



Keowee Harbours Community Service Association

BYLAWS

2018

FILED OCONEE COUNTY, SC
ANNA K. DAVISON
REGISTER OF DEEDS

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BYLAWS OF KEOWEE HARBOURS COMMUNITY SERVICE ASSOCIATION, INC.

1.0 IDENTITY

These are the Bylaws of Keowee Harbours Community Service Association (hereinafter, the "Association"), which exists as a non-profit corporation duly organized under the provisions of the laws of the State of South Carolina.

1.1 Location

The principle office of the corporation shall be located at 102 Beacon Ridge Circle, Salem, South Carolina, 29676. Meetings of Members and Directors may be held at such places within the State of South Carolina, County of Oconee, as may be designated by the Board of Directors.

1.2 Gender References

All references to "he", "him" or "his" in these Bylaws shall be understood to include "she", "her" or "hers."

2.0 MEMBERSHIP AND VOTING RIGHTS

2.1 Members

Every person or entity who is a record owner of a fee or undivided fee interest in any residential lot shall be a mandatory Member of the Association. The foregoing does not include persons or entities that hold an interest merely as security for the performance of an obligation.

2.2 Voting Rights

Association Members shall be entitled to one (1) vote for each residential lot or dwelling unit owned. When more than one (1) person holds an interest in any residential lot the vote for each such lot shall be exercised as they among themselves determine, except that fractional votes are prohibited. Voting rights of any Member who has defaulted in the payment of an installment upon an assessment, or any other fees or charges established by the Board of Directors (hereinafter, "the Board"), will be suspended for as long as the default exists.

2.3 Absentee Voting

Each Member is entitled to vote in person or by signed written ballot. Written ballots shall be valid only for the particular matter designated therein and must have been received by the Secretary by the time specified.

2.4 Membership Quorum

The presence, whether in person or by signed written ballots, of one- third (1/3) of the total number of owners of all residential lots in Keowee Harbours entitled to vote shall constitute a quorum at a membership meeting. Acts approved by a simple majority of votes cast either in person or by written ballot shall constitute the acts of the membership except as otherwise provided in the Articles of Incorporation, the Keowee Harbours Declaration of Covenants and Restrictions (hereinafter, "Covenants") or these Bylaws. If any meeting of Members cannot be convened for lack of a quorum, the Members who are present may adjourn the meeting from time to time until a quorum can be achieved.

3.0 GENERAL MEMBERSHIP MEETINGS

3.1 Notice of Membership Meetings

Notice of the Annual Membership Meeting and all other membership meetings, stating the time and place and the subject for which the meeting is called, shall be given by the President, the Vice President or the Secretary. Such notice shall be in writing to each Association Member at his address as it appears on the books of the Association and shall be mailed or transmitted not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting.

3.2 Annual Membership Meetings

Annual Membership Meetings shall be held at the office of the Association, or another suitable facility selected by the Board, at 7:30 p.m., Eastern Daylight Time, on the second Tuesday in September of each year, or such other day and time that the Board shall deem acceptable. The purpose of the meeting shall be to elect Directors and to transact any other business authorized to be transacted by the Members. The order of business at annual membership meetings of the membership shall be:

Call to Order

Reading of Minutes

Appointment of Inspectors of Election

Introduction of Officers and Directors

President's Report

Annual Report of Treasurer

Annual Reports of Committee Chairpersons

Report of Voting Inspectors and Election of Directors

Other business

Adjournment

3.3 Special Membership Meetings

Special meetings of the membership shall be held whenever called by the President or Vice President or by a majority of the Board, and must be called by such officers upon receipt of a written request from five percent (5%) of the eligible-to-vote Members.

3.4 Presiding Officer

At membership meetings, the President shall preside or in his absence, the Vice President. If neither the President nor the Vice President is present, the membership shall select a chairperson.

3.5 Parliamentary Rules

Association meetings shall be conducted in a businesslike manner. An agenda will be provided by the President of the Board for all general membership meetings and for all Board meetings. The most current Robert's Rules of Order shall govern the conduct of the meetings of the Association.

4.0 BOARD OF DIRECTORS

4.1 Board Membership

The affairs of the Association shall be managed by a Board comprised of elected Directors whose voting rights have not been suspended. Association Members shall be elected to the Board each year as necessary to fill the number of vacant seats. Such election shall take place at the Annual Membership Meeting by a majority of affirmative votes cast by a quorum of at least one-third (1/3) of the total number of Association Members entitled to vote.

4.1.1 Composition of the Board

The Board shall have four (4) elected Directors and one ex officio for a total of five (5) members. However, the Board shall consist of only four (4) members if the retiring President's three-year term has not been completed and thus there is no ex officio.

4.1.2 Ex Officio

The retiring President whose three-year term has been completed shall serve as ex officio. The ex officio Board member shall have full voice and vote but shall not serve as President or Vice President.

4.1.3 Term

The term for Directors is three (3) years. Directors may be reelected to successive three (3) year terms. A Director's term shall begin after adjournment of the Annual Membership Meeting at which he was elected and end three (3) years later after adjournment of the Annual Membership Meeting.

4.1.4 Vacancies

The Board may appoint an Association Member to fill a vacancy for the period between occurrence of the vacancy and the end of the unexpired portion of the term.

4.2 Removal of Board Director at Special Meeting

Any Director may be removed from the Board by two-thirds (2/3) affirmative vote of the Association Members present at a special meeting of the membership called for that purpose. The Members of the Association at this meeting shall then elect, by a two-thirds (2/3) affirmative vote of those present, an Association Member to fill the vacancy.

4.3 Organizational Board Meeting

The organizational meeting of the newly elected Board shall be held within ten (10) days of their election, at such place and time as shall be fixed by the Board at the Annual Membership Meeting at which they are elected, and no further notice of the organizational meeting shall be necessary. The first order of business shall be the election of officers. Committee chairpersons may also be appointed at this meeting.

4.4 Regular Board Meetings

Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board. The agenda for a regular meeting shall be posted on the Community Bulletin Board and in the Members Section of the Keowee Harbours web site and provided to each Director at least three (3) days prior to the day named for such meeting.

4.5 Special Board Meetings

Special meetings of the Board may be called by the President and must be called by the Secretary at the written request of at least one-half (1/2) of the Directors. Not less than three (3) days notice of the meeting shall be given personally, by mail, email, or telephone. The notice shall state the time, place and purpose of the meeting. This same notice shall also be posted on the Community Bulletin Board in the Members Section of the Keowee Harbours web site with the same three (3) days notice.

4.6 Waiver of Notice

Any Director may waive notice of a Board meeting.

4.7 Board Quorum

Acts approved by a simple majority of those present at a meeting at which a quorum of least three (3) Directors is present shall constitute the acts of the Board, except where approval by a different number of Directors is required by these Bylaws or the Covenants. The concurrence of a Director by signing the minutes of a meeting shall constitute the presence of such Director for purposes of determining a

quorum at a meeting of the Board.

4.8 Adjourned Board Meetings

If any meeting of the Board cannot be organized because a quorum of three (3) Directors is not present, the Directors who are present may adjourn the meeting from time to time until a quorum is present.

4.9 Presiding Officer

At Board meetings, the President shall preside or in his absence, the Vice President. If neither the President nor the Vice President is present, the Directors attending shall select a chairperson.

4.10 Parliamentary Rules

Meetings of the Board of Directors and the Annual Membership Meeting shall be conducted in a businesslike manner. The latest edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board when not in conflict with these Bylaws. Individuals in attendance other than Board members may speak only when recognized by the meeting's chairperson. An agenda will be provided by the President of the Board for all general membership meetings and for all Board meetings.

4.11 Fees and Compensation

There shall be no fees or compensation paid for service as an Association Director.

5.0 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

All of the powers and duties of the Association existing under the Covenants and these Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees and subject only to approval by the Association Members if such approval is specifically required. Such powers and duties of the Board shall include but not be limited to the following, subject nevertheless, to the provisions of these Bylaws:

5.1 Disclosure of Documents

- a) To make available to property owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Covenants, Bylaws, and other rules concerning Keowee Harbours and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.
- b) To provide any holder of a first mortgage, upon written request, a financial statement for the immediately preceding fiscal year.

5.2 Collection of Assessments

To make and collect assessments against Members as provided for in the Covenants.

5.3 Property Management

To maintain, repair, replace, and otherwise manage the common property, and other property for which the Association is responsible for maintaining, as provided for in the Covenants.

5.4 Insurance

To purchase insurance for the common areas within Keowee Harbours, and other property for which the Association is responsible for insuring, and insurance for the protection of the Association and the Board.

5.5 Regulations

To make and amend reasonable respecting the use of common property in the manner provided for in the Covenants.

5.6 Property Use

To enforce by legal means the provisions of the Covenants, Bylaws and Board Policies for the use of common and private property within Keowee Harbours, the Shadowwalk town homes and, when applicable, the commercial property identified in the Covenants.

5.7 Personnel Employment

To employ personnel to perform the services required for proper operation of the Association.

5.8 Liens

To foreclose any lien for unpaid assessments in the same manner as mortgages.

5.9 Payment of Obligations

To authorize expenditure of funds to satisfy debts and obligations of the Association.

6.0 OFFICERS

6.1 Officers

The executive officers of the Association shall be a President, a Vice President, a Treasurer and a Secretary, each of whom shall be a Director of the Association. Any officer may be peremptorily

removed from his position at any meeting by a majority vote of the total number of Board Directors.

6.2 President

The President shall be the chief executive officer of the Association and shall have all powers, duties and authority usually vested in the office of President of an association, including but not limited to the power to appoint committees as he may, at his sole discretion, determine appropriate in order to assist in the conduct of the affairs of the Association.

6.3 Vice President

The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. He shall also generally assist the President, and perform such other duties as shall be described by the Directors.

6.4 Secretary

The Secretary shall keep the minutes of all proceedings at Board and Association meetings. He shall attend to the giving and serving of all notices to Association Members and Directors and other notices required by law. He shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties usually vested in the office of a Secretary of an association, and as may be required by the Directors or the President.

6.5 Treasurer

Financial oversight of the Association shall be the responsibility of the Treasurer. Outside assistance, in the form of a financial management service, may be authorized by the Board from time to time, with the understanding that this service will be conducted in accordance with generally accepted accounting practices. The Treasurer shall have custody of the financial property of the Association relating to securities and indebtedness, and shall perform all other duties usually vested in the office of an association Treasurer, including ensuring that the monthly and annual financial statements prepared by the Association's financial management firm accurately reflect the financial activities of the Association.

7.0 COMMITTEES

There shall be at least three permanent committees and their membership shall include a Board Director. Committee membership shall be odd in number and shall be comprised of Association Members in good standing and/or permanent residents of Keowee Harbours who reside with Association Members in good standing. The Board shall give a written statement of goals and responsibilities to each committee. Before each Board meeting, every committee, whether permanent or ad hoc, shall submit a written report of any information or action that should be brought to the attention of the Board. Committee meetings shall be open to all Association Members in good standing. Agendas and minutes of committee meetings shall be made available to the Board Members.

7.1 Buildings and Grounds Committee (BGC)

There shall be a Buildings and Grounds Committee (BGC) charged with responsibility for the maintenance and replacement of all real property of the Association. The chairperson of the BGC shall be a member of the Architectural Control Committee.

7.2 Architectural Control Committee (ACC)

In accordance with the Covenants and the ACC-adopted guidelines, rules and standards, the ACC shall administer and enforce construction requirements, external design, and aesthetics of new houses or outdoor structures and the external modifications to existing houses. In addition, as specified in the Covenants, the ACC shall oversee the applicable architectural details, remodeling, construction, maintenance, usage, and signage of buildings on the commercial properties identified therein.

7.3 Planning Committee

The Planning Committee shall identify and describe recommended capital improvements for Keowee Harbours.

8.0 FINANCIAL MANAGEMENT

The provisions for financial management of the Association, described herein, are supplemental to those set forth in the Covenants.

8.1 Fiscal Year

The fiscal year of the Association shall be the calendar year.

8.2 Budget

The Treasurer shall prepare for Board approval a budget for each calendar year, which shall include the estimated funds required to defray the common expense and to provide and maintain funds for the following specified financial accounts and reserves, according to good and accepted accounting practices, as follows:

Annual Operation and Maintenance Account

This account shall identify and allocate funds for the annual routine operating and maintenance expenditures of the Association.

Major Capital Property Repair, Replacement, and Improvement Account

This account shall consist of reserve funds allocated for the purpose of repairing, replacing, or

improving, on a scheduled or contingency basis, the common properties of the Association and for adding new Association capital property.

The Accounts described in the foregoing are separate and apart from those accounts or funds identified as belonging to the Shadowalk Homeowners Association ("SHA"), which shall be collected and managed by SHA.

Copies of the budget and proposed assessments shall be transmitted to each Association Member and posted in the Members Section of the Keowee Harbours web site on or before December 1 of the year preceding that for which the budget was prepared, or such other date as the Board may designate. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each Association Member and posted in the Members Section of the Keowee Harbours web site. Notice of these postings shall be posted on the Community Bulletin Board.

8.3 Accounts

The receipts and expenditures of the Association shall be credited or charged against appropriate accounts within the budget funds and reported to the Board at least quarterly.

8.4 Annual Assessments

Assessments against the residential property owners for their share of the items of the budget shall be determined for the calendar year on or before December 1 preceding the year for which the assessments are due, or such other date as the Board may designate. Such assessments shall be due as the Board may determine. In the event the annual assessment proves to be insufficient, the budget and assessments may be amended at any time by the Board. The unpaid assessment for the remaining portion of the calendar year for which the amended assessment is made shall be prorated equally upon the remaining payments for the year.

8.5 Special Assessments

The Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property and/or such other property for which the Association is responsible for maintaining, including fixtures and personal property related thereto, provided that any such assessment must have the affirmative written vote of not less than two-thirds (2/3) of the votes cast by at least one-third (1/3) of the total number of Owners of all Residential Lots entitled to vote and voting, with one (1) vote allocated to each Residential Lot, and fractional votes prohibited. Notice of such a ballot shall be posted on the Community Bulletin Board and in the Members Section of the Keowee Harbours web site no less than thirty (30) days before the close of the balloting.

8.6 Liability for Assessments

Each Member is liable for assessments coming due while they are owners of residential property in Keowee Harbours. The Association shall issue to every prospective purchaser or mortgagor, upon request, a statement of the status of the assessment account of the seller.

8.7 Acceleration of Assessment and Installments upon Default

If a property owner fails to pay an assessment installment when due, the Board may declare the remaining installments of the assessment due and payable upon notice to the property owner. The unpaid balance of the assessment shall become due upon the date stated in the notice.

8.8 Collection of Assessments

8.8.1 Late Payment Penalty

Assessment fees not paid within fifteen (15) days of the day they become due shall incur a penalty for the duration for which they remain unpaid. This penalty shall consist of a late payment charge of ten dollars (\$10) for each month or partial month the assessment remains unpaid.

8.8.2 Liens; Interest

All delinquent assessments against any property owner shall constitute a lien against the owner's property in favor of the Association, as provided by the Covenants, which lien shall become effective when a notice claiming such lien has been duly recorded by the Association in the office of the Clerk of Court of Oconee County, South Carolina. Such claim of lien shall state the description of the property, the name of the record owner, the amount due and the date when due. Such claim of lien shall be signed and verified by an officer or agent of the Association prior to its recordation and no such claim of lien shall be made by the Association unless the assessment, charge, or expense giving rise to the lien remains unpaid for more than thirty (30) days after the same becomes due.

Any such lien may be foreclosed by the Association in the manner provided by law for the foreclosure of real estate mortgages. The lien shall secure the payment of all assessments as described in said claim of lien and, in addition thereto, shall secure the payment of subsequent assessments which become due after the filing of the claim or lien and prior to the satisfaction of such lien by foreclosure or otherwise, including interest thereon at the rate of fifteen percent (15%) per annum and all costs and reasonable attorney fees incurred by the Association incident to the collection of such assessments or the enforcement of such lien. Any claim for the assessment and any other charges secured by the Lot so assessed is enforceable against any subsequent transferee, including a Trustee in Bankruptcy.

The right of the Association to foreclose a lien as aforesaid shall be in addition to any other remedy, at law or in equity, which may be available to it for collection of the periodic charges and expenses, including the right to proceed personally against the delinquent owner for the

recovery of a judgment "in personam." Any personal judgment against any such delinquent owner may include all unpaid subsequent assessments that come due after the institution of such suit and prior to the Order for Judgment, including interest at the rate of fifteen percent (15%) per annum and all costs and reasonable attorney fees incurred by the Association incident to the collection of such assessments.

8.9 Depository

The depository of the Association shall be a bank or banks designated by the Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be by check, debit card, or online transaction, and shall be made by persons authorized by the Directors.

8.10 Financial Statement

The Treasurer or the Board-authorized financial management company shall prepare a report of the financial condition of the Association annually. The report shall include a balance sheet, income and expense statement, an analysis of reserves, and appropriate financial statements and supporting information to determine the financial condition of the Association. Copies of the financial report shall be furnished to each Member of the Association not later than **April 1st** of the year following the year for which the report was prepared.

8.11 Financial Review

A review of Association financial records by a certified public accountant will be conducted as deemed necessary by the Board of Directors.

9.0 INDEMNITY OF DIRECTORS

9.1 Non-liability

No Board Director of the Association shall be liable for any acts, defaults or neglects of any other Board Director or Association Member, or for any loss sustained by the Association or any co-owner, unless the same shall have resulted from his own willful or negligent act or omission.

9.2 Indemnity

Every Director or agent of the Association shall be indemnified by the Association against all reasonable costs, expenses and liabilities (including attorneys' fees) actually and necessarily incurred by or imposed upon him in connection with or resulting from any claim, action, suit, procedure, investigation or inquiry as to whatever nature in which he may be involved as a party or otherwise, by reasons of his being or having been a Director or agent of the Association, whether or not he continues to be such Director or agent at the time of incurring or imposition of

such cost, expense or liabilities, except in relation to matters as to which he shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or neglect in the performance of his duties. As to whether a Director or agent of the Association is liable by reason of willful misconduct or neglect in the performance of his duties, in the absence of such final adjudication of the existence of such liability, the Association and each Member thereof and Director or agent thereunder may conclusively rely upon an opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law and such shall inure to the benefit of the legal representative of such person.

10.0 METHOD OF AMENDMENT

These Bylaws may be amended, in whole or in part, by the affirmative written vote of not less than two-thirds (2/3) of the votes cast by at least one-half (1/2) of the total number of Owners of all Residential Lots entitled to vote and voting, with one (1) vote allocated to each Residential Lot, and fractional votes prohibited.

Written notice of such proposed amendments or revisions shall be given or mailed to all Members at least thirty (30) days in advance of the voting deadline. Approved amendments shall be distributed to all Members.

Approved and adopted as the Bylaws of Keowee Harbours Community Service Association on the 12 day of June, 2018.

Leona Neyhart

Leona Neyhart, KHCSA President

12 June 2018

Date

Leonard Abbatiello

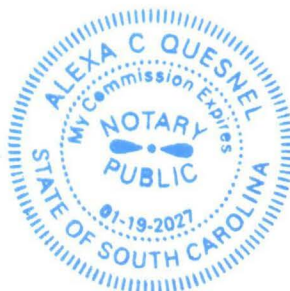
Leonard Abbatiello, KHCSA Secretary

12 June 2018

Date

SWORN to before me this 12th day of June, 2018

Alex C. Quesnel
Notary Public for South Carolina
Commission Expires: 01/19/2027



FILED OCOONEE COUNTY, SC
ANNA K. DAVISON
REGISTER OF DEEDS

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