

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

Doc ID: 005516330027 Type: DEE
BK 2501 PG 6-32

2019 SEP -6 P 1:49

BYLAWS

CHEROKEE LAKE FISHING AND BOATING CLUB

Tamassee, South Carolina

ARTICLE I

I.1 Name, Purpose and Organization

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- A. Name and Location.** The name of this corporation shall be Cherokee Lake Fishing and Boating Club (hereinafter referred to as the "**Lake Association**"). The Lake Association shall exist as a South Carolina non-profit corporation and the official mailing address for all Club correspondence shall be as designated by the new Secretary at the time bills for assessments due are mailed in January of each year.
- B. Purpose.** The purpose of the Lake Association is to own, operate and maintain Cherokee Lake, a private lake located in Tamassee, Oconee County, South Carolina, (hereinafter referred to as "**Cherokee Lake**") for swimming, boating, fishing, propagation of fish and water fowl, and other similar recreational uses, and to promote water safety in boating and swimming on Cherokee Lake. In the event the Lake Association should cease to operate or exist for any reason, then any assets or property owned by the Lake Association shall be conveyed and distributed to another non-profit corporation (qualifying as the same within the meaning of the Internal Revenue Code), which is then in existence and operation.
- C. All Use of Lake Subject to Bylaws.** All use of Cherokee Lake shall be subject to the terms, provisions and limitations of these Bylaws and no party shall be permitted to use, enjoy or access Cherokee Lake outside of the complete terms hereof. The purchase of any lot or land on, around or near Cherokee Lake shall not guarantee the use of Cherokee Lake in any manner, but such use shall be determined and permitted solely within the rules and terms described in these Bylaws.

ARTICLE II MEMBERSHIP

II.1 Who may Become a Member

A. Who May Become a Member. Membership in the Lake Association shall be available only to the owners (hereinafter the “**Potential Members**”) of the following classifications of property (hereinafter the “**Qualifying Properties**”) and shall be subject to the complete terms and provisions of these Bylaws:

- i. The owners of all parcels of real property which physically touch or border Cherokee Lake. Owners of the properties described in this area are hereinafter referred to as the “**Lake Front Owners**”.
- ii. The owners of all parcels of real property which do not touch or border Cherokee Lake, but which are located in a part of that property laid out in any of the 3 original tracts of the developers who constructed Cherokee Lake, specifically the Wright and Hughes Tract, the John Sam Lay Tract and the Emory Alexander Tract, meaning that such land or parcel: (a) is located in the near vicinity of Cherokee Lake; (b) can be traced back in origin to a grant or conveyance from the original developers of Cherokee Lake, being one or more among Amie T. Wright, James W. Wright, Thomas P. Hughes, Margaret T. Hughes a/k/a Margaret T. Simpson, Emory Alexander, Marvin Alexander and/or John Sam Lay and (c) has a title history as reflected in the parcel’s deed (or prior deeds for the parcel) which evidences an intent that such parcel was intended to have access to Membership in the Lake Association. Owners of properties described in this paragraph who are not Lake Front Owners are hereinafter referred to as “**Off Lake Owners**”.

- iii. Notwithstanding anything to the contrary in this **Article II** or throughout these Bylaws, any lot, parcel or tract, to qualify as an independent Qualifying Property must be at least two tenths (.20) of an acre in size, unless a Member has obtained a Membership in the Lake Association through a smaller property on or before December 31st, 2018, in which case such smaller property shall also be considered a Qualifying Property.

II.2 When and How Members Join the Lake Association. The following provisions apply to all Potential Members:

A. Lake Front Owners Must Join Subject to Dues and Bylaws. All Lake Front Owners must join the Lake Association within 30 days of closing on the purchase of their Qualifying Property and any and all of such applicable fees, including but not necessarily limited to the Initiation Fee, shall be collected at closing and paid directly from such closing unto the Lake Association. All assessments, dues and fees shall be assessed as outlined in **Sections II.3 and II.4** hereof. If a Lake Front Owner shall fail to join the Lake Association within such time period, then such Lake Front Owner shall have no Membership in the Lake Association and shall have no rights to access or use Cherokee Lake in any manner.

B. Off Lake Owners Permitted to Join Subject to Dues and Bylaws. Off Lake Owners must join the Lake Association within 30 days of closing on the purchase of their Qualifying Property and any and all of such applicable fees, including but not necessarily limited to the Initiation Fee, shall be collected at closing and paid directly from such closing unto the Lake Association. All assessments, dues and fees shall be assessed as outlined in **Sections II.3 and II.4** hereof. If an Off Lake Owner shall fail to join the Lake Association within such time period, then such Off Lake Owner shall have no Membership in the Lake Association and shall have no rights to access or use Cherokee Lake in any manner.

C. Failure to Obtain Membership in Required Time. If any Potential Member shall fail to join the Lake Association within the required time period (e.g., within 30 days of closing), such Potential Member may nonetheless later join the Lake Association, but must request a formal statement of total fees, dues, assessments and penalties which shall be due from such Potential Member in order to join the Lake Association. The Lake Association shall provide such a

statement of such total amounts owing, and any other requirement set forth in these Bylaws, which such Potential Member must satisfy in order to gain such Membership, if such Membership is in fact available to such Potential Member pursuant to the rules of these Bylaws.

D. Only Members have Lake Membership Privileges. If any Potential Member or any other party is not a Member in Good Standing of the Lake Association, that owner or any other person on his or her behalf may not use, enjoy or access Cherokee Lake for any purpose whatsoever. The rights to use, enjoy or access Cherokee Lake and to vote and participate in the Lake Association are hereinafter referred to as the “**Membership Privileges**”.

E. Members Failing to Remain in Good Standing. After gaining Membership in the Lake Association pursuant to the terms of these Bylaws, a Member shall be required to abide by the complete terms of these Bylaws and pay any and all assessments due and owing in order to remain a Member in Good Standing with the Lake Association (hereinafter and throughout referred to as a “**Member in Good Standing**”). Only those Members of the Lake Association who are Members in Good Standing shall have rights to access, use and enjoy Cherokee Lake and to vote and participate in the Lake Association. If the Lake Association shall, at any time, determine that a Member has violated one or more provisions of these Bylaws, the Lake Association shall send written, facsimile or email notice to the Member (at the physical address, fax number or email address most recently provided by the Member to the Lake Association) of such violation and the Member shall have 30 days from such notice to cure such violation and pay any amounts then due, if any. If a Member fails to cure such violation and pay any required amounts within such 30 day period, then the Member shall no longer be a Member in Good Standing, but shall be deemed to have forfeited their Membership and thereafter shall have no rights to access, use or enjoy Cherokee Lake or to vote or participate in the Lake Association. Any Potential Member whose Membership is forfeited shall also be required to remove any structures or appurtenances that are afloat in the lake, or built on the lakebed or property owned by the Lake Association at such Potential Member's own effort and expense. The Lake Association may utilize any legal or equitable remedy to enforce such provision and the Potential Member in violation shall bear the cost of such legal expense or remedy, including costs and reasonable attorney's fees of the Lake Association. After such loss of Membership, if the Potential Member shall desire to restore his

or her Membership, such Potential Member may regain such Membership, after obtaining approval of the Board of Directors, but shall be required to fully cure the violation at issue to the satisfaction of the Board of Directors, repay the full Initiation Fee and any assessments and penalties then owing prior to regaining such Potential Member's forfeited Membership.

II.3 Details and Requirements of Membership:

- A. One Membership per Lot(s) and Requirements.** Membership in the Lake Association shall be limited to 1 Membership per lot or tract of land that is a Qualifying Property and no Member owning or controlling more than 1 lot or tract shall have more than a single vote. Membership Privileges shall entitle the holder of said Membership to operate a maximum of 2 motorized water craft on the lake, a reasonable number of non-motorized water craft on the lake, to fish the lake and to generally enjoy Cherokee Lake in a safe manner, subject to the complete terms hereof. All motorized water craft must fly a current year Cherokee Lake identification flag while on Cherokee Lake, have a proper decal affixed, and carry a minimum liability insurance coverage of **\$100,000.00**. Except for otherwise described in **Section II.6** hereof, Membership Privileges shall be limited to the Member, the Member's spouse and children and other family members that are resident in the household of the Member.
- B. One Membership for Multiple Lot Owners.** For any Member owning more than one lot or tract of land that is a Qualifying Property (hereinafter a "**Multiple Lot Member**"), such Multiple Lot Member shall be required to pay the Initiation Fee only upon such party's initially becoming a Member of the Lake Association and shall have only one single vote in the Lake Association regardless of the number of Qualifying Properties owned. Multiple Lot Members shall be required to pay only one Annual Dues payment in each year of Membership (and shall not be required to pay an Annual Dues payment for each and every additional Qualifying Property), but shall be required to remit payment of certain unpaid Annual Dues for additional Qualifying Properties in their ownership at such time that any of one or more of the Qualifying Properties is sold, as further described in **Section II.4** hereof. It shall be the responsibility of any Multiple Lot Member to contact the Lake Association to ensure that the Lake Association has proper records

concerning all of the Qualifying Properties that the Multiple Lot Member owns, in order to ensure proper collection of fees and treatment of all of such Qualifying Properties. If a Multiple Lot Member shall fail to properly inform the Lake Association of such Qualifying Properties and ensure proper records are kept by the Lake Association (and fees remitted, when appropriate), then such Multiple Lot Member may, at the discretion of the Board of Directors, be unable to treat additional Qualifying Properties which are unrecorded and unknown to the Lake Association as Qualifying Properties with active Membership status when such Qualifying Properties are sold.

C. Initiation Fee. All Potential Members who shall become Members of the Lake Association as described in **Section II.2** hereof shall pay a sum of **\$2,000.00** as an initiation fee (hereinafter and throughout referred to as the "**Initiation Fee**"). This Initiation Fee shall be the responsibility of the person purchasing the lot or parcel at issue. For all existing Members who sell their lot or parcel to a third party, the Initiation Fee shall be collected at closing for the lot or parcel at issue and remitted to the Lake Association. The Initiation Fee assessed by the Lake Association may be changed by a majority of the Members present at a duly called meeting and is not guaranteed to remain at any set level for any specific period of time.

D. Annual Dues. Annual Dues for each Lake Association Membership shall be **\$500.00** for all Members (hereinafter and throughout the "**Annual Dues**"). Bills for dues shall be sent by February 1st of each year. Any Member whose dues are not paid by March 1st of each year shall be deemed to be late, and a 10% penalty shall be assessed. Any appeal of a late penalty must be brought before the Board of Directors. A second notice of Annual Dues shall be sent by March 15th of each year to all unpaid Members. If the Annual Dues are not paid by June 1st of that year, or suitable arrangements made, the Membership shall be deemed forfeited, and the full Initiation Fee and any Annual Dues and penalties then owing must be paid in order to rejoin. Any Potential Member whose Membership is forfeited shall also be required to remove any structures or appurtenances that are afloat in the lake, or built on the lakebed or property owned by the Lake Association. The Lake Association may utilize any legal or equitable remedy to enforce such provision and the

Potential Member in violation shall bear the cost of such legal expense or remedy, including costs and reasonable attorney's fees of the Lake Association. In the event that a Member shall sell a Qualifying Property with an active Membership at any time, the payment of Annual Dues will transfer to a subsequent purchaser of the Qualifying Property at the time of closing or transfer, so that only one yearly payment of Annual Dues is made and required for each Membership. Annual Dues and fees assessed by the Lake Association may be changed by a majority of the Members present at a duly called meeting and are not guaranteed to remain at any set level for any specific period of time.

- E. Renewal of Membership After Lapse for Non-Payment. Anyone who has been a prior Member, but shall have had their Membership lapse due to non-payment of required Annual Dues may regain Membership, after obtaining approval of the Board of Directors, by paying the current Initiation Fee and any assessments and penalties that remain outstanding, subject to the terms of **Paragraph D** of this **Section II.3**, as set forth above.

- F. Joining the Lake Association After Purchase from Lapsed Member. Any Potential Member joining the Lake Association after the purchase of property from a property owner who was not a Member in Good Standing or a Potential Member without a Membership shall be required to pay the full Initiation Fee plus any assessments, dues, fees and penalties that were accrued to the seller or are otherwise due under the provisions of these Bylaws and remain unpaid at the time of such transfer.

- G. Certain Clubs and Timeshares Prohibited. Hunting clubs, fishing clubs or other social clubs of a similar nature are prohibited from becoming a Member of the Lake Association and from using, accessing or enjoying Cherokee Lake, except for a limited time period with the written permission of the Board of Directors specifying such time period. Any Member who allows his or her property to be used by the aforementioned clubs and fails to cure such violation or prevent the recurrence of such violation shall forfeit his or her Membership. Time share owners, fractional ownership owners or similar clubs shall also be prohibited from becoming or remaining a Member of the Lake Association.

- H. Entities and Partnerships Entitled to only One Membership.** If a lot or tract that is a Qualifying Property has multiple owners or is owned by a partnership or other legal entity which is owned by several owners, such multiple owners are entitled only to one Membership with one voting Member. Upon application for Membership, one person must be designated as the voting Member. All rules of the lake, restrictions, and these Bylaws apply as if the partnership, entity or other similar association is a single person (e.g., for example, only two motorized watercraft are permitted per Membership regardless of the number of owners associated with the lot or parcel in question.) Any person who has an ownership interest in any such partnership, entity or other legal association which owns such a Qualifying Property with an active Membership in Good Standing, however, may fully participate as an officer or other official of the Lake Association except that more than 1 person from such entity cannot serve at the same time on the same body with another person from such entity.
- I. Either Spouse may Vote and Both Spouses may Participate in Lake Association.** If a Qualifying Property with a Membership in Good Standing is titled only in the name of one spouse, the other spouse who is not the titled owner may be the voting member for the lot for Membership purposes and both spouses can fully participate as an officer or other official of the Lake Association. Notwithstanding anything to the contrary herein, two spouses shall not serve together at the same time on the Board of Directors or any other board or committee of the Lake Association.
- J. Special Rules for Transfers to Spouse and Lineal Descendants.** Should a Member in Good Standing convey a Qualifying Property to such Member's spouse, child or children, grandchildren or any other lineal descendant by any legal transfer (e.g., by will, trust, deed or any other similar conveyance), that spouse, child or other lineal descendant may assume the existing Membership and shall be exempt from payment of the Initiation Fee, but shall be required to pay the Annual Dues associated with such Membership thenceforth, as well as any other assessments, dues or penalties then outstanding. Other than the transfers to the spouse, child or other lineal descendant described above, any and all other transfers to new Potential Members, whether by deed, last will and

testament or other conveyance, shall require full payment of the Initiation Fee, outstanding Annual Dues and any other assessments or penalties owing pursuant to these Bylaws in order to become Members of the Lake Association.

- K. Acquisition of Additional Property by Existing Member.** If a Member in Good Standing purchases another Qualifying Property with an active Membership from another Member in Good Standing there will be no Initiation Fee or other assessments required at such time, but the rules and dues applicable to Multiple Lot Members, as such rules are outlined in **Paragraph B of Section II.4** hereof, shall apply.
- L. Removal of Certain Fallen Trees and Hazards.** In the event that a tree or other natural or manmade improvement shall fall into Cherokee Lake from a Member's lot which renders continued navigation or enjoyment of Cherokee Lake dangerous or impractical (hereinafter a "**Fallen Hazard**"), such Member shall remove such Fallen Hazard from Cherokee Lake within 30 days of receiving notice from the Lake Association (by telephone, email, facsimile or written communication to the Member's last known telephone number, email, fax number or address) advising of such Fallen Hazard. If such Member shall fail to remove such Fallen Hazard within 30 days of having received such notice, the Lake Association may, through the employment of a third party contractor, have such Fallen Hazard removed from Cherokee Lake and the Member shall pay for the cost of such removal no later than the next due date for Annual Dues in the Lake Association, which cost shall be assessed by the Lake Association as an additional fee due in order for such Member to remain a Member in Good Standing.
- M. Additional Rules in Annual Directory.** The Lake Association may, from time to time, issue and publish an annual directory and magazine concerning Cherokee Lake (hereinafter the "**Annual Directory**"). The Annual Directory is primarily designed to provide contact information for the Membership and to summarize certain rules and norms which apply to Cherokee Lake. However, the Annual Directory may contain, by majority vote of the Board of Directors, additional rules and regulations not contained in these Bylaws which effect fishing regulations, boat use hours, boat navigation rules and similar rules and regulations (hereinafter

the “**Annual Directory Rules**”). In such instances, such Annual Directory Rules shall have the same force and effect as if such Annual Directory Rules were set forth in these Bylaws. In the event that there shall be a conflict between the rules set forth in these Bylaws and any provision of the Annual Directory Rules, however, these Bylaws shall control in any and all instances.

N. Member’s Legal Responsibility for Docks and Improvements on Association Property; Hold Harmless of Lake Association. Any Member, Potential Member or other third party who shall construct, maintain or keep a dock, boathouse or other improvement which lies on any portion of property owned by the Lake Association, including any such improvements constructed or kept on any portion of Cherokee Lake (hereinafter the “**Lakeside Improvements**”) shall be solely responsible for ensuring that all new and existing Lakeside Improvements comply with all local, state and federal rules and laws concerning such Lakeside Improvements and that all applicable permits and licenses were and are obtained and retained in the building and keeping of such Lakeside Improvements. In addition to and without limiting the foregoing, any Member, Potential Member or other third party constructing or keeping any such Lakeside Improvements agrees to hold harmless, defend and indemnify the Lake Association for any injury, harm, damage or claim of any nature whatsoever, including but not limited to bodily death or injury and property loss or damage, which occurs as a result of or in connection with any such Member, Potential Member or other third party’s Lakeside Improvements. All Members, Potential Members and other third parties understand and agree that the Lake Association only permits and authorizes such parties to build, maintain and keep such Lakeside Improvements on any portion of property owned by the Lake Association, including Cherokee Lake, in consideration of such parties accepting and holding all legal and financial responsibility for such Lakeside Improvements, which each such party assents and agrees to pursuant to this **Paragraph N of Section II.3** of the these Bylaws, which shall apply to any and all Lakeside Improvements.

II.4 Special Assessments in Certain Circumstances

A. Payment of Catch Up Dues for Potential Members who Become Members After January 1st, 2019. All Potential Members have realized increased benefit and value their property through the completion of various capital improvement projects that have been performed in the past and are planned to be performed in the future on Cherokee Lake, including substantial dam improvement work, dredging works and similar projects. While current Members have paid and continue to pay their share of such capital improvement expenses through the payment of Annual Dues, Potential Members who have not joined the Lake Association as Members have not contributed to the Lake Association to offset such significant costs and expenses. Prior to January 1st, 2019, a grace period is extended to any Potential Member who is not a Member of the Lake Association permitting such Potential Members, whether Lake Front Owners or Off Lake Owners, to join the Lake Association as Members by paying the normal Initiation Fee (as described in **Paragraph C of Section II.3** hereof) and the Annual Dues on an annual basis (as described in as described in **Paragraph D of Section II.3** hereof). However, in order to ensure that all Potential Members justly and equitably contribute to the completed capital projects and expenses of the Lake Association, any Potential Member, whether a Lake Front Owner or Off Lake Owner, who shall join the Lake Association as a Member on or after January 1st, 2019, shall pay an increased special initiation fee of **\$15,000** for each Qualifying Property for which such Potential Member seeks a Membership (hereinafter the “**Catch Up Initiation Fee**”) and shall thereafter also pay the Annual Dues on an annual basis (as described in as described in **Paragraph D of Section II.3** hereof). Notwithstanding any other rule described in these Bylaws, any Potential Member joining the Lake Association as a Member on or after January 1st, 2019 shall not be entitled to include any separate or additional Qualifying Property under such Membership, or offer such additional Qualifying Property for sale with such a Membership, until the Catch Up Initiation Fee has been paid for each separate and distinct Qualifying Property for which a Membership is sought.

B. Payment of Dues for Multiple Lot Members. Multiple Lot Members benefit separately for each Qualifying Property, but shall pay Annual

Dues of only **\$500**, regardless of the number of Qualifying Properties owned by such Multiple Lot Member. However, when any Multiple Lot Member sells a lot, the Multiple Lot Member (seller) shall be responsible to pay the sum of **\$1,500** for each separate lot sold (hereinafter the “**Multiple Lot Sale Fee**”), which shall be due to the Lake Association at the time of closing of such sale. This provision applies to both Lake Front Owners and Off Lake Owners who are Multiple Lot Members.

Notwithstanding the foregoing, however, the Multiple Lot Sale Fee shall not apply and shall not be due if a Member who owns two or more adjacent lots which constitute One Cohesive Property sells such two or more adjacent lots to a purchaser as One Cohesive Property. For purposes of these Bylaws, such adjacent lots shall constitute One Cohesive Property if such two or more adjacent lots contain a home and improvements serving such home which are together situate on such two or more adjacent lots. It shall be the responsibility of any Multiple Lot Member to contact the Lake Association to ensure that the Lake Association has proper records concerning all of the Qualifying Properties that the Multiple Lot Member owns, in order to ensure proper collection of fees and treatment of all of such Qualifying Properties. If a Multiple Lot Member shall fail to properly inform the Lake Association of such Qualifying Properties and ensure proper records are kept by the Lake Association (and fees remitted, when appropriate), then such Multiple Lot Member may, at the discretion of the Board of Directors, be unable to treat additional Qualifying Properties which are unrecorded and unknown to the Lake Association as Qualifying Properties with active Membership status when such Qualifying Properties are sold.

C. Failure to Pay Dues, Abide Bylaws or Covenants. Should any Member not pay the required Annual Dues, fees, and other assessments required or authorized by these Bylaws, shall fail to abide by any other provision of these Bylaws or shall fail to abide by the restrictions set forth in a deed in any Member’s chain of title, the Lake Association may immediately revoke and cancel such Member’s right to use Cherokee Lake and shall be further empowered to take any appropriate legal action, as deemed necessary, to collect unpaid Annual Dues, fees or other expenses or remedy a breach of these Bylaws or the covenants contained in any such deed. In the event that the Lake Association shall be forced to result to legal action to enforce any provision of these

Bylaws, the Member or Potential Member in violation of such Bylaws shall pay the costs of the Lake Association's legal action, including costs and reasonable attorney's fees in such cases.

II.5 Use of Funds by Lake Association

- A. Use of Funds; Special Assessments Permitted.** Funds collected by the Lake Association shall be used for the administration of the Lake Association, to pay for patrolling of Cherokee Lake, to pay for the maintenance of Cherokee Lake (including but not limited to dredging operations, and maintenance of the dam and spillway), to pay for the cost of stocking fish, or for any other programs or purposes deemed to be in the best interest of the Lake Association by the Board of Directors. Special assessments necessary for any occasional major capital maintenance items may be proposed to the Membership by the Board as necessary. A written proposal of any special assessments, clearly indicating the proposed action, the anticipated total special assessment, the expected result(s), timeframes for their accomplishment, and the date of expected payment of the special assessment must be provided to the entire membership at least 30 days prior to a called meeting of the Membership to vote on the special assessment. For any special assessment to become binding and payable by the Membership it must be approved in writing, either in person or by proxy, by a majority of the Membership present at a meeting, at which it is considered. In addition to traditional written appointment of proxies, electronic appointment of proxies by email or facsimile is permitted for any Member wishing to appoint a Proxy to vote on behalf of his or her Membership.
- B. Emergency Assessment without Meeting.** Notwithstanding the provisions of the paragraph above, or anything else in these Bylaws, the Board of Directors may nevertheless approve a special assessment without notice to the Membership for any matter deemed an extreme and immediate emergency or danger to Cherokee Lake or adjoining properties.
- C. Prohibition on Use of Funds in Certain Cases.** In no event shall any funds, fees, or monies collected by the Lake Association be used in

any manner to influence legislation, or any other prohibited act as defined by Section 501 (c)(7) IRS Code, as amended, and no part of any earnings of said Lake Association shall inure to the private financial benefit of any shareholder or Member thereof.

- D. Financial Review or Audit Authorized.** The Board of Directors may, at its discretion, conduct or direct an annual review or an independent audit of the financial operations of the Lake Association at anytime.

II.6 Lake Privileges Extended to Third Parties in Limited Circumstances

- A. Lake Privileges and Guests of Members.** Membership Privileges shall be extended to all guests accompanied by a Member at the Member's discretion. Membership Privileges may additionally be extended to unaccompanied guests of a Member for a maximum of 7 consecutive days in any one calendar year, provided the Member furnishes a signed and written statement with applicable dates for which the Membership Privileges are to be extended and the names of the unaccompanied guest. The unaccompanied guest must present this written statement at any time he or she is requested to do so by any patrolmen of Cherokee Lake or any other authority governing Cherokee Lake. All guests must obey the rules of the Lake Association. It is the Member's responsibility to inform his or her guests of all lake rules and the Member is ultimately responsible, jointly and severally together with his or her guest (accompanied or unaccompanied), for any injury or harm that results as a consequence of any act, omission or error of any guest.

- B. Lake Privileges and Tenants of Member.** Should a Member in Good Standing elect to lease his or her property to a third party, such Member may request in writing that his or her Membership Privileges be extended to the tenant for the duration of the lease agreement or for such shorter time period that the Member may request. Such extension of Membership Privileges must be approved in writing by the Board of Directors, who may set any conditions to approval deemed prudent or advisable by the Board of Directors. Written approval of the Board of Directors by electronic means (e.g., email or facsimile) shall be deemed valid written approval for purposes of this

satisfying this requirement. Once such written approval is provided by the Board of Directors, the Member must maintain his or her Membership in Good Standing and any lapse in Membership shall also result in a termination of the Membership Privileges to any tenant of the Member. Any third party leasing a Qualifying Property from a Potential Member who is not a Member in good standing of the Lake Association may not exercise Membership Privileges until such time that the Potential Member becomes a paid-up Member in Good Standing and gains the pre-approval described above. It is the Member's responsibility to inform his or her tenants of all lake rules and the Member is ultimately responsible, jointly and severally together with his or her tenant (accompanied or unaccompanied), for any injury or harm that results as a consequence of any act, omission or error of any tenant.

- C. Use of Only Member's Authorized Equipment. In the event that Membership Privileges are duly and validly extended to a Member's accompanied guests, unaccompanied guests or tenants in accordance with the terms and provisions of this **Section II.6**, any such guests or tenants shall only be permitted to use the duly registered and insured boat or other duly authorized watercraft of the Member when utilizing any boat or watercraft on Cherokee Lake and shall not be permitted to utilize any other boat or watercraft on Cherokee Lake.

ARTICLE III

III.1 Annual Meeting

- A. Annual meeting Time and Place. The annual meeting of the Lake Association shall be held at a site designated by the President, and shall be held during the months of June, July or August each year. The Secretary of the Lake Association shall provide 30 days advance notice in writing to the last known mailing address, email or fax number of each Member, with such notice being permitted in traditional typewritten, facsimile or email form, at the discretion of the Board of Directors. Election of officers for the following year shall be held at the Annual Meeting.

- B. Special and Called Meetings.** The Board of Directors may call special meetings at such times and places deemed prudent for any purpose deemed advisable by the Board of Directors. In the event of such a special meeting, the Secretary of the Lake Association will provide 30 days advance notice in writing to the last known mailing address, email or fax number of each Member, with such notice being permitted in traditional typewritten, facsimile or email form, at the discretion of the Board of Directors.

ARTICLE IV

IV.1 Organization of Board of Directors

- A. Association Governed by Board of Directors.** The Lake Association shall be governed by a seven member Board of Directors and the President and Vice President of the Association, who will be voting members of the Board. All perpetual directorships and/or perpetual memberships have been and remain abolished.
- B. Recusal in Certain Circumstances.** The members of the Board of Directors (hereinafter the "Directors") are elected to serve the interests of the entire Membership. If any issue comes before the Board of Directors for action that only affects the interests of a Director to the exclusion of the interests of the general Membership, this Director shall recuse himself or herself and shall not vote or participate on the issue in any way. Nothing in this provision shall prevent a Director from voting as a Member of the Lake Association on any issue submitted to the Lake Association for vote.
- C. Temporary Vacancy on Board of Directors.** In the event that any of the Directors shall vacate, resign, be removed or waive their right to serve, then and in that event, the Board of Directors shall, from the membership of the Advisory Board, Architectural Control Committee, or Dam Monitoring Committee, fill such vacancy by a majority vote of the Board of Directors and the person so selected shall serve until the next Annual Meeting.

FILED OCONEE COUNTY, SC
ANNA K. DAVISON
REGISTER OF DEEDS**IV.2 Officers of the Lake Association**

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- A. Election of Officers. The officers of the Lake Association shall be elected by the Membership at the annual meeting and shall be a President, Vice President, and Secretary/Treasurer. Any Member in good standing may hold one of the aforesaid offices. Nothing herein shall prevent the re-election of officers to succeed themselves in office.
- B. Length of Term. The President, Vice President, Secretary and/or Treasurer shall hold office for a two year term. All other officers, if any, shall serve until their successors are chosen and have qualified or until their resignation or removal.
- C. Compensation. The positions of President and Vice President carry no financial reimbursement. The salary of the Secretary and Treasurer, whether one person serving in a combined role or two persons, shall be determined by a majority vote of the Board of Directors.
- D. The President. The President shall be the chief executive officer of the Lake Association, shall preside at all meetings of the Board of Directors and Membership, shall supervise the general and active management of the business of the Lake Association and shall see that all orders and resolutions of the Board of Directors are carried into effect. Either the President or the Secretary of the Lake Association shall execute deeds, mortgages, bonds and other contracts requiring the signature or seal of the Lake Association, except when the signing and execution of any such legal document shall be otherwise expressly authorized to another Director or Officer by majority vote of the Board of Directors.
- E. The Vice President. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers

of the President, and shall perform other duties as from time to time may be assigned to him or her by the Board of Directors.

F. The Secretary and Treasurer. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Members, and record all votes and the minutes of all proceedings. He or she shall give, or cause to be given, notice of all meetings of the Membership, and of special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he or she shall be. The Secretary shall keep in safe custody the records of the Lake Association. The Treasurer shall have custody of the corporate funds and any securities of the Lake Association and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Lake Association and shall deposit all monies and other valuable effects in the name of and to the credit of the Lake Association in such depositories as may be designated by the Board of Directors. The Treasurer shall provide communications support to the President, officers, and Directors. The Treasurer shall disburse the funds of the Lake Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, shall render to the President and Directors, at the regular meetings of the Board of Directors, or whenever they may require it, account of all transactions as Treasurer and of the financial condition of the Lake Association. The Treasurer shall provide financial records for the purpose of independent audits as requested by the Board of Directors. If the offices of Secretary and Treasurer are combined so that one person serves in both offices (which is hereby expressly permitted so long as approved at the discretion of the Board of Directors), such individual serving in both offices shall perform the functions and duties of both the Secretary and Treasurer. Either or both the Secretary and/or Treasurer may be required to be bonded by a licensed bonding agent, at the discretion of the Board of Directors.

G. Temporary Vacancy of Office. In the event that a President, Vice President, Secretary, Treasurer or other officer shall vacate, resign, be removed or waive their right to serve, then in that event, the Board of Directors shall, from the membership of the Advisory Board,

Architectural Control Committee, or Dam Monitoring Committee, fill such vacancy by a majority vote of the Board of Directors and the person so selected shall serve until the next Annual Meeting.

IV.3 Staggering of Terms

- A. Terms Staggered.** The term of office for elected Directors serving on the Board of Directors shall be staggered commencing August 1st, 2006 in the following form and fashion:

Directorship #1 shall serve a two-year term
Directorship #2 shall serve a two year term
Directorship #3 shall serve a two-year term
Directorship #4 shall serve a two-year term
Directorship #5 shall serve a two-year term
Directorship #6 shall serve a three-year term
Directorship #7 shall serve a three-year term

- B. Future Staggering of Terms; Re-Election Permissible.** The Board of Directors will stagger terms as appropriate for the 2007 election and future elections. Nothing herein shall be interpreted to preclude or prevent the re-election of Directors to the Board of Directors.

IV.4 Removal of Directors and Officers

- A. Removal of Directors or Officers by Board of Directors.** Any person serving among the elected Directors and officers of the Lake Association may be removed from the Board of Directors or from his or her office at anytime by majority vote of the Board of Directors when such removal is deemed to be in the best interest of the Lake Association. Any vacancy created by such removal shall be filled by the processes designated above in this **Article IV**.

ARTICLE V

V.1 Ownership and Control of Cherokee Lake and Adjacent Lands

- A. Lake Association as Governor of Lake Use and Access.** The Lake Association, through its Directors and officers, shall hold title to the land covered by Cherokee Lake, and to the dam site and spillway, and shall formulate and promulgate such rules and regulations as may be necessary for the operation, maintenance, and control of the dam, spillway, and the waters of Cherokee Lake, for the purpose of regulating fishing, swimming, boating, and the general use of the waters, and the care and management thereof, including propagation and preservation of fish and waterfowl and the elimination or minimization of invasive or detrimental animal or plant species. No third party shall use, enjoy or access Cherokee Lake except with a valid Membership in Good Standing and pursuant to the full rules and regulations contained in these Bylaws and as otherwise lawfully set forth by the Lake Association.
- B. Lake Association's Governance of Adjacent Lands.** The Lake Association generally does not govern or manage the use of private land which is owned by third parties adjoining or near Cherokee Lake, including but not limited to Lake Front Lots and Off Lake Lots. The Lake Association, however, may mandate that any Potential Member of the Lake Association refrain from certain activities in the use of their land, take certain actions on their land and may otherwise set standards, rules and pre-requisites affecting land use in order to grant a Membership and its corresponding Membership Privileges to any Potential Member. Therefore, the Lake Association's authority and ability to govern private land use in or near Cherokee Lake is generally limited to promulgating rules and standards required to gain and retain Membership in the Lake Association (and thereby, to permit a Potential Member to access, use and enjoy Cherokee Lake), but the Lake Association does not otherwise govern land use of private land adjacent to or near Cherokee Lake. Notwithstanding the foregoing, however, certain owners of land adjacent to or near Cherokee Lake are bound by restrictive covenants and rules set forth in their deed (e.g., also referred to as a "title to real estate"), their chain of title (e.g., prior deeds in their chain of title) or otherwise described in the public records contained in the Register of Deeds Office for Oconee County, South Carolina (hereinafter collectively the

“Restrictive Covenants”). While the Lake Association may consider a Member’s violation of or compliance with such Restrictive Covenants in reaching its decision to grant or renew a Membership, or decline the same, the Lake Association shall not otherwise bring suit to enforce such Restrictive Covenants.

ARTICLE VI

VI.1 Amendment of Bylaws

- A. The Bylaws herein set forth may be changed or amended by the affirmative vote of two-thirds of the Membership present or represented by proxy at the Annual Meeting, or a called meeting of the Lake Association. Any Member may delegate his or her voting authority by Proxy to any other Member of the Lake Association by a signed writing, email or facsimile.

ARTICLE VII

VII.1 Distribution of Current Rules and Quorum Requirements

- A. Distribution of Current Rules at Annual Meeting. The Board of Directors shall publish and distribute to the Membership after each Annual Meeting, a current publication of rules governing the use of Cherokee Lake and minutes of the Annual meeting.
- B. No Quorum of Members Necessary for Action at Meeting. Except in instances where an Amendment to Bylaws is sought (as described in **Article VI** hereof), there shall otherwise be no requirement for a quorum at the annual meeting or any special meeting of the Lake Association for which proper notice has been given the Membership and all actions taken at such meetings shall be duly acted upon by the vote of a majority of those Members present and voting or represented by proper proxy.
- C. Quorum Required for Board of Directors Action. A quorum shall be necessary for actions by the Board of Directors, a quorum being a majority of the elected members of the Board Directors, present and voting either in person or in proxy.

ARTICLE VIII

VIII.1 Architectural Control Committee

A. Organization and Scope of Architectural Control Committee (“ACC”). The Lake Association has established an Architectural Control Committee, (hereinafter the “ACC”) composed of 5 members elected by majority vote of the entire Membership of the Lake Association at the Annual Meeting of the Membership. Each member of the ACC is to be elected for a term of 2 years. The ACC shall have the absolute authority to approve or disapprove any construction proposed to be placed on Lake Association property (e.g., the property on which Cherokee Lake is situate). The ACC does not review or approve plans regarding buildings or improvements on private property (e.g., for improvements on property other than Cherokee Lake), but reserves the right to decline to issue an approval allowing a Member to build upon Cherokee Lake property in the event that such Member’s other buildings or improvements on the Member’s private property are in violation of known Restrictive Covenants or other Lake Association rules. All plans and specifications showing the type, kind and location of any docks, piers, boathouses, sea walls, rip-rap or other improvements to be constructed upon Cherokee Lake property shall be submitted by the applying Member to the ACC, which shall then have eight (8) weeks after receipt thereof in which to approve or disapprove such plans and specifications by a majority vote of the membership of the ACC. In the event the ACC shall fail to approve or disapprove within that time, and in the event no suit to enjoin or prevent the construction has been commenced, then disapproval will be deemed to have been waived and approval granted. The ACC’s review or approval of any application shall not be deemed to be or interpreted as an approval of design codes, certification of building code standards or safety certification of any kind, the responsibility for which shall rest solely with the Member. The Member shall be solely responsible to obtain any necessary permits, building code approvals, safety approvals or other similar permits and/or approvals which may be lawfully required by a governing authority. The Member shall be and is wholly responsible for any harm, injury,

damage or loss which may befall the Member or any other party due directly or indirectly to improvements of the Member built upon any part of Cherokee Lake property.

- B. Hold Harmless Requirement.** In addition to any other requirements the ACC may enact, any Member or other third party, by building or maintaining any improvements located on any portion of property owned by the Lake Association, including Cherokee Lake, agrees to and does, pursuant to these Bylaws, hold harmless, defend and indemnify the Lake Association, its Members, its Directors, its officers and the ACC for any injury, harm or damage which occurs as a direct or indirect result of or in connection with the Member's or third party's Lakeside Improvements located on any portion of property owned by the Lake Association.
- C. Powers of the ACC.** The ACC shall have the power, by its unanimous vote, to establish rules and regulations concerning the construction of any structure on Lake Association property (e.g., the property on which Cherokee Lake is situate). All rules and regulations so established shall be distributed to the Membership at each annual meeting and shall be enforced by the ACC.
- D. Enforcement of ACC Powers.** In order to enforce the powers granted herein, the ACC shall have the power to order Members to conform to the rules and regulations that apply now or may apply in the future. A Member's failure to properly abide by the lawful direction or requirements of the ACC shall be submitted by the ACC to the Board of Directors for the Directors consideration and possible reprimand or sanction, including the possible suspension or revocation of Membership in the Lake Association or any other penalty deemed fit and prudent by the Board of Directors.

E. Number of ACC Members and Manner of Election. There shall be 5 members of the ACC, who shall be elected by a majority of the votes cast at an Annual Meeting of the Membership of the Lake Association. To qualify for nomination or appointment to the ACC, an individual must be a Member of the Lake Association.

F. Term of ACC Members. The term of office of each member of the ACC shall be staggered for 2 years. Each member of the ACC shall hold office for a period of 2 years, until the Annual Meeting of the Membership of the Lake Association next succeeding his or her election and until his or her successor is elected and qualified, or until his or her prior death, resignation or removal. In order to effect continuity of the ACC, the original membership of the ACC shall be nominated and elected as follows:

- a. Seat One member for a term of 1 year;
- b. Seat Two member for a term of 1 year;
- c. Seat Three member for a term of 2 years;
- d. Seat Four member for a term of 2 years;
- e. Seat Five member for a term of 2 years;
- f. Thereafter, each member of the ACC shall be elected to serve for a term of 2 years. Each nomination offered from the Membership of the Lake Association for the ACC shall designate the seat for which the nomination is tendered.

G. Meetings of the ACC. The ACC shall meet to consider any proposed construction submitted not later than 10 days after receipt of such proposal, or more often as it is necessary to carry out their duties and the ACC may fix the time and place for such meetings by resolution of their number. Notice as to the time and place of such meeting shall be furnished each member by the ACC at least 5 days prior to the meeting. Such notice may be in the form of email, facsimile, telephonic or written notice sent to each Member of the ACC at the last known address, phone number, fax number or email provided to the Lake Association by the Member.

- H. Conduct of ACC Meetings.** At all meetings of the ACC, a Chairman chosen by majority vote of the ACC shall preside, and in the absence of the chosen Chairman, a Vice Chairman selected by majority vote of the ACC shall preside. In addition, the Committee shall, by its majority vote, select a Secretary who shall keep the minutes of its meetings and shall provide notice to the Membership of the ACC of the receipt of requests for determination upon any proposed construction, together with the date and time set for the meeting to consider such proposal. In addition, the Secretary shall provide written, email, facsimile or telephonic notice to any Member submitting a request for determination of the decision and findings of the ACC with regard to an application at the last known address, phone number, fax number or email provided by the requesting Member.
- I. Quorum and Action of the ACC.** At all meetings of the ACC, the presence of a majority of the entire ACC shall be necessary and sufficient to constitute a quorum for the transaction of business. At all meetings of the ACC, each member present shall have one vote on any question before the ACC. The action of a majority of the ACC present at any meeting at which a quorum is present shall be the act of the ACC. Any action authorized unanimously in writing by all members of the ACC and filed with the minutes of the Lake Association shall be an official act of the ACC with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the ACC.
- J. Vacancy of ACC Membership.** Any vacancy on the ACC occurring by reason of the death, resignation, disqualification or removal of any member of the ACC shall be filled for the unexpired portion of the term by a majority vote of the remaining members of the ACC, at any regular meeting or special meeting called by the ACC for that purpose. Any member of the ACC may resign by giving notice in writing of his or her intention to resign to the President of the Lake Association or, in his or her absence, to the Secretary of the Lake

Association. Unless otherwise specified, the acceptance of such resignation shall not be necessary to make the resignation effective.

K. Removal of ACC Member. Any member of the ACC may be removed by an affirmative vote of the majority of the Board of Directors.

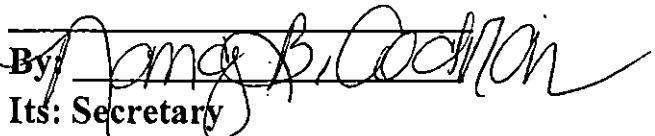
L. No Compensation for ACC Members. No salary shall be paid to any member of the ACC for their services.

M. Appeal of ACC Decisions. Any finding and determination of the ACC or rule or regulation established by the ACC shall be appealable to the Board of Directors and a majority decision from the Board of Directors over such appeal shall be final and binding. Enforcement shall be by proceedings at law and/or equity against any person violating or attempting to violate any determination of the ACC so approved by the Board either to restrain violation or to recover damages for such violation. Any Member or offending party who is responsible for a violation of a rule promulgated or enacted by the ACC shall bear the costs of any legal action brought by the Board of Directors or ACC to bring such party into compliance, to enjoin such activity and/or to recover damages, and such party shall also pay the costs of any such action, including reasonable attorney's fees.

Signature and Enactment

Having set forth these Bylaws of the Lake Association, the duly authorized Secretary of the Association, after appropriate vote and approval, does hereby set forth the hand and seal of the Lake Association to enact the foregoing Bylaws, this, the 26th day of August, 2019.

Cherokee Lake Fishing and Boating Club

By 
Its: Secretary

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