CAROLINA )  
COUNTY OF CHARLESTON )

PROBATE

PERSONALLY appeared before me L. Bontae Wood and made oath that (s)he saw the within named corporate officers sign, seal and as their own act and deed, deliver the within written Resolution with attached By Laws, and that (s)he, with the other subscribing witness witnessed the execution thereof.

L. Bontae Wood

Sworn to before me this 6th day of June, 2002

W.D. Murphy

Notary Public for South Carolina

My comm. exp.: July 2, 2011

W. Dean Murphy III  
659 St Andrew's Blvd  
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