

BY-LAWS
OF
THE RESERVE AT LAKE KEOWEE COMMUNITY
FOUNDATION

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BY-LAWS
OF
THE RESERVE AT LAKE KEOWEE COMMUNITY FOUNDATION

Article 1
Name, Principal Office, and Definitions

1.1. Name.

The name of the corporation is The Reserve at Lake Keowee Community Foundation (the "Foundation").

1.2. Principal Office.

The Foundation's principal office shall be located in Pickens or Greenwood County, South Carolina. The Foundation may have such other offices, either within or outside South Carolina, as the Foundation's board of trustees may determine or as the Foundation's affairs may require.

1.3. Definitions.

The words used in these By-Laws ("**Foundation By-Laws**") shall be given their normal, commonly understood definitions. All references to "**Foundation Articles**" shall be deemed to mean the Articles of Incorporation of The Reserve at Lake Keowee Community Foundation, as may be amended from time to time; and references to the "**Foundation Board**" shall mean the Foundation's board of trustees. A "trustee" shall be a member of the Foundation Board and shall be a "director" as defined in the South Carolina Nonprofit Corporation Act (S.C. Code Ann. § 33-31-140(10)). As used in these Foundation By-Laws, the term "majority" shall mean those votes, persons, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

Article 2
Mission and Purposes of Foundation

2.1. Mission.

The Reserve at Lake Keowee Foundation's mission is to enhance quality of life and sense of community through artistic endeavors and environmental stewardship to preserve, protect, and enhance the region's unique natural beauty.

2.2. Purposes.

The Foundation is organized to provide for the furtherance and promotion of the common good and general social welfare of the people of The Reserve at Lake Keowee and the community of which it is a part. The Foundation may provide or provide for activities, services, and programs of a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law ("IRC"). The Foundation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes of the Foundation; and the Foundation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the IRC. The purposes for which the Foundation is organized are further set forth in the Foundation Articles.

Article 3 Board of Trustees: Number, Powers, Meetings

3.1. Governing Body.

The Foundation shall have no members. The Foundation Board shall govern the Foundation's affairs in accordance with these Foundation By-Laws. Each trustee shall have one equal vote.

3.2. Number and Qualification of Trustees.

(a) *Number.* The initial Foundation Board shall consist of the three individuals identified in the Foundation Articles. Upon a majority vote, the Foundation Board, by resolution, may increase or decrease the number of trustees that serve on the Foundation Board. However, the Foundation Board shall consist of at least three trustees and no greater than seven trustees.

(b) *Qualifications.* Any natural person 18 years of age or older may serve as a trustee.

3.3. Selection of Trustees; Term of Office.

The initial trustees are named in the Foundation Articles. The terms of the initial trustees shall be staggered, with two of the initial trustees serving three-year terms and one of the initial trustees serving a two-year term, as they among themselves shall determine. Upon expiration of the term of office of any trustee, the remaining trustees shall appoint a successor to serve a two-year term. Such appointment shall take place at a regular or special meeting. Trustees may serve any number of consecutive terms.

3.4. Resignation and Removal of Trustees; Vacancies.

Any trustee may resign at any time by giving written notice to the entire Foundation Board or the President. Such resignation shall take effect on the date such notice is received or at a later time specified in the notice. Acceptance of such resignation shall not be necessary to make it effective.

Any trustee may be removed, with or without cause, upon the vote of a majority of the other trustees. The vote to remove a trustee shall not be valid unless each trustee is given at least two days' written

notice that the matter will be voted on at a trustees' meeting unless such notice is waived. The remaining trustees may fill any vacancy on the Foundation Board caused by death, resignation, or removal of a trustee by the affirmative vote of the majority of the remaining trustees. Any trustee appointed to a vacated position shall serve the unexpired portion of the term of the trustee who vacated the position.

3.5. Meetings.

(a) *Organizational Meetings.* The Foundation Board shall hold an organizational meeting within 30 days after any newly appointed trustee(s) take(s) office.

(b) *Regular Meetings.* Regular meetings of the Foundation Board may be held at such time and place as a majority of the trustees determine from time to time; provided, at least four meetings shall be held during each fiscal year with at least one meeting each fiscal quarter.

(c) *Special Meetings.* Special meetings shall be held when called by written notice signed by the President, Vice President, or by any two trustees and delivered to the Secretary. The Secretary shall prepare and distribute written notice of any special meeting at least two days prior to such meeting. The notice shall specify the time and place of the meeting and the nature of any special business to be considered.

(d) *Notice of Meetings.* The Foundation Board or Secretary shall notify each trustee of any Foundation Board meeting by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the trustee or to a person at the trustee's office or home who would reasonably be expected to communicate such notice promptly to the trustee; or (iv) facsimile, electronic mail, fiber optics, or such other communication device with confirmation of receipt.

All notices shall be given at the trustee's telephone number, fax number, electronic mail address, or sent to the trustee's residential or office address as shown on the Foundation's records. Notices sent by first class mail shall be deposited in a United States mailbox at least seven business days before the date set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for an organizational meeting and at least 48 hours before the time set for a special meeting.

(e) *Waiver of Notice.* Transactions of any Foundation Board meeting, however called and noticed or wherever held, shall be as valid as if taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each absent trustee signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the meeting's purpose. Notice of a meeting also shall be deemed given to any trustee who attends the meeting without protesting before or at its commencement about lack of adequate notice.

(f) *Quorum.* At all Foundation Board meetings, a majority of the trustees shall constitute a quorum for transacting business, and votes of a majority of the trustees present shall constitute the Foundation Board's decision. If a quorum is present, the trustees may continue to transact business, notwithstanding the withdrawal of trustees, if any action taken is approved by at least a majority of the required quorum for that meeting.

If any Foundation Board meeting cannot be held because a quorum is not present, a majority of the trustees who are present at such meeting may adjourn the meeting to a time not less than 5 nor more than

30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business that could have been transacted at the originally called meeting may be transacted without further notice.

(g) *Conduct of Meetings.* The President or a Board-approved designee shall preside over all Foundation Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with the Foundation Board's books.

(h) *Electronic Participation.* Members of the Foundation Board or any committee designated by the Board may participate in and vote during any regular or special Foundation Board meeting by telephone conference call, fiber optics, or similar audio or video communication equipment by means of which all persons participating in the meeting can hear each other at the same time. Those trustees so participating shall be deemed present at such meeting for all purposes including determining a quorum.

3.6. Action Without a Formal Meeting.

Any action taken or which may be taken at a Foundation Board meeting may be taken without a meeting if all trustees consenting in writing to the action so taken. Such consent shall have the same force and effect as a unanimous vote.

3.7. Compensation.

Trustees shall not receive any compensation for acting as such unless a majority of the Foundation Board consents in writing, excluding the trustee whose compensation is in question. A trustee may receive reimbursement for expenses incurred on the Foundation's behalf upon approval of a majority of the other trustees.

Nothing in these Foundation By-Laws shall prohibit the Foundation from compensating a trustee, or any entity with which a trustee is affiliated, for services or supplies furnished to the Foundation in a capacity other than as a trustee pursuant to a contract or agreement with the Foundation. However, such trustee must make his or her interest known to the Foundation Board prior to entering into such contract, and a majority of trustees other than the interested trustee must approve such contract.

3.8. Powers.

The Foundation Board shall have all the powers which South Carolina law provides for non-profit corporations and those necessary to administer the Foundation's affairs and to perform the Foundation's purposes as set forth in the Foundation Articles and these Foundation By-Laws.

3.9. Duties.

The Foundation Board's duties shall include those imposed by law and shall also include, without limitation:

(a) preparing and adopting an annual budget; designating, hiring, and dismissing the personnel, organizations, companies, and others necessary to further the purposes of the Foundation and, where

appropriate, providing for the compensation of such and for the purchase of equipment, supplies, and materials to be used in the performance of their duties; and

(b) performing such other managerial or administrative tasks as are necessary or appropriate to the conduct of its affairs or as are required by law.

Article 4 Officers

4.1. Officers.

The Foundation's officers shall be a President, Secretary, and Treasurer. The President and Secretary shall be elected from among the trustees; other officers may, but need not, be trustees. The Foundation Board may appoint such other officers, including one or more Vice-Presidents, Assistant Secretaries and Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Foundation Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office.

The Foundation Board shall elect the Foundation's officers at such times as it deems appropriate or when a position becomes vacant. Officers may serve terms of such length as the Board may designate, but not to exceed two years.

4.3. Removal and Vacancies.

The Foundation Board may remove any officer whenever in its judgment the Foundation's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties.

The Foundation's officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Foundation Board may specifically confer or impose. The President shall be the Foundation's chief executive officer. The Secretary shall be responsible for ensuring that the minutes of all Foundation Board meetings and committee meetings are kept and shall have charge of such books and papers as the Foundation Board may direct. The Treasurer shall have primary responsibility for preparing the Foundation's budgets, and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Foundation Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

Article 5

Liability and Indemnification

Subject to the limitations of South Carolina law, the Foundation shall indemnify every officer, trustee, and committee members against all damages and expenses, including counsel fees and expenses, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Foundation Board). This right to indemnification shall not be exclusive of any other rights to which any present or former officer or trustee may be entitled. The Foundation shall also maintain adequate general liability and trustee and officers liability insurance to fund this obligation.

Article 6

Management and Accounting

6.1. Compensation of Trustees and Officers.

Trustees shall not receive any compensation for acting as such unless a majority of the trustees consent in writing, excluding the trustee whose compensation is in question. A trustee may receive reimbursement for expenses incurred on the Foundation's behalf upon approval of a majority of the other trustees. Nothing herein shall prohibit the Foundation from compensating a trustee or officer, or any entity with which a trustee or officer is affiliated, for services or supplies he or she furnishes to the Foundation in a capacity other than as a trustee or officer pursuant to a contract or agreement with the Foundation. However, such trustee must make known his or her interest to the Foundation Board prior to entering into such contract, and a majority of the Foundation Board, excluding any interested trustee, must approve such contract.

6.2. Managing Agent.

The Foundation Board may employ for the Foundation professional management agents at such compensation as the Foundation Board may establish, to perform such duties and services as the Foundation Board shall authorize. The Foundation Board may delegate to one of its members the authority to act on behalf of the Foundation Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

6.3. Accounts and Reports.

The following management standards of performance shall be followed unless the Foundation Board by resolution specifically determines otherwise:

- (a) accounting and controls should conform to generally accepted accounting principles;
- (b) the Foundation's cash accounts shall not be commingled with any other accounts, and the Foundation's reserve accounts shall be maintained separate from its operational accounts;

(c) no remuneration, commissions, or fees shall be accepted by any managing agent from vendors, independent contractors, or others providing goods or services to the Foundation whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Foundation;

(d) any financial or other interest which any managing agent may have in any firm providing goods or services to the Foundation shall be disclosed promptly to the Foundation Board;

(e) an annual report consisting of at least the following shall be compiled and provided to the Foundation Board within 60 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared by the managing agent, a public accountant, or a certified public accountant, on an audited, reviewed, or compiled basis, as the Foundation Board determines.

6.4. Borrowing.

The Foundation shall have the power to borrow money to further the purposes for which it is organized.

6.5. Right to Receive Contributions; Collect Assessments and Fees.

The Foundation shall have the right to receive donations and contributions and the right to collect assessments and fees to further the purposes for which it is organized.

6.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Foundation agreements, contracts, deeds, leases, checks, and other instruments shall be executed by at least two officers or by such other person or persons as the Foundation Board may designate by resolution.

Article 7 Committees

The Foundation Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Foundation Board may designate by resolution. The creation of a committee and appointment of its members must be approved by a majority of the Foundation Board. Committees may be comprised, in whole or in part, of individuals other than Foundation Board members. Each committee shall operate in accordance with the terms of its creating resolution. Committees are authorized to recommend policies or procedures to the Foundation Board as a collective body. Individual committee members are not authorized to carry out such policies or take action on behalf of the Foundation.

Article 8

Miscellaneous

8.1. Fiscal Year.

The Foundation's fiscal year shall be the calendar year unless the Foundation Board establishes a different fiscal year by resolution.

8.2. Parliamentary Rules.

Except as may be modified by Foundation Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Foundation proceedings when not in conflict with South Carolina law or these Foundation By-Laws.

8.3. Conflicts.

If there are conflicts among the provisions of South Carolina law, the Foundation Articles, and these Foundation By-Laws, the provisions of South Carolina law, the Foundation Articles, and these Foundation By-Laws (in that order) shall prevail.

8.4. Books and Records.

Every trustee shall have the absolute right at any reasonable time to inspect all Foundation books, records, and documents and the physical properties owned or controlled by the Foundation. A trustee's right of inspection includes the right to make a copy of relevant documents at the Foundation's expense.

8.5. Notices.

Except as otherwise provided in these Foundation By-Laws or by South Carolina law, all notices, demands, bills, statements, or other communications under these Foundation By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, or if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

8.6. Amendment.

These Foundation By-Laws may be amended by upon Foundation Board resolution approved by a majority vote of the trustees.

Any procedural challenge to an amendment must be made within six months of its adoption or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Foundation By-Laws.

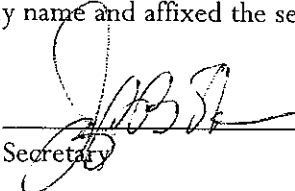
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of The Reserve at Lake Keowee Foundation, a South Carolina nonprofit corporation;

That the foregoing constitutes the Foundation By-Laws, as duly adopted by resolution of the Foundation Board thereof on the 20th day of December, 2004.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Council this 20th day of December, 2004.


Secretary

[SEAL]