

Amended By-Laws of the Hilton Head Plantation Property Owners' Association, Inc.

Article I: Name & Location

The name of the corporation is Hilton Head Plantation Property Owners' Association, Inc., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Hilton Head Plantation, Hilton Head Island, Beaufort County, South Carolina; but meetings of members and directors may be held at such places within the State of South Carolina, as may be designated by the Board of Directors.

Article II: Definitions

Section 1.

The following words and terms when used in these By-Laws or any modification thereto, unless the context shall clearly indicate otherwise, shall have the following meanings:

(a) "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions of the Hilton Head Plantation Property Owners' Association, Inc. and Hilton Head Plantation Company, Inc., dated July 11, 1973, and recorded July 11, 1973, in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 211 at Page 1487, as amended.

(b) "Covenants" shall mean the Land Use Restrictions and Protective Covenants collectively referred to the Class "A" covenants dated February 15, 1973 as amended (originally recorded in Deed Book 211 at page 1470); the Class "B" covenants dated April 18, 1974 as amended (originally recorded in Deed Book 219 at page 1882); the Class "C" covenants dated November 12, 1986 as amended (originally recorded in Deed Book 463 at page 1514); and the Class "D" Covenants dated March 3, 1987 as amended (originally recorded in Deed Book 425 at page 1790).

(c) "Board" shall mean those Members elected to govern the affairs of the Association.

(d) "Company" shall mean Hilton Head Plantation Company, Inc., and its successors and assigns.

(e) "Owner" shall mean and refer to the Owner as shown by the real estate records in the Office of the Clerk of Court for Beaufort County, South Carolina, whether it be one or more persons, firms, associations, corporations, or other legal entities of fee simple title to any Residential Lot, Family Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, or Unsubdivided Land situated upon the Properties; but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the mortgagee or holder of a security deed, its successors or assigns, unless and until such mortgagee or holder of a security deed has acquired title pursuant to foreclosure or a proceeding or deed in lieu of foreclosure; nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. In the event that there is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, a long term contract of sale covering any lot or parcel of land within the Properties, the Owner of such lot or parcel of land shall be the purchaser under said contract and not the fee simple title holder. A long term contract of sale shall be one in which the purchaser is required to make payments on the property for a period extending beyond nine (9) months from the date of the contract, and where the purchaser does not receive title to the property until such payments have been made although the purchaser is given the use of said property.

(f) "Member" shall mean and refer to all those Owners who are Members of the Association as provided in Section 1 of Article III of the Declaration.

(g) "Common Expenses" mean the expenses incurred or anticipated to be incurred by the Association for the general benefit of the members, including, but not limited to, those expenses incurred from maintaining, repairing, replacing, and operating the Common Property.

(h) "Properties" shall mean and refer to that certain "Existing Property" described in the Declaration, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

(i) "Common Properties" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the betterments and improvements located thereon, now or hereafter owned or leased by the Association for the common use and enjoyment of the Members. All Common Properties are to be devoted to and intended for the common use and enjoyment of the Members, Members' guests or tenants, and visiting members of the general public subject to the fee schedule and rules adopted by the Association; provided, however, that any lands leased by the Association for use as Common Properties shall lose their character as Common Properties upon the expiration of such lease. Common Properties shall not include those tracts of land falling within the definition of Restricted Common Properties.

(j) "Restricted Common Properties" shall mean and refer to those tracts of land with any improvements thereon which are actually deeded or leased to the Association and designated in such deed or lease as "Restricted Common Properties". All Restricted Common Properties are to be devoted to and intended for the common use and enjoyment of Owners of Residential Lots and Family Dwelling Units, their immediate families, guests accompanying such Owners, tenants of such Owners holding leases of nine (9) months duration or longer and to be closed to use of tenants of such Owners holding leases less than nine (9) months duration and visiting members of the general public; with all use of Restricted Common Properties to be subject to the fee schedules and operating rules adopted by the Association. Any lands, which are leased by the Association for use as Restricted Common Properties, shall lose their character as Restricted Common Properties upon the expiration of such leases.

(k) "Residential Lot" shall mean any unimproved parcel of land located within the Properties which is intended for use as a site for a single-family detached dwelling, townhouse, or patio dwelling as shown upon any recorded final subdivision map or any part of the Properties.

(l) "Family Dwelling Unit" shall mean and refer to any improved property intended for use as a single-family dwelling, including any single-family detached dwelling, patio home, condominium unit, townhouse unit, cooperative apartment unit, or apartment unit.

(m) "Improved Property" shall mean a parcel of land on which the improvements constructed thereon have been completed or have been completed to the point where their roof and windows have been installed.

(n) "Multi-Family Tract" shall mean any unimproved parcel of land located within the Properties intended for use as sites for multi-family dwellings including, without limitation, condominium regimes, cooperative apartments, or apartments. For the purposes of these By-Laws a parcel of land shall not be deemed a "Multi-Family Tract" until such time as a plat identifying such property for multi-family use is recorded in the Office of the Clerk of Court for Beaufort County, South Carolina.

Article III: Membership

Section 1. Membership.

An Owner shall automatically become a member of the Association upon taking title to his property and shall remain a member for the entire period of ownership. As may be more fully provided below, a spouse of a member may exercise the powers and privileges of the member. Membership does not include persons who hold an interest merely as security for the performance of an obligation; and the giving of a security interest shall not terminate the Owner's membership. Membership shall be appurtenant to the property and shall be transferred automatically by conveyance of that property and may be transferred only in connection with the transfer of title.

Section 2. Entity Members.

In the event an Owner is a corporation, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, or manager of such other legal entity shall be eligible to represent such entity in the affairs of the Association. Such person's relationship with the Association shall terminate automatically upon the termination of such person's relationship with the entity, which is the Owner. This will create a vacancy in any elected or appointed position within the Association in which such person may have been serving.

Section 3. Assessments.

The rights of membership are subject to the payment of annual and special assessments levied by the Association. The obligation for such assessments is imposed against each owner and becomes a lien upon the property against which such assessments are made as provided by Article V of the Declaration.

Section 4. Suspension of Voting and Use Rights.

Article IV: Voting Rights

The voting and use rights of any person whose interest in the Properties is subject to assessments, whether or not he be personally obligated to pay such assessments, shall be automatically suspended during the period when the assessments remain unpaid; but upon payment of such assessments his right shall be automatically restored.

Section 1. General.

Voting rights in the Association shall be as set forth in Article III of the Declaration.

Section 2. Majority.

As used in these By-Laws, the term "majority" shall mean those Members entitled to cast more than fifty percent (50%) of the total vote of the membership. Unless otherwise specifically stated, the words "majority vote" shall mean more than fifty percent (50%) of the votes cast by those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

Article V: Association Purposes & Powers

Section 1. Purpose.

The Association shall have the responsibility of administering the Properties, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Properties and performing all of the other acts that may be required to be performed by the Association pursuant to the South Carolina Nonprofit Corporation Code and the Declaration. Except as to those matters which the Declaration or the South Carolina Nonprofit Corporation Code specifically require to be performed by the vote of the Association membership, the administration of the foregoing responsibilities shall be performed by the Board as more particularly set forth in Article IX.

Section 2. Additions to or Deletions from the Properties.

Additions to or deletions from the Properties described in Exhibit A attached to the Declaration may be made as provided in the Declaration. Additions shall extend the jurisdiction, functions, duties, and membership of this Association to such properties.

Section 3. Mergers and Consolidations.

Subject to the provisions of the Declaration and the By-Laws and to the extent permitted by law, the Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes; provided that any such merger or consolidation shall have the assent of three fourths (3/4) of the Member votes in accordance with the procedure in Article VI of the By-Laws.

Section 4. Mortgages and Other Indebtedness.

The Board shall have the power and authority to mortgage the property of the Association and to pledge the revenues of the Association as security for loans made to the Association which loans shall be used by the Association in performing its authorized functions.

Section 5. Transfer of Real Property.

The Association shall have power to dispose of its real properties only as authorized under the Declaration.

Article VI: Meetings of Members

Section 1. Annual Meetings.

The Annual Meeting will be held in March of each year at a time and place to be designated by the Board, and such information shall be set forth in the Notice of Meeting.

Section 2. Special Meetings.

Special meetings of the Members may be called at any time by the President or by the Board or upon a petition signed by Members entitled to vote one fourth (1/4) of all the votes of the membership. Any such petition by the Members must be submitted to the Association's Secretary. The Secretary shall then verify that all of the required number of Members have joined in the petition and shall submit all proper petitions to the Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition and the Secretary shall send notice of the meeting in accordance with these By-Laws.

Section 3. Notice of Meetings.

Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or person authorized or qualified to call the meeting, by mailing a copy of such notice, with proper postage affixed and at least thirty (30) days before such meeting, to each member entitled to vote thereat at the last known address of the person or entity who appears as Owner in the Public Records of Beaufort County, South Carolina, on the first day of the calendar month in which said notice is mailed. Notice to one of two or more Co-owners of a Residential Lot, Family Dwelling Unit, Multi-Family Tract, Public and Commercial Site, Public and Commercial Unit, Development Unit Parcel, or Unsubdivided Land shall constitute notice to all Co-owners. It shall be the obligation of every Member to immediately notify the Secretary of the Association in writing of any change of address. Any person who becomes an Owner and Member following the first day in the calendar month in which said notice is mailed shall be deemed to have been given notice if notice was given to his predecessor in title. The mailing or delivering of a meeting notice as provided in this section shall constitute proper service of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting the purpose of the meeting.

Section 4. Waiver of Notice.

Waiver of notice of a meeting of the Owners shall be deemed the equivalent of proper notice. Any Owner may, in writing, waive notice of any Association meeting, either before or after such meeting. Attendance at a meeting by an Owner, whether in person or represented by proxy, shall be deemed waiver by such Owner of notice of the time, date, and place thereof unless such Owner specifically objects to lack of proper notice at

the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 5. Quorum.

The presence at the beginning of the meeting in person or by proxy of Members entitled to cast more than fifty percent (50%) of the Member vote shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat, or the person initially calling the meeting, shall have power to adjourn the meeting and to call a second meeting subject to the giving of proper notice; and the required quorum at such meeting shall be the presence in person or by proxy of Members entitled to cast twenty five percent (25%) of the total vote of the Membership of the Association. In the event the required quorum is not forthcoming at the second meeting, a third meeting may be called in the same manner as the second meeting subject to the giving of proper notice and there shall be no quorum requirement for such third meeting. This provision shall not apply when the proposed action is the termination or amendment of the Declaration; and the quorum requirement established by Article VIII, Section 3 of said Declaration shall govern in that instance. For the purpose of this section, "proper notice" shall be deemed to be given when notice of such meeting and the general nature of said meeting is given each member not less than thirty (30) days prior to the date of the meeting at which any proposed action is to be considered. Evidence of such notice having been given may consist of an Affidavit of Mailing evidencing that the requisite notice was posted at least thirty (30) days prior to said meeting. Once a quorum is established for a meeting it shall be conclusively presumed to exist until the meeting is adjourned and shall not need to be reestablished throughout the meeting.

Section 6. Proxy.

Any member entitled to vote may do so by written proxy duly executed by the member setting forth the meeting at which the proxy is valid. To be valid, a proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board by personal delivery, U. S. mail, or telefax transmission to any Board member or the property manager. Proxies may be revoked by written notice delivered to the Association or by request in person by the proxy giver at a meeting for which the proxy is given. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 7. Member Action Without a Meeting.

Where specifically provided for in the Declaration or these By-Laws, the Members shall have the power to approve or reject certain actions or proposed actions by a ballot including, without limitation (a) levying a special assessment, (b) borrowing in excess of ten percent (10%) of the projected total of that year's annual assessment, (c) increasing or decreasing the minimum or maximum annual assessment, and (d) merger or consolidation of the Association. In addition, any action that may be taken at an annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter.

Such voting will take place according to the following procedure. The Board shall deliver a ballot to every Member entitled to vote on the matter. The ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting. All solicitations for votes by written ballot shall (a) indicate the number of

responses needed to meet the quorum requirements, (b) state the percentage of approvals necessary to approve each matter other than election of directors, and (c) specify the time by which a ballot must be received by the Association in order to be counted. A written ballot may not be revoked. The Association shall maintain such ballots in its file for at least three (3) years.

Article VII: Board of Directors

Section 1. Number.

A Board of Directors, who must be Members of the Association, shall govern the affairs of this Association. The Board may be composed of either nine (9) or eleven (11) Directors, as determined by the Board. No Director may serve more than two (2) consecutive terms or a total of six (6) consecutive years. The Directors shall be owners of lots or spouses of such owners; provided, however, no owner and his or her spouse may serve on the Board at the same time, and no Co-owners may serve on the Board at the same time.

Section 2. Term of Office.

Those Directors serving on the date these By-Laws are adopted shall remain in office until the term for which they were elected expires. All successor Directors shall be elected for three-year terms and shall hold office until their successors are elected.

Section 3. Removal of Members of the Board.

At any regular or special Association meeting any one or more Board members may be removed with or without cause by a majority of the Association members, and a successor may then and there be elected to fill the vacancy created. Any Director whose removal has been proposed shall be given ten (10) days notice of the calling of the meeting to consider his removal and shall be given an opportunity to be heard at the meeting. However, any Director who has had three consecutive unexcused absences from regularly scheduled Board meetings or is more than thirty (30) days past due in the payment of any assessment may be removed by the vote of a majority of the other Directors.

Section 4. Compensation.

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties upon approval of such expenses by the Board.

Section 5. Nomination.

A Nominating Committee shall make nominations for election to the Board. Candidates for election to the Board shall be solicited from all Members in writing at least one hundred twenty (120) days prior to the annual membership meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board and two or more Members of the Association. The Board prior to each annual meeting of the Members shall appoint the Nominating Committee, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting.

The Nominating Committee shall make as many nominations for election to the Board as it shall, in its discretion, determine, but not less than the number of vacancies that are to be filled. The Committee should consider the length of residency, service to the Plantation, prior experience, education, conflicts of interest, and all other relevant qualifications of the proposed nominees. Nominations may be made only from among Members; and no Member shall be nominated for election to the Board or be permitted to run for election if he is more than thirty (30) days past due in the payment of any assessment. Nominations may also be made by a petition of not less than one hundred (100) Members in good standing with such nominations being submitted to the Secretary of the Board at least 45 days before the announced date of the annual meeting so the names

on the petition can be verified and the name of the individual included on the Ballot. The nominations shall be mailed to the Members at least 30 days prior to the announced date of the annual meeting. If there should be a failure to comply with any time requirements of this Section, which, in the judgment of the Board, was due to unavoidable circumstances, it shall not invalidate the election of Directors who are otherwise nominated in accordance with the provisions of this Section.

Section 6. Election.

Election will be by mail ballot in accordance with Article VI, Section 7 of these By-Laws, and the results will be announced at the annual meeting. The persons receiving the greatest number of votes shall be elected. In the event of a tie, a run-off will be conducted at the annual meeting. That vote will be by written ballot from those in attendance in person or by proxy. The persons receiving the greatest number of votes shall be elected. There shall be no cumulative voting.

Section 7. Vacancies on Board.

If the office of any Director or Directors becomes vacant by reason of death, resignation, retirement, or disqualification, a majority of the remaining members of the Board, though less than a quorum, may choose a successor or successors, who shall hold office for the balance of the unexpired term.

Section 8. Resignation and Disqualification of Directors.

Any Director may resign at any time by sending a written notice of such resignation to the office of the Association, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt thereof by the Secretary. If a Director is no longer a property owner, the transfer of title of his property shall automatically constitute a resignation.

Section 9. Director Conflicts of Interest.

Nothing herein shall prohibit a Director from entering into a contract and being compensated for services or supplies furnished to the Association in a capacity other than as Director, provided that the Director's interest is disclosed to the Board and the contract is approved by a Majority of the Directors who are at a meeting of the Board at which a quorum is present. The interested Director shall not count for purposes of establishing a quorum of the Board nor shall he vote on the matter under consideration. The interested Director shall be entitled to be present at any meeting at which the proposed contract is discussed and to discuss the proposed contract unless requested by any other Director to leave the room during the discussion.

Article VIII: Meetings of Directors

Section 1. Regular Meetings.

Regular meetings of the Board shall be held monthly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the Board shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. Notice shall be given by mail, in person, by telephone, or by facsimile transmission and shall state the date, time, place, and purpose of the meeting.

Section 3. Quorum.

A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Place of Meetings.

Meetings of the Board shall be held on Hilton Head Island, South Carolina, whenever practical. However, this provision is in no way intended to invalidate, in any way whatsoever, meetings held somewhere other than Hilton Head Island, South Carolina, so long as such meetings are proper in all other respects.

Section 5. Action Taken Without a Meeting.

The Directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors. The written approvals shall be filed with the minutes of the Board.

Article IX: Powers & Duties of the Board of Directors

Section 1. Powers and Duties.

The Board shall manage the affairs of the Association and shall have all the powers and duties necessary for the administration of the Property and may do all such acts and things as are not directed by the Declaration, the Articles of Incorporation, or these By-Laws be done and exercised exclusively by the Members. In addition to the duties imposed by these Bylaws, the Board shall have the power to and shall be responsible for the following, in way of explanation, but not limitation:

- (a) preparation and adoption of an annual budget;
- (b) making assessments to defray the Common Expenses and establishing the means and methods of collecting such assessments;
- (c) providing for the operation, care, upkeep, and maintenance of all Common Properties;
- (d) designating, hiring, compensating, and dismissing the personnel necessary for (i) the operation of the Association, (ii) the maintenance, repair, and replacement of the Common Properties and Association property, and (iii) the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth, and using the proceeds to administer the Association;
- (f) making and amending rules and regulations governing the use of the Common Properties, Residential Lots, Multi-family Tracts, Family Dwelling Units, and Restricted Common Properties and imposing sanctions for violation thereof, including reasonable monetary fines;
- (g) opening of bank or other financial accounts on behalf of the Association and designating the signatories required;
- (h) contracting for the making of repairs, additions, improvements, or alterations to the Common property as needed;
- (i) enforcing by legal means the provisions of the Declaration, the Covenants, these Bylaws, including, without limitation, the judicial foreclosure of delinquent assessment liens, and the rules and regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against an Owner or Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, and paying the premium cost thereof;

- (k) paying the costs of all services rendered to the Association or its members and not directly chargeable to specific Owners;
- (l) pay taxes, if any, on Common Properties and facilities;
- (m) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration and causing an annual audit to be performed;
- (n) contracting with any person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Section 2. Management Agent.

The Association may, but shall not be required to, hire a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.

Section 3. Borrowing.

The Board shall have the power to borrow money for the purpose of maintenance, repair, restoration or improvement of the Common Property and facilities without the approval of the members of the Association. The Board shall also be authorized to borrow money for other purposes; provided, however, the total amount of such borrowing does not exceed ten percent (10%) of the income portion of the annual budget. To borrow in excess of ten percent (10%) of the projected total amount of that year's income portion of the annual budget, the Board shall obtain membership approval in accordance with Article VI, Section 7 of the By-Laws.

Section 4. Liability and Indemnification of Officers and Directors.

The Association shall indemnify every Officer and Director against any and all expenses, including attorney fees, reasonably incurred by or imposed upon such Officer or Director in connection with any action, suit, or other proceeding—including settlement of any such action, suit, or proceeding, if approved by the then Board—to which he may be made a party by reason of being or having been an Officer or Director, whether or not such person is an officer or Director at the time such expenses are incurred. He shall not be liable for any mistake of judgment, negligent or otherwise, or for injury or damage caused by any such officer or Director in the performance of his duties, except for his own individual willful misfeasance or malfeasance. The Officers and Directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association except to the extent that such Officers or Directors may also be members of the Association, and the Association shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Officer or Director, or former Officer or Director, may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and, if obtainable, Officers' and Directors' Liability Insurance.

Article X: Officers & Their Duties

Section 1. Officers and Executive Committee.

The Officers of this Association shall be a President, Vice President, a Secretary, a Treasurer, and such other Officers as the Board may, from time to time by resolution create, all of who shall be Members of the Board. The Officers shall comprise the Executive Committee of the Association, whose primary responsibilities shall include assisting in designating how problems and issues are to be addressed, overseeing the work of the General Manager, preparing recommendations on issues for the Board, functioning as the Personnel

Committee for the Board, assuming the duties of the General Manager if necessary, and acting for the Board in emergencies.

Section 2. Election of Officers.

The election of Officers shall take place at the first meeting of the Board following each annual meeting of the Members.

Section 3. Term.

The Officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments.

The Board may elect such other Officer as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal.

The Board may remove any Officer from office. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies.

The Board may fill a vacancy in any office. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices.

The same person may hold the offices of Secretary and Treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties.

The duties of the Officers are as follows:

- (a) President. The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, contracts, and other written instruments; and shall co-sign promissory notes.
- (b) Vice President. The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- (c) Secretary. The Secretary shall be responsible for recording the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses; and perform such other duties as required by the Board. The Secretary may delegate all or a part of the preparation of the minutes and other duties associated with the above responsibilities to a member of the Association's staff.
- (d) Treasurer. The Treasurer shall be responsible for receiving and depositing, or cause to be deposited, in appropriate bank accounts all monies of the Association; shall disburse such funds to pay for

authorized functions approved by the Board; shall co-sign promissory notes of the Association; shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; shall develop proper financial records and supervise maintenance of appropriate books of accounts; and shall prepare an annual budget. The budget shall be distributed to Members; and the audit may be mailed to Members at the discretion of the Board or shall be available at the Association's office during normal business hours for review. The Treasurer may delegate all or part of the above responsibilities to a member of the Association's staff.

Article XI: Committees

Section 1. General.

The Association's Board shall appoint a Nominating Committee as provided in these By-Laws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purpose. All committees of the Association shall comply with the written guidelines established by the Board.

Section 2. Service on Committees.

Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the Members of any committee shall be appointed by the President and shall serve at the pleasure of the Board. All committees of the Association shall comply with the written guidelines established by the Board. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Article XII: Books & Records

A Member may inspect and copy the following records upon written notice at least five (5) business days before the date on which the Member wishes to inspect and copy if (a) the Member's demand is made in good faith and for a proper purpose that is reasonably relevant to the Member's legitimate interest as a Member, (b) the Member describes with reasonable particularity the purpose and that the records the Member desires to inspect are directly connected with this purpose, and (c) the records are to be used only for the stated purpose:

- (a) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Association, minutes of any meeting of the Members, and records of action taken by the Members or the Board without a meeting;
- (b) accounting records of the Association; and
- (c) the membership list only if for a purpose related to the Member's interest as a Member. Without the consent of the Board, a membership list or any part thereof may not be used to solicit money or property (unless such money or property will be used solely to solicit the votes of the Members in an election to be held by the Association), used for any commercial purpose, or sold to or purchased by any person.

The Association may impose a reasonable charge covering the cost of labor and material for copies of any documents provided to the Member.

Article XIII: Rule Making

Section 1. Rules and Regulations.

Subject to the provisions hereof, the Board may establish reasonable rules and regulations consistent with the purposes and provisions of the Declaration and the Covenants concerning the use of Residential Lots, Family Dwelling Units, Multi-Family Tracts, Common Properties, Restricted Common Properties, and the facilities

located thereon. The Association shall furnish copies of such rules and regulations and amendments thereto to all Owners prior to the effective date of such rules and regulations and amendments thereto. Such rules and regulations shall be binding upon the Owners, their families, tenants, guests, invitees, servants, and agents, until and unless any such rule or regulation be specifically overruled, canceled, or modified by the Board or in a regular or special meeting of the Association by the vote of the Owners in accordance with Article VI of the By-Laws.

Article XIV: Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: HILTON HEAD PLANTATION PROPERTY OWNERS' ASSOCIATION, INC., or an appropriate abbreviation thereof.

Article XV: Miscellaneous

Section 1. Amendment.

Members in accordance with Article VI may amend these By-Laws. Any such proposed amendment shall be deemed approved if three fourths (3/4) of the votes cast vote in favor of such proposed amendment, provided that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided in the Declaration.

Section 2. Conflicts.

In the case of any conflict between the Articles of Incorporation of Hilton Head Plantation Property Owners Association and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

Section 4. Gender and Grammar.

Wherever in these By-Laws a pronoun is used in the masculine it shall be read and construed in the feminine as an alternative if applicable or more appropriate; and whether a word is used in the singular or plural it shall be read and construed as whichever would best apply.

Section 5. Robert's Rules of Order.

Any meeting of the Members and/or Board of Directors shall be held in accordance with the then existing current edition of Robert's Rules of Order.

Section 6. Severability.

The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or affect the balance of these By-Laws or the Declaration.

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